

Company Registration No. 07687709 (England and Wales)

CRANMER EDUCATION TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

CRANMER EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

- Oldham, Henshaw and Church of England Education Trust (Henshaw Trust)
- Chair of Board of Trustees
- Area Dean, Oldham West Deanery
- Manchester Diocesan Board of Education

represented by J Daubney (Appointed 7 February 2017)

represented by J Gregory

represented by Reverend D Penny

represented by Canon M Smith

Trustees

J A Hollis (Headteacher and Accounting Officer, Chief Executive Officer of Cranmer Education Trust)

T Mitchell (Chair of Audit Committee)

E Moores

M Tomlinson

J Gregory (Chair of Trust Board)

R Hawkins

H Gloster

P Winter (Appointed 12 July 2017)

Senior management team

- Chief Executive Officer
- Director of Business & Resource
- Principal Finance Officer
- Principal HR Officer
- IT Manager
- Data Manager

J Hollis

M Duncan

B Harper

C Kearns

C Hawes

M Walker

Company registration number

07687709 (England and Wales)

Principal and Registered office

Cranmer Education Trust
The Blue Coat School
Egerton Street
Oldham
OL1 3SQ

Academies operated

Mayfield Primary School
East Crompton St George's CofE Primary School
The Blue Coat School

Location

Mayfield Road, Oldham, OL1 4LG
George Street, Shaw, Oldham, OL2 8AX
Egerton Street, Oldham, OL1 3SQ

Principal

M Couper-Barton
C Poll
J A Hollis

Independent auditor

RSM UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

Bankers

Lloyds Bank PLC
Church Street
Blackburn
BB2 1JQ

CRANMER EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Hill Dickinson LLP
1 St. Paul's Square
Old Hall Street
Liverpool
L3 9SJ

CRANMER EDUCATION TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year from 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Cranmer Education Trust is a Multi Academy Trust which offers a broad and balanced curriculum in accordance with the tenets of the Church of England. During the period, the Trust operated one secondary and two primary academies.

The secondary academy is The Blue Coat C of E School for pupils aged 11 to 18 serving a wide catchment area across North East Manchester.

The two primary academies are East Crompton St George C of E Primary School for pupils aged 4-11 with a local catchment area in Shaw which joined the Trust on 1 September 2015 and Mayfield Primary School for pupils aged 3-11 situated in the Derker area of Oldham which joined the Trust on 1 January 2016.

The Trust's academies have a combined pupil capacity of 2,049 and had a roll of 2,049 in the school census of January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Cranmer Education Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Cranmer Education Trust are also the Directors of the charitable company for the purposes of company law. The charitable company changed its name from The Blue Coat School to Cranmer Education Trust on 1 May 2015 when the company converted to multi academy trust status.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Trust has purchased insurance cover of up to £25,000,000 on any one claim to protect trustees and officers from negligent acts, errors or omissions occurring whilst on Trust business.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of Trustees

All members of the Trust Board are appointed and/or elected in accordance with the Articles of Association.

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

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

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

Policies and procedures adopted for the induction and training of Trustees

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

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

- training for Directors in relation to their specific areas of oversight within the Trust,
- updates from the Diocesan Board of Education on the responsibilities of Directors and Members of Multi-Academy Trusts with a religious character
- training for Directors on their financial responsibilities, provided by an independent body
- training for Directors on their legal responsibilities and accountabilities as trustees, provided by an independent body, and prior to reviewing the Scheme of Delegation

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

Cranmer Education Trust currently operates a management structure of four levels: the Trust Board (including Audit Committee), local governance, the Principals of each Academy (and the Academy Senior Leadership Team), and the Executive Team of the Trust. The aim of the management structure is to devolve appropriate levels of responsibility to ensure responsive, high quality provision in all our schools. The management structure is set out in to trust documents, the Scheme of Delegation and Financial Responsibilities Key.

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

The Trust Board has established Local Governing Bodies (LGB) in each academy of the Trust which receive delegated authority from the Trust Board to monitor and advise the Trust Board in relation to the functioning of the Academy under the remit of curriculum policy, safeguarding policy, admissions procedure, establishing and monitoring local financial performance, compliance with Trust systems and procedures, appointments below principal level, monitoring and evaluating outcomes for pupils, estate maintenance and health and safety.

The principal of The Blue Coat School for 2016-17 is also the Chief Executive and Accounting officer.

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

Arrangements for setting pay and remuneration of key management personnel

Factors considered in determining the pay and remuneration of key management personnel include the skills required (qualifications and experience), responsibility levels and autonomy. For new posts, benchmarking exercises and research is carried out so that the salaries paid are compatible with other similar posts outside the Trust. Posts within the Trust that have similar requirements are paid at comparable rates. The Trust also ensures that salaries are in line with market requirements as far as possible so that the best staff are recruited and retained and staff are well motivated.

Related parties and co-operation with other organisations

The Trust is partnered with Christ Church CofE Primary School which is a Voluntary-Aided primary school for girls and boys from 4 to 11 and with Liverpool Hope University in the provision of School Direct for Initial Teacher Education.

The Blue Coat School was designated a National Teaching School and a National Support School in 2013 and as such has established an Alliance (The Northern Alliance) of sixteen schools/colleges, from all phases and from 6 Local Authority areas to promote the professional development of staff so as to improve provision and outcomes for young people. During the current period the Alliance has trained 29 teachers. The Alliance has also provided school to school support through its network of Specialist Leaders of Education, run two significant projects for the Local Authority in relation to Teaching Leaders and Subject Networks and is now strategic partner of Ambition School Leadership enabling the Alliance to provide National Leadership programmes in 2018.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and co-operation with other organisations (continued)

From 1 September 2017 the Trust will become a designated centre for School Centered Initial Teacher Training (SCITT) under the trading name Manchester Nexus SCITT with full responsibility for the recruitment, training and assessing of the SCITT teacher training programme with Liverpool Hope University providing the PGCE element of the course – 41 students will be joining the SCITT programme for 17-18.

From 1 September 2017 the Trust, through the CEO, will become a strategic partner of North-West 1, the North West Maths hub, and will facilitate a secondary maths network and a primary research group to support the introduction of Singapore Maths into both the Trust primaries, and primaries across the area.

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

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

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

Objectives, Strategies and Activities - Achievements and Performance

Please see tables on pages 7-20.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives 2016-2017		Strategies/Activities 2016-2017		Achievements and Performance	
TRUST		TRUST		TRUST	
1.	Develop sustainable growth strategy for CET	1.	<p>1) Capacity: separation of role of CEO and Headteacher at Blue Coat.</p> <p>2) Strengthen capacity of Trust Board particularly the financial oversight, safeguarding, educational expertise at both primary and secondary levels.</p> <p>3) Submission for secondary Free School in Round 13 (March 2017) to open 2019 based on Basic Need, Educational Need, Social Need.</p> <p>4) Creation of metrics to enable Board to understand performance of schools at top level.</p>	1.	<ul style="list-style-type: none"> • Achieved from 01/09/2017 i. Successful appointment of Mr P Winter as Foundation Director. Extensive business background at senior level. ii. Trustee for safeguarding lead identified. Unable to join Board as yet. iii. Educational leads identified but both withdrew because of personal/professional pressures. i. Submission prepared; reviewed by New Schools Network. ii. Website created and public engagement commenced, with significant local interest. iii. Unable to submit due to DFE suspension of Round 13 and no subsequent programme for Free Schools in autumn 2017. Contact maintained with key stakeholders. i. Achieved for main educational performance indicators, to reflect 3 year trend re attainment and progress, and in-year termly monitoring data (half-termly for more vulnerable school). ii. Work continuing on other educational and operational KPIs.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives 2016-2017		Strategies/Activities 2016-2017		Achievements and Performance	
TRUST		TRUST		TRUST	
1.	Develop sustainable growth strategy for CET (continued)	1	<p>5) Review of central retention following first operational year and based on actual costs.</p> <p>6) Review Scheme of Delegation.</p> <p>7) Business Plan for Trust to provide framework for sustainable growth.</p> <p>8) Trust policies.</p>	1	<p>1. Income of £303,783 to be received from the Academies for 17-18 to cover central costs at a % of GAG of 2.4% for Blue Coat and 5.25 % for the primaries resulting in a central retention estimated of £1,291. Central reserves are also budgeted to receive the apprenticeship levy income from HMRC of £14,544 giving total budgeted central reserves for 17-18 of £15k</p> <ul style="list-style-type: none"> • Held over to 2017-18 following suspension of 2 LGBs and institution of management boards to support and challenge school leadership. • To be completed by December 2017. • JCNC established. • HR and Pay policies approved. • Policy suite 75% complete - on website
2.	Secure educational improvement of primary partners	2.	<p><u>1. Leadership ambition and capacity</u></p> <p>1.1 Stabilize leadership in both schools</p> <p>1.2 Leadership training and development; secured Regional Academy Growth Fund to support new/inexperienced Headteachers</p> <p>1.3 Investment in broader leadership capacity through Ambition School Leadership.</p>	2.	<p>1.1 Appointment of new Headteacher at Mayfield for January 2017; management of Headteacher leave/absence at ECStG through 2017 with recruitment schedule in place for 2018.</p> <p>1.2 Ongoing: investment in both new Headteacher and Acting Headteacher throughout 2017 focused on leadership of accurate school self-evaluation and school improvement. Full evaluation/review commissioned by HMI January-February 2018.</p> <p>1.3 Ongoing (a 2 year investment); 5 staff involved, but 1 withdrew and 1 left.</p>

