
CROSSACRES PRIMARY ACADEMY

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019**

Members

C Leach
H Rose
A Fox (resigned 31 August 2019)
K Andrew (appointed 1 September 2019)
D Bell (appointed 1 September 2018)

Trustees

E Parker
H Ford (resigned 31 August 2019)
S Blay, Accounting Officer
C Leach
S Colclough
S Turner
K Andrew
C Desjardins
E Findlay
K Cartwright (appointed 1 January 2019)

Company registered number

08899140

Company name

Crossacres Primary Academy

Principal and registered office

Crossacres Road, Wythenshawe, Manchester, M22 5AD

Senior management team

S Blay, Headteacher
D Thompson, Head of School
S Cordwell, Deputy Headteacher
J Harrison, Assistant Headteacher
J Higham, Assistant Headteacher

Independent auditor

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The academy trust operates an academy for pupils aged 3-11 serving a catchment area in Wythenshawe South Manchester. It had a pupil capacity of 660 and had a roll of 654 in the school census in October 2018.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of Crossacres Primary Academy are also the directors of the charitable company for the purpose of company law.

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

The academy was incorporated on 17 February 2014 and commenced its activities on transfer of Crossacres Primary School from the Local Authority on 1 April 2014.

b. Members' liability

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

c. Governors' indemnities

The School has purchased indemnity insurance to protect the Governors and Officers from claims arising in connection with the Academy's business. The insurance provides unlimited cover on any one claim.

d. Method of recruitment and appointment or election of Trustees

The Governors may agree unanimously to appoint additional Governors as they see fit and may unanimously in writing agree to remove any such additional Governors.

The members are Governors of the Crossacres Primary Academy and in addition the following Governors shall be appointed in accordance with the Articles of the Association –

Co-opted Governors	6
Parent Governors	2
Staff, including Headteacher	2

A minimum of 6 and up to 10 Co-opted Governors with appointments made taking into consideration the needs of the Academy and the contribution, skills and experience an individual can offer.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

e. Policies and procedures adopted for the induction and training of Trustees

Training provided for new Governors depends upon their existing experience and is tailored specifically to the individual. Where necessary, training will be provided on charity, educational, legal and financial matters.

The Chair of Governors, Headteacher and Business Manager will undertake training and induction of any new Governors. As part of the induction process, all new Governors will be given a briefing on the aims, values and drivers of the Academy. This will include a tour of the facility and an introduction to staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors.

f. Organisational structure

The School is governed by its Governing Body. All Governors are directors of the Charitable Company for the purposes of the Companies Act 2006 and are trustees for the purposes of charity legislation. The organisational structure consists of three levels - the Governing Body, the Headteacher and the Senior Leadership Team.

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

The Senior Leadership Team control the Academy at an executive level implementing the policies laid down by the Governing Body and reporting back to them. As a group the Senior Leadership Team, are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for post in the Leadership Team always contain a Governing Body member.

g. Pay policy for key management personnel

The pay set for key management personnel is managed through the schools Performance Management Policy. Targets are set each year that link to the priorities for the school. Pay increases are decided on whether the targets have been met or not. The pay for the Headteacher is decided through a committee guided by an external advisor.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	0.80

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %
 Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	- %

Objectives and Activities

a. Objects and aims

The Academy Trust's objective is to advance for the public benefit education in the United Kingdom but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a primary school offering a broad and balanced curriculum.

b. Objectives, strategies and activities

The Academy aims to give the children entering the Early Years department the very best start to their education by providing excellent teaching and a rich vibrant environment.

In Key Stage 1 and 2 the Academy provides a high quality reading, writing and maths curriculum which allows the children to achieve or exceed national standards. The curriculum is carefully planned to meet the needs of the children and enhanced with regular educational visits to supplement work completed in class.

c. Public benefit

The Governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

The curriculum has been very well developed to meet the needs of the children. The curriculum ensures that all subjects are covered in a progressive and interesting manner. Many curriculum enhancements are provided for the children such as pony club, forest school and sports coaches. The children also take part in many visits to enhance the work that they do in school such as to the Lake District and art galleries.

