

Registered number: 09021722 (England & Wales)

CROMWELL ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

CROMWELL ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Mrs S Hill Mr R Laing Mrs S Maske
Trustees	Mrs S Baldwin, Headteacher and Accounting Officer Mrs N T Tulip (resigned 21 January 2016) Mrs S E Noakes (resigned 30 April 2016) Mrs E V Britton (resigned 14 July 2016) Mr R W Laing, Chair of Trustees Mr T D Sanderson (resigned 16 November 2015) Mr R D Worgan (resigned 8 November 2016) Mrs K Sarkar (resigned 15 June 2016) Mr P C Davis Mr S D S Wood (resigned 21 January 2016) Mr N O'Neill (appointed 13 November 2015) Mr M P Savill (appointed 11 March 2016) Mrs L Blyth (appointed 16 September 2016)
Company Registered Number	09021722
Company Name	Cromwell Academy
Principal and Registered Office	Parkway Huntingdon Cambridgeshire PE29 6JA
Company Secretary	Mrs S Barnard-Mitcham (appointed 14 October 2016)
Senior Leadership Team	Mrs S Baldwin, Headteacher and Accounting Officer Mrs L Blyth, Deputy Headteacher Mrs E Tolhurst, EYFS Teacher
Independent Auditors	Streets Audit LLP Chartered Accountants & Statutory Auditor 3 Wellbrook Court Girton Cambridge CB3 0NA
Bankers	Lloyds Bank plc 99 High Street PE29 3DU
Solicitors	Stone King LLP 30 Station Road Cambridge CB1 2RE

CROMWELL ACADEMY
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The academy trust is a single academy in Cambridgeshire. The academy has a pupil capacity of 210 and currently has a roll of 200.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents, dated 3 April 2014. The Charitable Company is known as the Cromwell Academy.

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

Members' Liability

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

Trustees' Indemnities

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

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 trustees.

A trustee's 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 eight full board of trustees meetings. In addition the Finance, Personnel and Premises Committee met on eight occasions and the Curriculum and Achievement Committee on five occasions.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Organisational Structure

The management structure of the academy has not changed since academy conversion. The structure consists of:

- The members;
- The trustees; 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, the Deputy Headteacher / SENDCo and an EYFS teacher. Spending control is devolved to 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.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The academy recognises its duty to ensure that the pay structure is managed effectively, transparently, fairly and equally within the financial budget constraints. The academy takes note of the recommendations from the Government to make effective use of the pay budget and to focus on the relationship between pay progression and quality of teaching and support functions in the academy. The contents of the policy are subject to review by the board of trustees following approval by the Finance, Personnel & Premises Committee. The determination of salary levels for all posts within the academy are governed overall by the Salary Review Committee (SRC) which is a sub-committee of the board of trustees.

Related Parties and Other Connected Charities and Organisations

There are no subsidiary companies or connected organisations.

Objectives and Activities

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 4 and 11 and to advance for the public benefit education in the United Kingdom.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, Strategies and Activities

The main objectives for the Academy for the year ended 31 August 2016 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.

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.

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 YEAR ENDED 31 AUGUST 2016

Strategic Report

Achievements and Performance including Key Performance Indicators

The academy is at the end of its second 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.

2016 Outcomes:

60% EYFS children achieved GLD.

71% of Year 1 children met the required standard in the phonics screening test.

68% of pupils in Year 2 attained the Expected or above mark, teacher assessed in reading, writing and maths combined.

2 out of the 3 children who retook the phonics screening test in Year 2 met the required standard.

KS1 data is above national and Cambridgeshire in reading and writing.

KS1 were above in maths in Cambridgeshire and just below by 1% nationally.

KS1 Science data is lower than national.

Year 6 children attained the Expected mark in reading, writing and maths (combined). This is just above the expected floor standard of 65%

In reading and maths KS2 data was above National and Cambridgeshire average.

KS2 data in writing is just below National and above Cambridgeshire average.