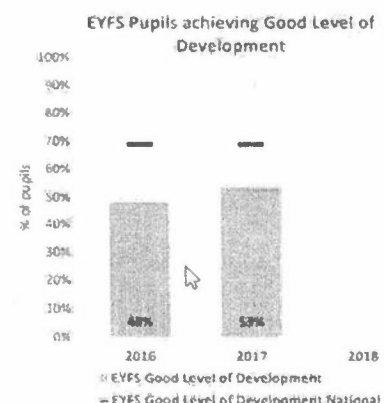
CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives 2016-2017		Strategies/Activities 2016-2017		Achievements and Performance	
TRUST		TRUST		TRUST	
2.	Secure educational improvement of primary partners (continued)	2	<p><u>2. Achievement and progress of pupils</u></p> <p>2.1 Central budget-setting based on national expectations for (Age Related Expectations) ARE and Key Stage 1 data to ensure secondary readiness and positive progress for both schools.</p> <p>2.2 Single tracking and monitoring system for MAT.</p> <p>3. <u>Strengthening governance</u></p> <p>3.1 To support new Headteacher at Mayfield: institution of Independent Management Board autumn 2016 chaired by Trust Director.</p> <p>3.2 To support Acting Headteacher at ECStG following 2017 KS2 outcomes.</p> <p>4. <u>Development of subject pedagogy (especially re maths) and curriculum breadth</u></p> <p>4.1 Investment in Singapore Maths.</p> <p>4.2 Thematic project: Light: summer term 2017</p>	2	<p>2.1 Central target setting achieved and implemented.</p> <p>2.2 Both schools have Target Tracker from September 2017. MAT monitors termly.</p> <p>3.1 Single focus on provision for pupils and their engagement and progress: SIP and consultant monitoring reflect improving quality of teaching and quality of children's learning as seen in lessons and in books. School will return to local governance via a local committee with elected staff and parent membership in November 2017.</p> <p>3.2 Instituted September 2017 and ongoing.</p> <p>4.1 Appointment of maths lead for Trust primaries who also meets requirements to train as a maths mastery lead. Based at Mayfield. Training commenced through NWI partnership.</p> <p>4.2.1 Launched in collaboration with specialist staff from secondary (science, geography, RS, Art)</p>

CRANMER EDUCATION TRUST

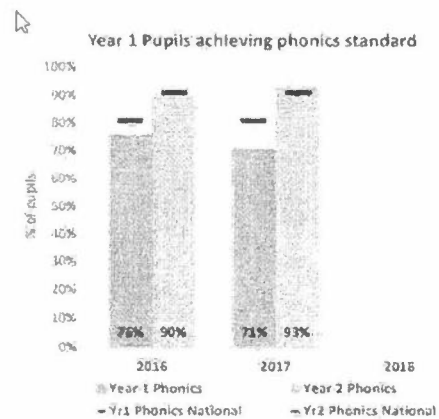
TRUSTEES' REPORT (CONTINUED)

Objectives 2016-2017		Strategies/Activities 2016-2017		Achievements and Performance																						
TRUST		TRUST		TRUST																						
2.	Secure educational improvement of primary partners (continued)	2	4.3 Review of primary science curriculum to support/train primary leads on curriculum knowledge, subject pedagogy, skills development, engagement and active learning.	2	4.2.2 Successfully supported clear mission statements for both schools 4.2.3 Foundations in place for further collaborative curriculum planning 2017-18. 4.3 Ongoing 2017-18. Importance of leadership stability and monitoring for improvement to 'stick'. OUTCOMES 2017 <u>Mayfield: outcomes and progress show improvement</u> 1. Pupils start at lower levels of development, though an improvement in 2017																					
				<div><p>EYFS Pupils achieving Good Level of Development</p><table><thead><tr><th></th><th colspan="2">2016</th><th colspan="2">2017</th><th colspan="2">2018</th></tr><tr><th></th><th>School</th><th>National</th><th>School</th><th>National</th><th>School</th><th>National</th></tr></thead><tbody><tr><td>% achieving a Good Level of Development (GLD)</td><td>48%</td><td>69%</td><td>53%</td><td>69%</td><td></td><td></td></tr></tbody></table></div>			2016		2017		2018			School	National	School	National	School	National	% achieving a Good Level of Development (GLD)	48%	69%	53%	69%		
	2016		2017		2018																					
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CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

2. In 2017 school was above national for pupils achieving phonics standards by end of Year 2 – an improvement on 2016.

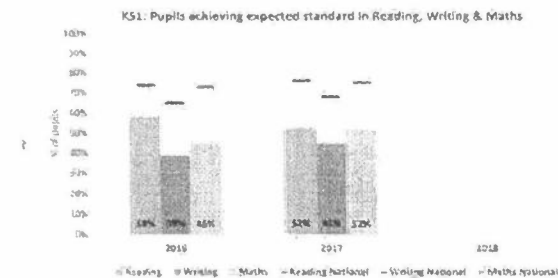


KEY STAGE 1: YEAR 1 PHONICS	2016		2017		2018	
	School	National	School	National	School	National
% achieving Phonics standard in Year 1	76%	81%	71%	81%		
% achieving Phonics standard by end of Year 2	90%	91%	93%	91%		

CRANMER EDUCATION TRUST

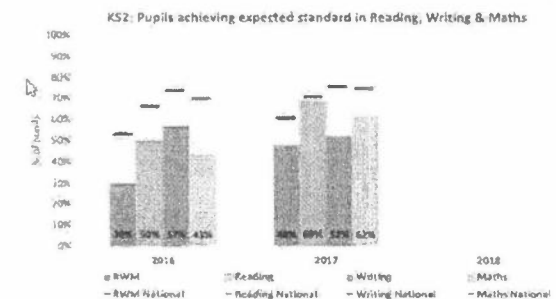
TRUSTEES' REPORT (CONTINUED)

3. Pupils' achievement at KS1 remains well below national though maths and writing improved in 2017.



KEY STAGE 1 EXPECTED STANDARDS (ATTAINMENT)	2016		2017		2018	
	School	National	School	National	School	National
% of pupils meeting expected standard in Reading	38%	74%	52%	75%		
% of pupils meeting expected standard in Writing	38%	65%	42%	68%		
% of pupils meeting expected standard in Maths	45%	73%	52%	75%		

4. Although percentage of pupils attaining age-related expectations at KS2 were below national, there was an improvement in reading and maths.