KS2 data in SPAG is in line with the National and above Cambridgeshire average.

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 Statement of Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Financial Review

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 2016 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 year ending 31 August 2016, the academy incurred expenditure of £1,104,382 and had total incoming resources of £1,084,877.

At 31 August 2016, the net book value of fixed assets was £2,905,580. The assets were used exclusively for providing education to the pupils of the academy.

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 and to identify or forecast any potential shortfall. The trustees have determined the appropriate level of reserves should be £30,000 for the academy. 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.

At the year-end, total free reserves (unrestricted funds) were £82,189. The academy also had restricted funds excluding the pension reserve of £8,880. Therefore, the total balance on restricted general funds excluding pension reserve plus unrestricted funds is £91,069.

The restricted fixed asset fund balance of £2,905,580 can only be realised by disposing of tangible fixed assets.

Investment Policy

The academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. The academy holds funds in a current accounts to provide for day to day operations. Cash flow projections are undertaken on a monthly basis and surpluses can be invested into a higher interest account at Lloyds Bank.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

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.

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 section below. 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 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.

Plans for Future Periods

Insofar as the trustees are aware:

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

The trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 15 December 2016 and signed on the board's behalf by:

Mr R W Laing, Chair of Trustees

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GOVERNANCE STATEMENT

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 Statement of trustees' responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Baldwin, Headteacher and Accounting Officer	8	8
Mrs N T Tulip	1	4
Mrs S E Noakes	5	6
Mrs E V Britton	8	8
Mr R W Laing, Chair of Trustees	7	8
Mr T D Sanderson	0	1
Mr R D Worgan	7	8
Mrs K Sarkar	6	7
Mr P C Davis	8	8
Mr S D S Wood	5	5
Mr N O'Neill	4	7
Mr M P Savill	3	3

A review of the trustees to ensure that there were sufficient skills across the academy's board of trustees was undertaken on conversion. In addition, a governance review was performed in June 2016. This identified a number of areas for improvement. An action plan arising from the review is now being implemented.

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GOVERNANCE STATEMENT (continued)

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.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs S Baldwin, Headteacher and Accounting Officer	10	10
Mrs N T Tulip	0	6
Mrs S E Noakes	6	7
Mrs E V Britton	8	10
Mr T D Sanderson	0	2
Mr R D Worgan	10	10
Mr P C Davis	3	10
Mr S D S Wood	5	6

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the academy 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 academy'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Computing Equipment Touch Screens – 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. The correct procedure for procurement was followed to ensure that we received the product at the best price possible.
- Additional TA Hours – additional TA hours were paid for to support a low attaining pupils 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.
- Outdoor Provision – additional money paid for a range of outdoor provision to ensure good or better standard of learning out of the classroom.

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GOVERNANCE STATEMENT (continued)

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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy 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 year 1 September 2015 to 31 August 2016 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.

During the year there was a restructuring of the finance function. This resulted in contracting out services to The Diamond Learning Partnership Trust as from the 1 December 2015. During the period of transition no formal independent checking of controls was performed. However, since the year end an external firm of accountants has been appointed to perform this role.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- 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 15 December 2016 and signed on their behalf, by:

Mr R W Laing, Chair of Trustees

Mrs S Baldwin, Head Teacher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cromwell Academy I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and EFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA:

- I can confirm that I and the board of trustees are aware that due to a restructuring of the finance function a formal programme of independent checking of controls was not in place during the year, as required by the Academies Financial Handbook. Since the year-end, an external firm of accountants has been appointed and the programme of work has commenced.

Mrs S Baldwin
Accounting Officer

Date: 15 December 2016

CROMWELL ACADEMY
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFADfE 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 15 December 2016 and signed on its behalf by:

Mr R W Laing, Chair of Trustees

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROMWELL ACADEMY**

We have audited the financial statements of Cromwell Academy for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 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 Statement of trustees' responsibilities, 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 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROMWELL ACADEMY**

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 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:

- 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; or
- the trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

3 Wellbrook Court
Girton
Cambridge
CB3 0NA
15 December 2016

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

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

This report is made solely to Cromwell Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cromwell Academy 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 Cromwell Academy and the 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 AUDITORS**

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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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'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 for money; and
- A review of connected party arrangements, transactions and balances.