KEY STAGE 2 EXPECTED STANDARDS (ATTAINMENT)	2016		2017		2018	
	School	National	School	National	School	National
% of pupils meeting expected standard in R, W & M	30%	53%	48%	61%		
% of pupils meeting expected standard in Reading	30%	66%	50%	71%		
% of pupils meeting expected standard in Writing	50%	74%	52%	76%		
% of pupils meeting expected standard in Maths	43%	70%	52%	75%		

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

5. Progress measures from KS1-KS2 also improved in reading and maths.

KS2: Value Added progress in Reading, Writing & Maths

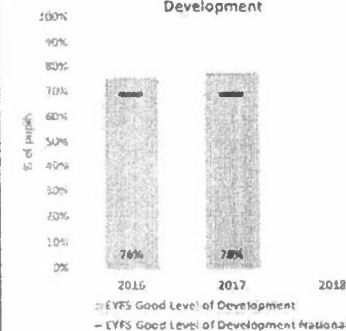


KEY STAGE 2 PROGRESS	2016	2017	2018
	School score	School score	School score
KS1-KS2 progress score in Reading	0.5	1.7	
KS1-KS2 progress score in Writing	2.1	-1.4	
KS1-KS2 progress score in Maths	1.0	1.6	

ECStG: outcomes were below national but progress at KS2 improved

1. Pupils start at higher levels of development than nationally

EYFS Pupils achieving Good Level of Development

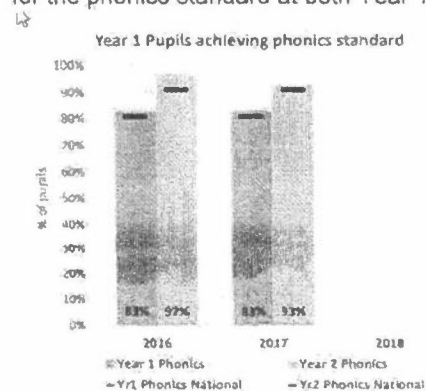


EARLY YEARS FOUNDATION STAGE PROFILE	2016		2017		2018	
	School	National	School	National	School	National
% achieving a Good Level of Development (GLD)	76%	68%	76%	69%		

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

2. In both 2016 and 2017 pupils achieved above national averages for the phonics standard at both Year 1 and Year 2.

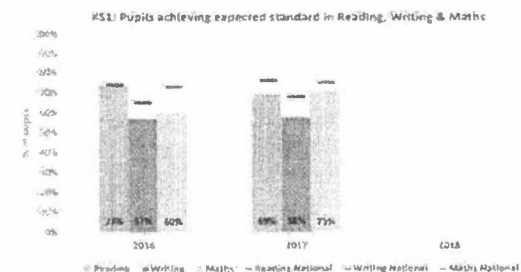


KEY STAGE 1: YEAR 1 PHONICS	2016		2017		2018	
	School	National	School	National	School	National
% achieving Phonics standard in Year 1	83%	81%	83%	81%		
% achieving Phonics standard by end of Year 2	97%	92%	93%	91%		

CRANMER EDUCATION TRUST

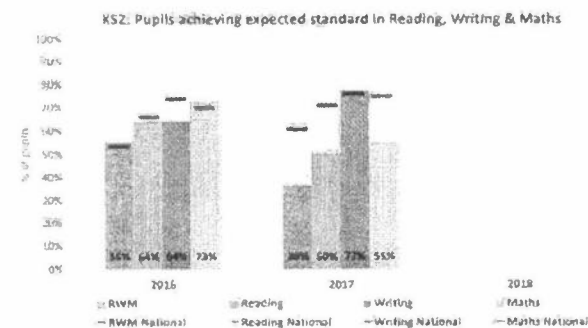
TRUSTEES' REPORT (CONTINUED)

3. Writing and Maths improved at KS1 (teacher assessment)



KS1 STAGE 1 EXPECTED STANDARDS (ATTAINMENT)	2016		2017		2018	
	School	National	School	National	School	National
% of pupils meeting expected standard in Reading	73%	74%	69%	76%	73%	74%
% of pupils meeting expected standard in Writing	57%	65%	55%	68%	57%	65%
% of pupils meeting expected standard in Maths	60%	73%	73%	75%	60%	73%

4. KS2 outcomes were well below national and school predictions for reading and maths.

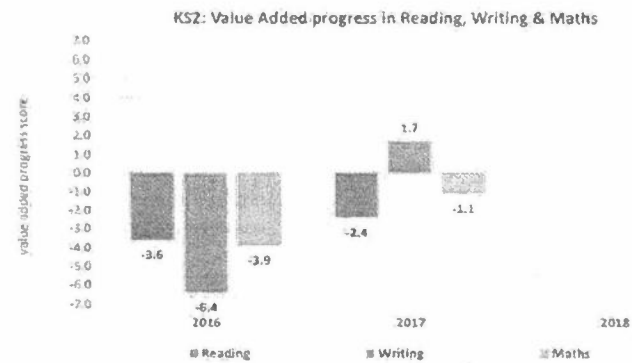


KEY STAGE 2 EXPECTED STANDARDS (ATTAINMENT)	2016		2017		2018	
	School	National	School	National	School	National
% of pupils meeting expected standard in R, W & M	55%	53%	36%	61%	55%	53%
% of pupils meeting expected standard in Reading	64%	66%	50%	72%	64%	66%
% of pupils meeting expected standard in Writing	64%	74%	77%	76%	64%	74%
% of pupils meeting expected standard in Maths	73%	70%	55%	75%	73%	70%

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

5. Progress measures for writing and maths improved on 2016 but remain negative.



KEY STAGE 2 PROGRESS	2016	2017	2018
	School score	School score	School score
KS1-KS2 progress score in Reading	-3.6	-2.4	
KS1-KS2 progress score in Writing	-6.4	1.7	
KS1-KS2 progress score in Maths	-3.9	-1.1	

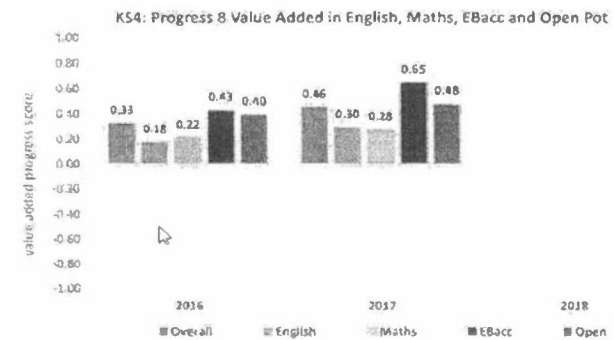
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TRUSTEES' REPORT (CONTINUED)

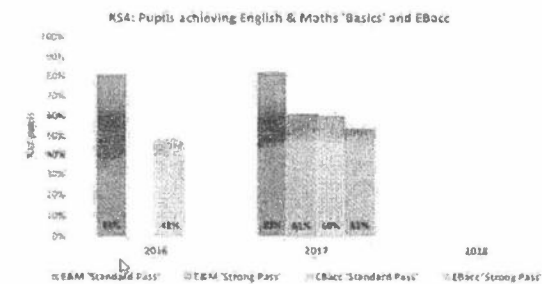
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3.	Secondary: target top 20% nationally for Progress 8, positive VA at A-level.	3.		3.	<table><tr><td colspan="3">OUTCOMES</td></tr><tr><td colspan="3">School is with top 20% nationally for progress of all pupils KS4.</td></tr><tr><td>1</td><td>Progress 8</td><td>+0.46 0.5</td><td colspan="2">Above average – top 30% Well above average – top 12%</td></tr><tr><td>2</td><td>Attainment 8</td><td>56.4</td><td colspan="2">England Average: 44.2%</td></tr><tr><td>3</td><td>Grade 5+ in English and Maths:</td><td>61%</td><td colspan="2">England Average: 39.1%</td></tr><tr><td>4</td><td>Achieving EBacc at 5/C+:</td><td>53%</td><td colspan="2">England Average: 19.5%</td></tr><tr><td>5</td><td>Staying in education/entering employment:</td><td>99%</td><td colspan="2">England Average: 94%</td></tr><tr><td>6</td><td>Achieving Grade 4+ in English and Maths:</td><td>82%</td><td colspan="2">England Average: 63.3%</td></tr><tr><td>7</td><td>Achieving EBacc at 4/C+:</td><td>61%</td><td colspan="2">England Average: 23.5%</td></tr><tr><td>8</td><td colspan="2">A-Level APS for Best 3 A levels: 38.08% L3VA: target 0.2 Outcome: A level VA and Academic VA: +0.11* GCE A level: +0.20** *Reflects VA including dropped AS subjects for students who began on 4 and reduced to 3 **Reflects VA without dropped AS subjects – i.e. the 3 subjects the students took to full qualification.</td><td colspan="2">England Average: 33.8%</td></tr></table>	OUTCOMES			School is with top 20% nationally for progress of all pupils KS4.			1	Progress 8	+0.46 0.5	Above average – top 30% Well above average – top 12%		2	Attainment 8	56.4	England Average: 44.2%		3	Grade 5+ in English and Maths:	61%	England Average: 39.1%		4	Achieving EBacc at 5/C+:	53%	England Average: 19.5%		5	Staying in education/entering employment:	99%	England Average: 94%		6	Achieving Grade 4+ in English and Maths:	82%	England Average: 63.3%		7	Achieving EBacc at 4/C+:	61%	England Average: 23.5%		8	A-Level APS for Best 3 A levels: 38.08% L3VA: target 0.2 Outcome: A level VA and Academic VA: +0.11* GCE A level: +0.20** *Reflects VA including dropped AS subjects for students who began on 4 and reduced to 3 **Reflects VA without dropped AS subjects – i.e. the 3 subjects the students took to full qualification.		England Average: 33.8%	
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CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)



KEY STAGE & PROGRESS	2016	2017	2018
KS2-KS4 Progress 8 score: Overall	School score: 0.33	School score: 0.46	School score:
KS2-KS4 Progress 8 score: English	0.18	0.30	
KS2-KS4 Progress 8 score: Maths	0.22	0.28	
KS2-KS4 Progress 8 score: EBacc	0.43	0.65	
KS2-KS4 Progress 8 score: Open Pot	0.40	0.48	



KEY STAGE 4: ATTAINMENT	2016	2017	2018
% achieving 'Standard Pass' in Eng. & Mat.	School: 81%, National: 63%	School: 82%, National: 67%	School: , National:
% achieving 'Strong Pass' in Eng. & Mat.	N/A	N/A	61%, 42%
% achieving 'Standard Pass' in EBacc	88%	25%, 60%	78%
% achieving 'Strong Pass' in EBacc	N/A	N/A	53%, 23%

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

KSS: Average points for a student's best 3 A levels

	2016		2017		2018	
KEY STAGE 5: ATTAINMENT	School	National	School	National	School	National
Average points for Best 3 A Levels	38.77	33.80	38.08	33.80	39.80	33.80

■ APS for Best 3 A Levels — APS for Best 3 A Levels National

	2016		2017		2018	
KEY STAGE 5: ATTAINMENT	School	National	School	National	School	National
Average points for Best 3 A Levels	38.77	33.80	38.08	33.80	39.80	33.80

KSS Progress: Level 3 Value Added - A Level Performance

	2016	2017	2018
KEY STAGE 5 PROGRESS	School score	School score	School score
Level 3 Value Added: A Level	-0.07	0.11	0.11

■ A Level performance (progress)

	2016	2017	2018
KEY STAGE 5 PROGRESS	School score	School score	School score
Level 3 Value Added: A Level	-0.07	0.11	0.11

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives 2016-2017		Strategies/Activities 2016-2017		Achievements and Performance	
TRUST		TRUST		TRUST	
4	Establish Manchester Nexus SCITT provision to build on School Direct and enable the Trust to become a national ITE provider.	4	i. Business plan in place. Recruitment target: 48, including 9 primary ii. Systems and quality	4	i. Manchester Nexus approved by DFE Sept 2016. ii. Marketing strategy in place, website and materials. 44 recruited, 41 commenced, including 6 primary in September 2017. <ul style="list-style-type: none"> Paragon built to provide timely management information of trainee progress and training provision. Professional studies programme developed for both secondary and primary. Successful recruitment of mentors in partner schools and their training. External quality assurance planned. Full-time administrator appointed.
5	Strengthen distinctive Christian ethos of the Trust. Strengthen the distinctive Christian character of the Trust whilst ensuring the Trust serves all communities:	5	I. Verse for the year: Matthew 5, 14-16 "You are the light that gives light to the world" II. "A space to challenge, to question and to discover meaning" – prioritization of inquiry within RS and collective worship to influence spiritual development and enable students to develop an informed spiritual identity.	5	i. <ul style="list-style-type: none"> 'Light' and the challenge to 'be the light' provided the consistent theme for worship throughout the year at Blue Coat 'Light' adopted by ECStG as mission statement. 'Light' theme underpinned collaborative curriculum development summer 2017, engaging all pupils in our primaries, and generating excitement, learning and display. ii. Evaluation published in "Lessons in Spiritual Development – learning from Leading Christian Ethos Secondary Schools"; Casson, Cooling and Francis, Church House Publishing 2017.
6	Strengthen distinctive Christian ethos of the Trust (continued)	6	III. External evaluation	6	III. SIAMS: Blue Coat: Outstanding 23-24 November 2016 ECSt George's: Outstanding 25 November 2016

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Public benefit

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

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

Equal Opportunities and employee consultation

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

The Trust has entered into a Trade Union Recognition Agreement and established a Joint Consultation and Negotiation Committee with clear terms of reference, at which all the recognised unions are represented. Policies consulted on at the JCNC 2016-17 include:

- Teachers' Pay Policy 2016-17
- Maternity, Paternity, Adoption and Ordinary Parental Leave Policy
- Special Leave Policy
- Improving Attendance Policy
- Support Staff Appraisal Policy
- Teacher Appraisal Policy
- Staff Discipline Policy
- Probation Periods
- Annual Leave Policy
- No Smoking Policy

Policies for consultation 2017-18 include:

- Teacher's Pay Policy 2017-18
- Bullying and Harassment Policy
- Grievance Policy
- Flexible Working Policy

Disabled persons

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

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and Performance – see objectives, strategies and activities

Key Financial Performance Indicators

Performance in Pupil achievement and progress across the Trust is included in objectives, strategies and activities section on pages 7-20

In relation to financial performance

- Maintenance of reserves – to ensure that the Trust retains sufficient unrestricted reserves to cover £200k of any emergency capital maintenance work, £200k as protection for future changes in funding and at least two months of Trust salary costs £1,381k. Unrestricted reserves carried forward at 31 August 2017 total £1,895k
- Annual staff costs benchmarking – to ensure that staff costs remain within benchmarked national limits from the academy sector report. Report for 15-16 shows the following averages
Staff costs % as total costs – average 71.8% - The Trust % for 16-17 is 68.75 %
Teaching staff to pupil ratio – average 17.9 – The Trust ratio for 16-17 is 18
- To achieve an annual operating surplus pre depreciation, capital grants and FRS 102 pension adjustments – net surplus for 16-17 has been achieved of £253k
- To pursue and increase year on year alternative sources of revenue funding contributing to income received from educational operations – Level of alternative income sources has increased over the last four years– see table below

Income	2016-17 £,000	2015-16 £'000	2014-15 £,000	2013-14 £'000
Donations excluding capital grants	44	42	88	38
Other trading activities excluding MAT set up grants £48k, (2015 £31k) balances transferred in on conversion £105k	1,278	1,021	883	777
Investment income	2	3	3	3
Total income alternative sources	1,324	1,066	974	818
Funding from educational operations	10,233	9,636	7,972	7,744
Total income for comparison purposes	11,557	10,702	8,946	8,562
Alternative source income as percentage of total income for comparison purposes	11.5%	10.0%	10.9%	9.5%

Going Concern

The Trust has received details of 2017/18 Department of Education funding and made assessment of the impact of potential changes and risk areas. Whilst uncertainties remain, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Revenue

The Trust has experienced changes in core funding in this period particularly by the inclusion of funding for a full year for Mayfield Primary School which joined the Trust in January of the previous academic year and a grant from the Regional Academy Growth fund (£51,000).

During the period ending 31 August 2017, total income excluding capital grants and for 15-16 balances transferred on conversion was £11,557,000 (2016 £10,854,000) and total operational expenditure before depreciation of £746,000 (2016 £704,000) was £11,663,000 (2016 £10,807,000) resulting in an operating loss before depreciation, other gains and losses, but after FRS 102 defined benefit pension adjustments and for 15-16, income transfers on conversion of £106,000 (2016 surplus £47,000).

Capital

Devolved Capital Grants of £51,000 (2016 £44,000) were received and used to fund capital assets alongside £11k capital funds unused from 2015-16. Funds from other restricted reserves of £180,000 (2016 £276,000) were also utilised towards payments for the acquisition of capital assets. Capital funding of £25,000 (2016 £36,000) has been carried forward unutilised this period being the devolved capital funding for the primaries for 15-16 of £4,000 and the remainder of the primaries capital balances transferred in from the Diocese and the Local Authority of £21,000.

Following the unsuccessful bid and appeal for CIF funding, the expenditure by the Trust on the designs and planning for these bids of £64,000 that had been capitalised last year has been released to the SOFA as a write off in full of these assets.

Reserves policy

The Trust has maximised reserves to provide a buffer for any funding cash flow delays, protection for future changes in funding and for capital estate investment/maintenance requirements as stated in the Key Performance Indicator section of the Trustees report.