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

We note, as discussed on page 12, that the academy has had no formal independent checking of controls as required by the Academies Financial Handbook.

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Chartered Accountants & Statutory Auditor

3 Wellbrook Court

Girton

Cambridge

CB3 0NA

15 December 2016

CROMWELL ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Transfer on Conversion	2	-	-	-	-	2,590,347
Other donations and capital grants	2	-	-	2,600	2,600	10,025
Charitable activities	3	63,957	1,010,065	-	1,074,022	1,193,473
Other trading activities	4	8,106	-	-	8,106	8,854
Investments	5	149	-	-	149	190
TOTAL INCOME		72,212	1,010,065	2,600	1,084,877	3,802,889
EXPENDITURE ON:						
Charitable activities		37,146	1,059,934	7,302	1,104,382	1,186,735
TOTAL EXPENDITURE	6	37,146	1,059,934	7,302	1,104,382	1,186,735
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	35,066	(49,869)	(4,702)	(19,505)	2,616,154
		-	(9,580)	9,580	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		35,066	(59,449)	4,878	(19,505)	2,616,154
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(225,000)	-	(225,000)	6,000
NET MOVEMENT IN FUNDS		35,066	(284,449)	4,878	(244,505)	2,622,154
RECONCILIATION OF FUNDS:						
Total funds brought forward		47,123	(325,671)	2,900,702	2,622,154	-
TOTAL FUNDS CARRIED FORWARD		82,189	(610,120)	2,905,580	2,377,649	2,622,154

CROMWELL ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 09021722

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		2,905,580		2,896,000
CURRENT ASSETS					
Debtors	13	17,438		23,612	
Cash at bank and in hand		138,610		120,777	
		<u>156,048</u>		<u>144,389</u>	
CREDITORS: amounts falling due within one year	14	<u>(64,979)</u>		<u>(51,235)</u>	
NET CURRENT ASSETS			<u>91,069</u>		<u>93,154</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	19		<u>(619,000)</u>		<u>(367,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>2,377,649</u>		<u>2,622,154</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	8,880		41,329	
Restricted fixed asset funds	15	2,905,580		2,900,702	
Restricted funds excluding pension liability		<u>2,914,460</u>		<u>2,942,031</u>	
Pension reserve		<u>(619,000)</u>		<u>(367,000)</u>	
Total restricted funds			2,295,460		2,575,031
Unrestricted funds	15		82,189		47,123
TOTAL FUNDS			<u>2,377,649</u>		<u>2,622,154</u>

The financial statements were approved by the trustees, and authorised for issue, on 15 December 2016 and are signed on their behalf, by:

Mr R W Laing, Chair of Trustees

The notes on pages 21 to 38 form part of these financial statements.

CROMWELL ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>24,962</u>	<u>110,942</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		(149)	(190)
Purchase of tangible fixed assets		(9,580)	-
Capital grants from EFA and other sources		<u>2,600</u>	<u>10,025</u>
Net cash (used in)/provided by investing activities		<u>(7,129)</u>	<u>9,835</u>
Change in cash and cash equivalents in the year		17,833	120,777
Cash and cash equivalents brought forward		<u>120,777</u>	-
Cash and cash equivalents carried forward	18	<u><u>138,610</u></u>	<u><u>120,777</u></u>

CROMWELL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cromwell Academy constitutes a public benefit entity as defined by FRS 102.

The academy converted on 1 September 2014. The comparative figures therefore represent a full year of results.

First time adoption of FRS 102

These financial statements are the first financial statements of Cromwell Academy prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cromwell Academy for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

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 the Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency.

CROMWELL ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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.