Restricted general reserves total £nil (2016 £nil) excluding the Trust's pension deficit of £3,076,000 (2016 £4,080,000). However the presence of a pension deficit does not mean that an immediate liability crystallises, as any such pension deficit arising through the triennial valuation of the scheme will be managed through increased future pension contribution rates. The contribution rates until the next valuation in March 2019 have been incorporated into cash flow models. In Note 24, the Department of Education has guaranteed that in the event of Trust closure, any outstanding Local Government pension liability will be met by the Department. During the year £180,000 of restricted general funds were transferred to fixed asset reserves to be utilised on capital acquisitions. Future capital acquisitions will be assessed as to whether these can be met by restricted general funds in the period, or will be met from unrestricted funds.

The value of unrestricted reserves is £1,895,000 (2014 £1,822,000). These are freely available for general purposes and will be allocated in line with the strategic objectives of the Trust.

Restricted fixed asset reserves total £15,996,000 (2015 £16,511,000) and includes the value of the assets and capital balances transferred by the local authority and the Manchester Diocesan Board of Education to the Trust on conversion of the secondary school in 2011 and the two primary schools in period ended 31 August 2016. The restricted fixed asset reserve also includes the funding of assets through grant income since conversion, any balance on capital funds received in the period and not spent (£25,000) and is reduced by annual depreciation charges over the expected useful life of the assets concerned.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

The investment policy requires the Trust to maintain sufficient funds to cover expenditure identified through revenue and capital cashflow predictions before considering any investment opportunities. The investment objectives include:

- achieving best financial return available whilst maintaining security of deposits
- to protect the capital value of any investment from risk of loss and inflation
- exercise investment appraisal with care and skill

Surpluses for investment will be identified and documented by Academy but amalgamated to maximise investment potential. The Trust will only invest funds in risk free and easily accessible deposit accounts. For 16-17, Trustees have continued to defer the investment of any reserves to protect cash flow while estate maintenance projects are progressing and while establishing the Multi Academy Trust.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed during the period. The principal risks are identified as follows:

- **Profile risk** – As a result of changes to National accountability, progress models and curriculum there is a potential risk a Trust school may through Ofsted or ESFA challenge be graded as requiring improvements. Actions taken by the Trust to mitigate this risk include data review through tracking software, deployment of staff across Trust to lead and upskill teachers, strengthening governance introducing consistent assessment policy across schools, securing funding for improvement of teaching and development of leadership.
- **Growth management risk** – Expansion of the Trust could potentially deplete Trust resources if the schools joining the Trust require improvement and there is an inability to back fill due to funding pressures. Actions taken by the Trust to mitigate this risk include setting a robust due diligence process to ensure detailed information is available of a joining schools needs and issues and specialists are contracted to help the Trust with school improvement plans.
- **Governance delegation and communication risk** – Risks that individuals involved in governance at all levels in the Trust are not aware of their powers/responsibilities or the implications of their actions in the wider Trust picture through maintenance of a single school culture and that matters are not communicated effectively. Actions taken by the Trust to mitigate these risks include setting and annual review of terms of reference for committees, the appointment of Trust Clerk to give consistency and direction to all levels of Governance and ensure communication is achieved, setting up a Joint Standards Committee and separate Finance Committee for 2017-18 and a scheduled review of the Trust's scheme of delegation and key financial responsibility documents in 2017-18 to ensure the delegation and responsibility levels meet the requirements for Trust growth.
- **Key personnel recruitment, retention and succession risk** – the risk of long term sickness and any lack of succession, retention, development and recruitment of key staff could result in educational instability and repeated investment of finite resources, limiting quality and progress of the Trust. Actions taken by the Trust include the establishment of a SCITT for 17-18 and leadership programmes to support teaching staff, development of a robust pay policy, expanding of the appraisal process to include career aspirations, monitoring of market forces and consideration of succession planning for key personnel.
- **Reliance on Government funding** – with the transition to a National Funding Formula for core funding there is no assurance that Government policy or practice will remain the same or that public funding will remain at the same levels or on the same terms. To mitigate any reduction in funding, the Trustees and Governors ensure reputational status of the Trust is maintained through monitoring student success and achievement in order to maximise pupil base funding available. The Trust also participates in Schools Forum and EFA training events to gain information regarding the transition in funding policy and its effect at Local Authority level. Also the Trust engages in other income generating activities in order to support its base funding such as School Direct, NQT training and quality assurance and subject networks and school to school support through its Teaching School Alliance.
- **Pension schemes** - The Trust's employees are members of two defined pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). The Trust has recognised its share of assets and liabilities of the LGPS in accordance with FRS17 and as a result, a deficit has been recognised at 31 August 2017. The TPS has been accounted for as a defined contribution scheme. Due to the nature of the two schemes, there is an underlying risk to the Trust relating to the uncertainty of the future funding requirements of each scheme, the results of which impact on the contribution rates for future employer contributions to each scheme.

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

Risk Management

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

Key controls in place are:

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

The Trust does not have any exposure to significant cash flow or liquidity issues nor does the Trust have any significant credit liabilities, only ordinary creditors from educational and construction activities disclosed in note 16.

Plans for Future Periods

Aims and Objectives	Planned Activities
1. Growth Strategy	<p>1.1 - Business plan based on evidence and experience of central costs, including a permanent school improvement function at primary level to ensure capacity to rescue, reinforce, refine and replicate.</p> <p>1.2 - Secure capacity funding to enable</p> <ul style="list-style-type: none">• appointment of school improvement lead• additional ICT support• data support <p>over 2 years of growth</p> <p>1.3 - Revisit Mission Statement and branding</p> <p>1.4 - Review Scheme of Delegation</p> <ul style="list-style-type: none">• clear lines of accountability in governance• clarify importance of local governance role• plan for amalgamation of some local committee work to streamline and build expertise <p>1.5 - Strengthen Board of Trustees through training and expansion</p> <p>1.6 - Develop organizational awareness to gain support of key decision makers re growth of the Trust, including a new secondary school</p> <p>1.7 - Review areas where Trust can expand – also add to greater diversity of experience for Trust's teachers</p>

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

2. School improvement: Primaries	<p>2.1 Increase school improvement leadership capacity</p> <p>2.2 a) Targets for KS2 set by pupil on KS1 data, moving progressively from a minimum of national average ARE to 90% achieving ARE. Progress targets moving progressively from +0.25 to +0.50.</p> <p>b) Targets for each year group to provide flight path from Year 3-6. Rigorous and consistent tracking, moderation and QA of assessment</p> <p>2.3 Teacher and teaching assistant development to ensure teaching supports the learning and progress of every pupil</p> <p>2.4 Development of mastery approach to maths teaching through introduction of Singapore scheme</p> <p>2.5 Develop curriculum breadth to excite and stimulate pupils, grow skills/enquiry/subject specific language, build cultural capital and enable pupils to become secondary-ready</p> <p>2.6 Develop subject leadership across primaries through cross-phase collaboration</p> <p>2.7 Review quality of Early Years provision and replicate best practice</p> <p>2.8 Develop strategy to improve pupils' writing ability in both primaries</p> <p>2.9 Strengthen ability of local governance to support and challenge senior leadership team effectively</p>
3. School improvement: Secondary	<p>3.1 - Set attainment and progress targets at KS4 in top 15%</p> <p>3.2 - Post-16 Value Added target: 0.2+</p> <p>3.3 - Continued focus on achievement Pupil Premium/English as an Additional Language/boys, whilst ensuring high attaining pupils can reach the top grade</p>
4. Trust capacity	<p>4.1 - Governance: see 1.4 and 1.5</p> <p>4.2 - Develop estates strategy to ensure Health and Safety, compliance re statutory requirements, plan maintenance and repairs, and develop capital investment plan</p> <p>4.3 - Review central retention from school budgets in line with business plan (see 1.1)</p> <p>4.4 - Review reserves policy for Trust; schools' ability to retain surpluses whilst supporting temporary/short-term pressures on other schools</p>
5. SCITT	<p>5.1 - Recruitment target to commence training September 2018: is 65 trainees</p> <p>5.2 - Develop evaluation of training to reflect learning and progress at individual level</p> <p>5.3 - Review and improve training quality based on individual and institutional feedback</p> <p>5.4 - Review leadership structure and recruit accordingly</p> <p>5.5 - Increase primary training capacity, both re schools, and central professional training. Link with primary improvement (see 1.2)</p> <p>5.6 - Build governance capacity and clarify accountability</p> <p>5.7 - Prepare for inspection</p>
6. Deepen and strengthen the distinctive Christian character of the Trust and its schools with a religious character whilst ensuring that the Trust serves all communities	<p>6.1 - Blue Coat text for the year: Corinthians 13:4-7</p> <p>6.2 - Primaries: focusing on Light (Matthew 5: 14-16)</p> <p>6.3 - Chaplaincy involvement in all schools</p> <p>6.4 - Joint Faith Days for Years 5 and 7</p> <p>6.5 - Review Mission Statement of CET (see 1.3) to build on Blue Coat foundation and tradition</p>

CRANMER EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

AUDITOR

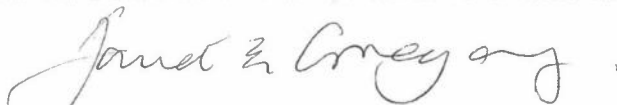
RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2017 and signed on the Board's behalf by:

J Gregory
Chair of Trust Board



CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform 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 Cranmer Education Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
J A Hollis (Headteacher and Accounting Officer, Chief Executive Officer of Cranmer Education Trust)	5	5
T Mitchell (Chair of Audit Committee)	5	5
E Moores	2	5
M Tomlinson	5	5
J Gregory (Chair of Trust Board)	4	5
R Hawkins	5	5
H Gloster	3	5
P Winter (Appointed 12 July 2017)	1	1

During the period 2016-17, Trustees competently and effectively dealt with the following areas:

- Capacity of the Trust to grow and strengthen.
- Performance of the schools and specifically leadership.
- Risk areas and actions taken to mitigate.
- Metrics showing trends re Trust performance educationally and financially.
- Policy development.

Challenges for the Board

- Growth, in the context of national changes to the academization policy and the Free Schools programme.
- Capacity of the Board and the need to ensure a range of strategic expertise and succession.

Data used by Board

The Board now uses a summary dashboard including financial and educational performance. Other KPIs are being developed re staffing and estates/ assets.

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to maintain an oversight of the Trust's governance, risk management, internal control and value-for-money framework through appointment, planning and review of internal / external auditor work and review of the effectiveness of internal controls. It also monitors the risk profile of the Trust and approves the Academy Risk register and Business Continuity Plan.

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
T Mitchell (Chair of Audit Committee)	3	3
M Tomlinson	3	3
R Hawkins	3	3
H Gloster	2	3

Governance reviews

The Trust Board has reviewed the skills and expertise required at Board level and worked through Academy Ambassadors and local links to recruit business expertise (achieved), safeguarding expertise (pending) and educational expertise (ongoing). The Trust Board is in dialogue with the Diocesan Board of Education to ensure the balance of the Foundation and the need for strategic expertise.

The Articles include the delegation of local responsibilities to Local Governing Bodies. The details of the Scheme of Delegation will be reviewed 2017/18.

Review of value for money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Teaching School Alliance (www.northern-alliance.net) is now a strategic partner with Ambition School Leadership enabling the provision of national leadership programmes. The Trust has also obtained funding to support and develop leadership in the Trust with a view towards the growth of the Trust and the ability to develop economies of scale.
- The set up of the Trust as a School Centred Initial Teacher Training (SCITT) centre for 17-18 to ensure recruitment and retention of the best staff.
- Review and benchmark of Trust contracts for services that are central to the running of the Trust to ensure value for money is achieved through all the academies. During 16-17 this included the provision of audit services and alliance with other local schools to review procurement. For 17-18 contracts to be reviewed will include payroll services and data management.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Trust for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

CRANMER EDUCATION TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. During the year the internal auditor undertook work on the areas of :

- A visit to Mayfield Primary School to view financial operations in practise, assess their understanding and the training they have been given
- Reviewing the payroll monitoring processes of the Trust
- Desk based reviews of the documentation set up by the Trust in relation to the investment and reserve policy and central service costing structure
- Revisit East Crompton St George's CofE Primary School to check recommendations from 15-16 internal audit had been actioned.

The conclusion of the internal auditors report was that the Trust has robust, thorough and effective procedures with positive open and supportive relationships between the schools and the central team. Recommendations included some further training for primaries on accruals prepayments and cashflow, consider setting a central charge policy for transparency for joining schools and revision of the investment and reserve policy to include risk in relation to reserves.

Review of effectiveness

As Accounting Officer the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year ended 31 August 2017 the review has been informed by:

- the work of the internal auditor
- the work of the external auditor and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 13 December 2017 and signed on its behalf by:

J A Hollis
Accounting Officer

J Gregory
Chair of Trust Board


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CRANMER EDUCATION TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I, and the Trust Board are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2016.

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



J A Hollis
Accounting Officer

13 December 2017

CRANMER EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the Directors of Cranmer Education Trust 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 13 December 2017 and signed on its behalf by:

J Gregory
Chair of Trust Board



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

Opinion on financial statements

We have audited the financial statements of Cranmer Education Trust (the "academy trust") for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 33, the Trustees (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

RSM UK Audit LLP

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

3 Hardman Street
Manchester

M3 3HF
15 December 2017

CRANMER EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	4	44	-	51	95	86
Donations - transfer from local authority on conversion		-	-	-	-	2,788
Charitable activities:						
- Funding for educational operations	5	-	10,233	-	10,233	9,636
Teaching school		235	40	-	275	265
Other trading activities	6	463	540	-	1,003	908
Investments	7	2	-	-	2	3
Total		<u>744</u>	<u>10,813</u>	<u>51</u>	<u>11,608</u>	<u>13,686</u>
Expenditure on:						
Raising funds	8	1	-	-	1	-
Charitable activities:						
- Educational operations	9	433	10,937	746	12,116	11,232
Teaching school		42	250	-	292	279
Total	8	<u>476</u>	<u>11,187</u>	<u>746</u>	<u>12,409</u>	<u>11,511</u>
Net income/(expenditure)		268	(374)	(695)	(801)	2,175
Transfers between funds		(195)	15	180	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	24	-	1,363	-	1,363	(1,781)
Net movement in funds		73	1,004	(515)	562	394
Reconciliation of funds						
Total funds brought forward		1,822	(4,080)	16,511	14,253	13,859
Total funds carried forward		<u>1,895</u>	<u>(3,076)</u>	<u>15,996</u>	<u>14,815</u>	<u>14,253</u>

CRANMER EDUCATION TRUST**BALANCE SHEET
AS AT 31 AUGUST 2017**

		2017	2016
	Notes	£'000	£'000
Fixed assets			
Tangible assets	14	15,971	16,476
Current assets			
Debtors	15	145	178
Cash at bank and in hand		2,404	2,469
		2,549	2,647
Current liabilities			
Creditors: amounts falling due within one year	16	(629)	(790)
Net current assets		1,920	1,857
Net assets excluding pension liability		17,891	18,333
Defined benefit pension scheme liability	24	(3,076)	(4,080)
Net assets		14,815	14,253
Funds of the Trust:			
Restricted funds	19		
- Restricted fixed asset funds		15,996	16,511
- Pension reserve		(3,076)	(4,080)
Total restricted funds		12,920	12,431
Unrestricted income funds	19	1,895	1,822
Total funds		14,815	14,253

The financial statements on pages 36 to 61 were approved by the board of trustees and authorised for issue on 13 December 2017 and are signed on their behalf by:


J Gregory
Chair of Trust Board

CRANMER EDUCATION TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by operating activities	21	132	326
Cash flows from investing activities			
Dividends, interest and rents from investments		2	3
Capital grants from DfE and ESFA		51	44
Purchase of tangible fixed assets		(250)	(308)
Net cash used in investing activities		(197)	(261)
Net (decrease)/increase in cash and cash equivalents in the reporting period		(65)	65
Cash and cash equivalents at beginning of the year		2,469	2,404
Cash and cash equivalents at end of the year		<u>2,404</u>	<u>2,469</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

Cranmer Education Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

The financial statements of the Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

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

Income

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

Grants

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

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

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

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

Donated services and goods in kind

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the SOFA.

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

Transfer on conversion

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within donations and capital grant income.

The Trust, since academisation in 2011 has held the land and buildings of The Blue Coat School on a licence to occupy from the owners, the Oldham Henshaw and Church of England Education Trust evidenced in the Church Supplemental Agreement. The land and buildings are recognised in the balance sheet on the basis of the flow of future economic benefit from the use of the property and its continuing occupancy by the school on the basis of substance over form. The property was valued at depreciated replacement cost in 2015 by Sanderson Weatherall Quantity Surveyors and is being depreciated over its remaining useful economic life.