1.4 Expenditure

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

Charitable activities and Governance costs are costs incurred on the academy's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CROMWELL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed 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)
Furniture and equipment	-	33% Straight Line

1.7 Operating leases

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

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 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.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

CROMWELL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1.14 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 quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

CROMWELL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairment. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

CROMWELL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total 2016 £	Total 2015 £
Transfer on Conversion	-	-	-	-	2,590,347
Capital Grants	-	-	2,600	2,600	10,025
	-	-	2,600	2,600	2,600,372

In 2015, of the total income from donations and capital grants, £31,347 was to unrestricted funds and £2,569,025 was to restricted funds.

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £	Total 2015 £
EFA grants				
General Annual Grant (GAG)	-	766,722	766,722	811,347
Other EFA grants	-	88,474	88,474	115,820
	-	855,196	855,196	927,167
Other government grants				
Local authority grants	-	88,062	88,062	121,980
	-	88,062	88,062	121,980
Other funding				
Other income	63,957	66,807	130,764	144,326
	63,957	66,807	130,764	144,326
	63,957	1,010,065	1,074,022	1,193,473

In 2015, of the total income from charitable activities, £55,232 was to unrestricted funds and £1,138,241 was to restricted funds.

CROMWELL ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £	<i>Total</i> 2015 £
Hire of facilities	6,660	-	6,660	5,886
Fundraising	1,446	-	1,446	2,968
	<u>8,106</u>	<u>-</u>	<u>8,106</u>	<u>8,854</u>

In 2015, of the total income from other trading activities, £8,854 was to unrestricted funds and £nil was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total 2016 £	<i>Total</i> 2015 £
Interest received	149	-	149	190
	<u>149</u>	<u>-</u>	<u>149</u>	<u>190</u>

In 2015, of the total investment income, £190 was to unrestricted funds and £nil was to restricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	<i>Total</i> 2015 £
Educational operations:					
Direct costs	662,897	-	118,009	780,906	847,747
Support costs	127,731	73,725	122,020	323,476	335,988
	<u>790,628</u>	<u>73,725</u>	<u>240,029</u>	<u>1,104,382</u>	<u>1,183,735</u>

In 2016, of the total expenditure, £37,146 (2015 - £48,500) was to unrestricted funds and £1,067,236 (2015 - £1,135,235) was to restricted funds.

CROMWELL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. CHARITABLE ACTIVITIES

	Total 2016 £	<i>Total 2015 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	502,292	542,067
National insurance	36,698	39,182
Pension cost	83,370	108,541
Educational supplies	16,843	15,784
Staff development	6,546	5,702
Technology costs	15,227	15,546
Educational consultancy	4,189	-
Other	115,741	120,925
	<u>780,906</u>	<u>847,747</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	86,115	125,065
National insurance	5,860	-
Pension cost	29,756	23,000
Pension finance cost	14,000	13,000
Maintenance of premises and equipment	32,433	30,486
Cleaning	21,341	19,067
Rent and rates	6,834	6,513
Energy	11,541	12,613
Insurance	12,894	13,271
Catering	84,708	71,772
Other support costs	7,125	-
Governance costs	10,869	24,201
	<u>323,476</u>	<u>338,988</u>
	<u><u>1,104,382</u></u>	<u><u>1,186,735</u></u>

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	<i>2015 £</i>
Auditors' remuneration - audit	3,600	3,250
Auditors' remuneration - other services	1,550	2,150
Operating lease rentals	2,727	2,727
	<u><u>7,877</u></u>	<u><u>8,127</u></u>

CROMWELL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. TRUSTEES' AND OFFICERS' INSURANCE

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

10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	588,407	667,132
Social security costs	42,558	39,182
Operating costs of defined benefit pension schemes	113,126	131,541
	<u>744,091</u>	<u>837,855</u>
Supply teacher costs	40,537	41,252
Staff restructuring costs	6,000	-
	<u><u>790,628</u></u>	<u><u>879,107</u></u>

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

	2016 No.	2015 No.
Teachers	9	10
Administration and support	24	17
	<u>33</u>	<u>27</u>

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

	2016 No.	2015 No.
In the band £70,001 - £80,000	0	1
In the band £90,001 - £100,000	1	0

The above employee participated in the Teachers' Pension Scheme.