On conversion to academies, during year ended 31 August 2016, East Crompton St George's CofE Primary School and Mayfield Primary School received transfer of property under lease agreements and license arrangements for £Nil consideration. The land and buildings were valued by Kier Group plc for the ESFA on the basis of fair value and were transferred to the Trust as follows:

Mayfield Primary School

- 125 year lease agreement with Oldham Council

East Crompton St George's CofE Primary School - license agreement within the Church Supplemental Agreement for the use of the Land owned by the Manchester Diocesan Board of Education until the agreement is terminated.

Interest receivable

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

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than land, so as to write off the cost of assets less their residual values on a straight line basis over their useful lives on the following bases:

Leasehold buildings	2% per annum
Plant and machinery	10% per annum
ICT/Educational equipment and motor vehicles	20% - 33% per annum
Assets in the course of construction	Nil depreciation
Major school improvements	5% per annum

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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

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

Liabilities

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

Leased assets

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

Financial instruments

The Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), these are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/Department for Education/ other funders.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Agency arrangements

The Trust acts as an agent in the administering of 16-19 Vulnerable Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Trust does not have a beneficial interest in the individual transactions. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA. The funds received and paid and any balances held are disclosed in note 26.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The categorisation of fixed asset expenditure in the accounts for the purpose of depreciation is based on judgement of the expected useful life for each asset involved. Assets have been categorised into set bases of expected life in order to simplify the calculation and disclosure of the basis of depreciation. The useful life basis are described in note 1.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

3 Comparative year information

Year ended 31 August 2016	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
Income and endowments from:				
Donations and capital grants	42	-	44	86
Donations - transfer from local authority on conversion	105	(713)	3,396	2,788
Charitable activities:				
- Funding for educational operations	12	9,624	-	9,636
Teaching school	225	40	-	265
Other trading activities	527	381	-	908
Investments	3	-	-	3
Total income and endowments	914	9,332	3,440	13,686
Expenditure on:				
Charitable activities:				
- Educational operations	382	10,146	704	11,232
Teaching school	65	214	-	279
Total expenditure	447	10,360	704	11,511
Net income/(expenditure)	467	(1,028)	2,736	2,175
Transfers between funds	(349)	73	276	-
Other recognised losses				
Actuarial losses on defined benefit pension schemes	-	(1,781)	-	(1,781)
Net movement in funds	118	(2,736)	3,012	394

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	51	51	44
Other donations	44	-	44	42
	44	51	95	86

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

5 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	9,148	9,148	8,704
Other DfE / ESFA grants	-	714	714	554
	<u>-</u>	<u>9,862</u>	<u>9,862</u>	<u>9,258</u>
Other government grants				
Local authority grants	-	371	371	366
	<u>-</u>	<u>371</u>	<u>371</u>	<u>366</u>
Other incoming resources	-	-	-	12
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>
	<u>-</u>	<u>10,233</u>	<u>10,233</u>	<u>9,636</u>

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	2	-	2	2
Catering income	362	-	362	325
Music tuition	44	-	44	35
Trips	-	407	407	306
Other income	55	133	188	240
	<u>463</u>	<u>540</u>	<u>1,003</u>	<u>908</u>

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Interest from short term deposits	2	-	2	3
	<u>2</u>	<u>-</u>	<u>2</u>	<u>3</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds	-	-	1	1	-
Academy's educational operations					
- Direct costs	6,905	-	668	7,573	7,204
- Allocated support costs	1,406	1,522	1,615	4,543	4,028
Teaching school	243	1	48	292	279
Total support costs	8,554	1,523	2,332	12,409	11,511

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Operating lease rentals	30	28
Depreciation of tangible fixed assets	746	704
Net interest on defined benefit pension liability	89	77
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	18	18
- Other services	5	3

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	23	7,550	7,573	7,204
Support costs - educational operations	410	4,133	4,543	4,028
	433	11,683	12,116	11,232

Analysis of support costs

	2017 £'000	2016 £'000
Support staff costs	1,406	1,128
Depreciation and amortisation	746	704
Technology costs	149	172
Premises costs	776	768
Other support costs	1,420	1,222
Governance costs	46	34
	4,543	4,028

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff

Staff costs

Staff costs during the year were:

	2017 £'000	2016 £'000
Wages and salaries	6,461	6,187
Social security costs	636	527
Operating costs of defined benefit pension schemes	1,361	1,125
Apprenticeship levy	7	-
Total staff costs	8,465	7,839
Supply staff costs	80	184
Staff development and other staff costs	9	4
	8,554	8,027

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8,880 (2016: £4,000). Individually, the payments were: £2,606 and £6,274 (2016: £4,000).

Staff numbers

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

	2017 Number	2016 Number
Teachers	105	105
Administration and support	122	119
Management	16	16
	243	240

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

	2017 FTE	2016 FTE
Teachers	102	101
Administration and support	76	77
Management	15	16
	193	194

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff (Continued)

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	3	2
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £448,000 (2016: £455,000).

11 Central services

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

- 1 Payroll services;
- 2 Legal services;
- 3 Audit;
- 4 IT infrastructure;
- 5 Governor clerking
- 6 Finance software;
- 7 Insurance;
- 8 Human resources;
- 9 Finance services;
- 10 IT support;
- 11 Estates support;
- 12 Data support;
- 13 School improvement services
- 14 Strategic leadership;

The Trust charges for these services on the following basis:

- Points 1-5 - Allocated over the time the Academy is in the Trust and pupil numbers in each Academy
- Point 6 - Actual costs for each Academy
- Points 7-14 - Allocated over the time the Academy is in the Trust and pupil numbers in each Academy for basic services. Additional days of service allocated to Academy's on basis of risk level of the Academy and support therefore required

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

11 Central services (Continued)

The amounts charged during the year were as follows:

	Total £'000
Mayfield Primary School	42
East Crompton St George's	
CofE Primary School	42
The Blue Coat School	219
	<u>303</u>

12 Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive Officer only receives remuneration in respect of services they provide undertaking the roles of Headteacher/Chief Executive Officer under their contracts of employment, and not in respect of their services as Trustee. Other Trustees did not receive any payments, other than expenses, from the Trust in respect of their role as Trustees.

The value of Trustees' remuneration and other benefits are as follows:

Chief Executive Officer:

Remuneration £136,352 (2016: £146,066)

Employer's pension contributions paid £22,471 (2016: £24,072)

During the year ended 31 August 2017, travel and subsistence expenses totalling £101 (2016: £31) were reimbursed to one Trustee of the Trust.

Any other related party transactions involving the trustees are set out in note 25.

13 Trustees and officers insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £25,000,000 on any one claim for Trustees and Governors/Officers per school included within the Trust. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the insurance provided in the period by Ecclesiastical.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

14 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	ICT/ Educational equipment and motor vehicles	Assets in the course of construction	Major school improvements	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2016	13,157	351	1,123	67	3,749	18,447
Transfer	64	-	-	(64)	-	-
Additions	2	28	144	53	23	250
Disposals	-	-	-	(9)	-	(9)
At 31 August 2017	13,223	379	1,267	47	3,772	18,688
Depreciation						
At 1 September 2016	850	66	643	-	412	1,971
Charge for the year	301	40	215	-	190	746
At 31 August 2017	1,151	106	858	-	602	2,717
Net book value						
At 31 August 2017	12,072	273	409	47	3,170	15,971
At 31 August 2016	12,307	285	480	67	3,337	16,476

15 Debtors

	2017 £'000	2016 £'000
Trade debtors	8	21
VAT recoverable	36	42
Prepayments and accrued income	101	115
	145	178

16 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	41	84
Other taxation and social security	159	163
Other creditors	135	136
Accruals and deferred income (see note 17)	294	407
	629	790

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17	Deferred income	2017	2016
		£'000	£'000
	Deferred income is included within:		
	Creditors due within one year	57	104
		<u>57</u>	<u>104</u>
	Deferred income at 1 September 2016	104	7
	Released from previous years	(104)	(7)
	Amounts deferred in the year	57	104
		<u>57</u>	<u>104</u>
	Deferred income at 31 August 2017	57	104

At the balance sheet date the Trust was holding funds received in advance in relation to rates relief from ESFA of £19,000 (2016: £22,000), teaching school grant totalling £nil (2016: £40,000), parental online payments of £2,000 (2016: £4,000) and universal free school meals £36,000 (2016: £38,000).