Included in staff restructuring costs is one non-statutory / non-contractual severance payment of £6,000.

The key management personnel of the academy comprise the trustees and senior leadership team as listed in the reference and administration details. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy was £135,000 (2015 - £183,000).

CROMWELL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. TRUSTEES' REMUNERATION AND EXPENSES

During the year retirement benefits were accruing to 2 trustees (2015 - 3) 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 Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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 for the period they were trustees was as follows:

		2016 £	2015 £
Mrs S Baldwin	Remuneration	90,000-95,000	70,000-75,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mr B G Wilson	Remuneration	nil	30,000-35,000
	Pension contributions paid	nil	0-5,000
Mrs S E Noakes	Remuneration	15,000-20,000	20,000-25,000
	Pension contributions paid	0-5,000	0-5,000

During the year, no trustees received any benefits in kind (2015 - £NIL).

During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Total £
Cost			
At 1 September 2015	2,896,000	-	2,896,000
Additions	-	9,580	9,580
At 31 August 2016	<u>2,896,000</u>	<u>9,580</u>	<u>2,905,580</u>
Depreciation			
At 1 September 2015 and 31 August 2016	-	-	-
Net book value			
At 31 August 2016	<u>2,896,000</u>	<u>9,580</u>	<u>2,905,580</u>
At 31 August 2015	<u>2,896,000</u>	-	<u>2,896,000</u>

CROMWELL ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS (continued)

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 academy.

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 (2015 - £764,000) which is not depreciated.

13. DEBTORS

	2016 £	2015 £
Trade debtors	3,113	-
VAT recoverable	3,493	12,012
Prepayments and accrued income	10,832	11,600
	17,438	23,612
	17,438	23,612

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	13,112	-
Other taxation and social security	9,110	10,551
Other creditors	13,395	12,134
Accruals and deferred income	29,362	28,550
	64,979	51,235
	64,979	51,235

	2016 £	2015 £
Deferred income		
Deferred income at 1 September	28,268	-
Resources deferred during the year	23,787	28,268
Amounts released from previous years	(28,268)	-
	23,787	28,268
	23,787	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 2017.

CROMWELL ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	47,123	72,212	(37,146)	-	-	82,189
Restricted funds						
General Annual Grant (GAG)	41,329	766,722	(789,591)	(9,580)	-	8,880
Other EFA Grants	-	88,475	(88,475)	-	-	-
Other Government Grants	-	88,061	(88,061)	-	-	-
Other Restricted Funds	-	66,807	(66,807)	-	-	-
Pension Reserve	(367,000)	-	(27,000)	-	(225,000)	(619,000)
	<u>(325,671)</u>	<u>1,010,065</u>	<u>(1,059,934)</u>	<u>(9,580)</u>	<u>(225,000)</u>	<u>(610,120)</u>
Restricted fixed asset funds						
Assets Transferred on Conversion	2,896,000	-	-	-	-	2,896,000
Assets Acquired with GAG	-	-	-	9,580	-	9,580
EFA Capital Grants	4,702	2,600	(7,302)	-	-	-
	<u>2,900,702</u>	<u>2,600</u>	<u>(7,302)</u>	<u>9,580</u>	<u>-</u>	<u>2,905,580</u>
Total restricted funds	<u>2,575,031</u>	<u>1,012,665</u>	<u>(1,067,236)</u>	<u>-</u>	<u>(225,000)</u>	<u>2,295,460</u>
Total of funds	<u><u>2,622,154</u></u>	<u><u>1,084,877</u></u>	<u><u>(1,104,382)</u></u>	<u><u>-</u></u>	<u><u>(225,000)</u></u>	<u><u>2,377,649</u></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 trustees. 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 and local authority grants received for specific purposes.