The year end balance of £57,000 is expected to be released in the 2017/18 year.

18	Financial instruments	2017	2016
		£'000	£'000
	Carrying amount of financial assets		
	Debt instruments measured at amortised cost	29	61
		<u>29</u>	<u>61</u>
	Carrying amount of financial liabilities		
	Measured at amortised cost	413	523
		<u>413</u>	<u>523</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	-	9,148	(8,968)	(180)	-
Other DfE / ESFA grants	-	714	(714)	-	-
Other government grants	-	371	(371)	-	-
Other restricted funds	-	580	(775)	195	-
Pension reserve	(4,080)	-	(359)	1,363	(3,076)
	<u>(4,080)</u>	<u>10,813</u>	<u>(11,187)</u>	<u>1,378</u>	<u>(3,076)</u>
Restricted fixed asset funds					
Transferred on conversion	10,747	-	(245)	-	10,502
DfE / ESFA capital grants	4,197	51	(204)	-	4,044
Capital expenditure from GAG	1,567	-	(297)	180	1,450
	<u>16,511</u>	<u>51</u>	<u>(746)</u>	<u>180</u>	<u>15,996</u>
Total restricted funds	<u>12,431</u>	<u>10,864</u>	<u>(11,933)</u>	<u>1,558</u>	<u>12,920</u>
Unrestricted funds					
General funds	1,717	744	(476)	(195)	1,790
Inherited funds	105	-	-	-	105
	<u>1,822</u>	<u>744</u>	<u>(476)</u>	<u>(195)</u>	<u>1,895</u>
Total funds	<u>14,253</u>	<u>11,608</u>	<u>(12,409)</u>	<u>1,363</u>	<u>14,815</u>

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

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	8,704	(8,428)	(276)	-
Other DfE / ESFA grants	-	554	(554)	-	-
Other government grants	-	366	(366)	-	-
Other restricted funds	66	421	(836)	349	-
Pension reserve	(1,410)	(713)	(176)	(1,781)	(4,080)
	<u>(1,344)</u>	<u>9,332</u>	<u>(10,360)</u>	<u>(1,708)</u>	<u>(4,080)</u>
Restricted fixed asset funds					
Transferred on conversion	7,619	3,396	(268)	-	10,747
DfE / ESFA capital grants	4,321	44	(200)	32	4,197
Capital expenditure from GAG	1,559	-	(236)	244	1,567
	<u>13,499</u>	<u>3,440</u>	<u>(704)</u>	<u>276</u>	<u>16,511</u>
Total restricted funds	<u>12,155</u>	<u>12,772</u>	<u>(11,064)</u>	<u>(1,432)</u>	<u>12,431</u>
Unrestricted funds					
General funds	1,644	809	(387)	(349)	1,717
Designated funds	60	-	(60)	-	-
Inherited funds	-	105	-	-	105
	<u>1,704</u>	<u>914</u>	<u>(447)</u>	<u>(349)</u>	<u>1,822</u>
Total funds	<u>13,859</u>	<u>13,686</u>	<u>(11,511)</u>	<u>(1,781)</u>	<u>14,253</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Funds (Continued)

Total funds analysis by academy

	Total 2017 £'000	Total 2016 £'000
Fund balances at 31 August were allocated as follows:		
Mayfield Primary School	103	72
East Crompton St George's CofE Primary School	107	87
The Blue Coat School	1,642	1,657
Central services	43	6
Total before fixed assets fund and pension reserve	1,895	1,822
Restricted fixed asset fund	15,996	16,511
Pension reserve	(3,076)	(4,080)
Total funds	14,815	14,253

Total cost analysis by academy

Expenditure incurred by each academy during the year pre depreciation charge and adjustments to accounts for LGPS as a defined benefit scheme was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2017 £'000	Total 2016 £'000
Mayfield Primary School	760	97	106	231	1,194	783
East Crompton St George's CofE Primary School	620	131	65	192	1,008	940
The Blue Coat School	5,761	877	490	1,756	8,884	8,728
Central services	-	38	8	172	218	180
	7,141	1,143	669	2,351	11,304	10,631

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	15,971	15,971
Current assets	1,895	629	25	2,549
Creditors falling due within one year	-	(629)	-	(629)
Defined benefit pension scheme liability	-	(3,076)	-	(3,076)
Total net assets	1,895	(3,076)	15,996	14,815
	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	16,476	16,476
Current assets	1,822	790	35	2,647
Creditors falling due within one year	-	(790)	-	(790)
Defined benefit pension scheme liability	-	(4,080)	-	(4,080)
Total net assets	1,822	(4,080)	16,511	14,253

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £'000	2016 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(801)	2,175
Adjusted for:		
Net surplus on conversion to academy	-	(2,788)
Capital grants from DfE/ESFA and other capital income	(51)	(44)
Interest receivable	(2)	(3)
Defined benefit pension scheme cost less contributions payable	270	99
Defined benefit pension scheme finance cost	89	77
Depreciation of tangible fixed assets	746	704
Movements in working capital:		
Decrease/(increase) in debtors	33	(57)
(Decrease)/increase in creditors	(161)	35
Write back of accruals in relation to tangible fixed assets	9	-
Capital balances, debtors and creditors transferred on conversion	-	128
Net cash provided by operating activities	132	326

22 Commitments under operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £'000	2016 £'000
Amounts due within one year	30	30
Amounts due between one and five years	10	26
	40	56

23 Members' liability

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

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations

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

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

Contributions amounting to £135,000 (2016: £136,000) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in 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% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The employer contribution rate was 14.1% until 1 September 2015, when it increased to 16.48% (including a 0.08% administration fee), with an employer cost cap of 10.9% of pensionable pay. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer and employee pension costs paid to the TPS in the period amounted to £1,287,357 (2016: £1,178,619).

The TPS is a multi-employer pension scheme and as there is insufficient information to account for the scheme as a defined benefit scheme it is accounted for as a defined contribution scheme.

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.6% to 18.8% % between 2015 and 2017 for employers and between 5.5% and 7.5% for employees.

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

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	336	302
Employees' contributions	110	102
Total contributions	<u>446</u>	<u>404</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	3.2	3.4
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	<u>2.5</u>	<u>2.1</u>

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	<u>26.2</u>	<u>26.6</u>

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations (Continued)

The Trust's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	4,369	3,606
Bonds	958	852
Cash	299	250
Property	359	301
Total fair value of assets	5,985	5,009

The actual return on scheme assets was £574,000 (2016: £797,000).

Amount recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	588	401
Net interest cost	89	77
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	18	-
Total operating charge	695	478

Changes in the present value of defined benefit obligations	2017 £'000
At 1 September 2016	9,089
Current service cost	588
Interest cost	198
Employee contributions	110
Actuarial gain	(898)
Benefits paid	(44)
Plan introductions, benefit changes, curtailments and settlements	18
At 31 August 2017	9,061

CRANMER EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

24 Pension and similar obligations (Continued)

Changes in the fair value of the Trust's share of scheme assets	2017 £'000
At 1 September 2016	5,009
Interest income	109
Return on plan assets (excluding net interest on the net defined pension liability)	465
Employer contributions	336
Employee contributions	110
Benefits paid	(44)
At 31 August 2017	<u>5,985</u>

25 Related party transactions

No related party transactions took place in the period of account other than certain trustee's remuneration and expenses already disclosed in note 12.

26 Agency arrangements

The Trust distributes 16-19 Vulnerable Bursary Funds to students, on behalf of the ESFA. In the year the Trust received £2,400 (2016: £3,600) of vulnerable bursary and disbursed £2,400 (2016: £3,600) to the relevant students from the fund. The Trust had no beneficial interest in these transactions.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 6 July 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by Cranmer Education Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of Cranmer Education Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Cranmer Education Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Cranmer Education Trust's funding agreement with the Secretary of State for Education dated 23 March 2015 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Cranmer Education Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO CRANMER EDUCATION TRUST AND THE EDUCATION AND SKILLS
FUNDING AGENCY (CONTINUED)**

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to Cranmer Education Trust and the ESFA in accordance with the terms of our engagement letter dated 6 July 2017. Our work has been undertaken so that we might state to the Cranmer Education Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Cranmer Education Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Chartered accountants
3 Hardman Street
Manchester
M3 3HF

Dated: *15 December 2017*