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15. STATEMENT OF FUNDS (continued)

Other Restricted Funds - 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 the net book value of property transferred to the academy by the local authority upon conversion.

Assets Acquired with GAG - represents the net book value of assets acquired with GAG funding.

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 2016.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Tangible fixed assets	-	-	2,905,580	2,905,580	2,896,000
Current assets	82,189	73,859	-	156,048	144,389
Creditors due within one year	-	(64,979)	-	(64,979)	(51,235)
Provisions for liabilities and charges	-	(619,000)	-	(619,000)	(367,000)
	<u>82,189</u>	<u>(610,120)</u>	<u>2,905,580</u>	<u>2,377,649</u>	<u>2,622,154</u>

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17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(19,505)	2,616,154
Adjustment for:		
Dividends, interest and rents from investments	149	190
Decrease/(increase) in debtors	6,174	(23,611)
Increase in creditors	13,744	51,235
Capital grants from EFA and other capital income	(2,600)	(10,025)
Defined benefit pension scheme cost less contributions payable	13,000	23,000
Defined benefit pension scheme finance cost	14,000	13,000
Net (loss) on assets and liabilities from local authority on conversion	-	(2,590,347)
Cash transferred on conversion to an academy	-	31,346
Net cash provided by operating activities	24,962	110,942

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	138,610	120,777
Total	138,610	120,777

19. 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 Multi-employer defined benefit pension schemes.

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 £13,373 were payable to the schemes at 31 August 2016 (2015 - £12,134) 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.

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19. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £49,000 (2015 - £49,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £64,000 (2015 - £76,000), of which employer's contributions totalled £51,000 (2015 - £59,000) and employees' contributions totalled £13,000 (2015 - £17,000). The agreed contribution rates for future years are 22% for employers and 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.

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19. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.5	22.5
Females	24.5	24.5
Retiring in 20 years		
Males	24.4	24.4
Females	26.9	26.9

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	227,000	143,000
Debt instruments	45,000	29,000
Property	21,000	16,000
Cash	9,000	6,000
Total market value of assets	<u>302,000</u>	<u>194,000</u>

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(64,000)	(82,000)
Net interest cost	(14,000)	(13,000)
Total	<u>(78,000)</u>	<u>(95,000)</u>
Actual return on scheme assets	<u>44,000</u>	<u>2,000</u>

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19. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	561,000	-
Upon conversion	-	453,000
Current service cost	64,000	82,000
Interest cost	23,000	19,000
Contributions by employees	13,000	17,000
Changes in financial assumptions	260,000	(10,000)
	<u>921,000</u>	<u>561,000</u>
Closing defined benefit obligation	<u>921,000</u>	<u>561,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	194,000	-
Upon conversion	-	116,000
Interest income	9,000	6,000
Return on plan assets (excluding net interest)	35,000	(4,000)
Contributions by employer	51,000	59,000
Contributions by employees	13,000	17,000
	<u>302,000</u>	<u>194,000</u>
Closing fair value of scheme assets	<u>302,000</u>	<u>194,000</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	1,364	-
Between 1 and 5 years	-	2,727
	<u>1,364</u>	<u>2,727</u>
Total	<u>1,364</u>	<u>2,727</u>

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21. 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 the academy 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.

Relatives of Trustees:

The following disclosure details remuneration paid to individuals who were, or continue to be, employed by the academy and are family members of the trustees. The trustees confirm that all individuals were fairly recruited and their performance has been managed in the normal way; their employment is considered to be of benefit to the academy.

Trustee	Relationship	Annual Salary Banding	Pension
Mrs S Baldwin	Brother-in-Law	£20,000 - £25,000	LGPS
Mrs S Baldwin	Sister	£20,000 - £25,000	None
Mr P C Davis	Spouse	£10,000 - £15,000	LGPS

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. FIRST TIME ADOPTION OF FRS 102

It is the first year that the academy has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 May 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.