The School prides itself on its results which far exceed its socio-economic profile and this along with a stable workforce and committed leadership and governance continues to ensure the school remains very popular in its catchment area.

The School strives to improve the learning environment and has refurbished the External Quadrangles, dining room and kitchen after a successful bid against the Healthy Schools Capital Fund.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

Strategic report

a. Key performance indicators

Last year the children throughout the Academy achieved high standards which are in line with the 'outstanding' grade from Ofsted.

The Academy continued to expand year groups to three forms of entry with the support of the local authority. In September a new permanent eight classroom building for Key Stage 1 was opened. This along with an increased Nursery capacity will increase the capacity to 720 by September 2020. The school and the increased Nursery capacity are utilised in full.

In the Foundation stage the Academy's results were 8% above the national average.

In Key Stage one the Academy achieved results which were above the national average in all subjects.

At Key Stage two the Academy achieved results which were well above national figures at the expected and higher standards and well above the national combined figure at the expected standard.

Attendance last year was 96.3% against 96% in the previous year and this is in line with the national average. In terms of persistent absence, at 6.1% the Academy is lower than national average. The Academy continues to strive to close the attendance gap of Pupil Premium children.

The Academy also continued to provide strategic curriculum support to other schools to help them raise standards.

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy has adequate resources to continue in operational existence for the foreseeable future. The academy is dependant on continued funding from central government and as such its future income stream is uncertain. The academy budgets for the medium term and produces both short and medium term (5 year) plans although those plans are very reliant on future funding levels. Should the income level fall the Academy has a number of strategies in place to reduce expenditure should this occur.

For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

a. Reserves policy

The Policy of the Academy is to carry forward a prudent level of resources designed to meet the long term plan and any unforeseen contingencies subject to the levels permitted by the DfE. Currently there are no funds with a deficit.

The governors intend to review the reserve levels of the Academy annually. This review will consider the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. A cautious and low risk approach has been taken in forecasts of both income and expenditure.

The Academy held fund balances at 31 August 2019 of £11,126k, comprising £nil restricted general funds,

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

£12,198k of fixed asset funds, a pension reserve deficit of £1,313k, and £241k of unrestricted general funds. It is the aim of the Governors to carry forward a minimum of £100k of unrestricted general funds each financial year.

Known future spending increases will cause the level of unrestricted general funds (free reserves) to move towards the target level.

b. Material investments policy

The Academy has an investment strategy that would allow any surplus funds to be deposited in an interest bearing account with an approved bank. At present this would be dependent on cash flow.

c. Principal risks and uncertainties

The Governing Body and the Senior Leadership Team are responsible for identifying the risks faced by the Trust and the Academy, establishing procedures to mitigate these risks and ensuring that employees are aware of these procedures and the implications of failing to implement them. They are satisfied that these procedures are consistent with the guidelines issued by the Charity Commission.

The Governing Body have assessed the major risks to which the Academy is exposed in particular those relating to the buildings and related facilities, teaching and learning and the operations of the Academy. The Governing Body and the SLT have implemented a Risk Management system which identifies risks and necessary control measures to mitigate risks, both in terms of finance and operations.

Risk management is being embedded in the management of the Academy and will be reviewed by the SLT on a regular basis. Key risks identified are reviewed by the Finance Committee and reported to the Governing Body.

The principal risks are reviewed by the Governors. The main risk facing the Academy is maintaining the high standards that has led to the school to be judged as 'outstanding' by Ofsted. However the popularity among the local community is strong and a move to a three form entry was established in September 2014 which will continue through to Year 6.

Fundraising

The academy had no fundraising activities requiring disclosure under the provisions of the Charities (Protection and Social Investment) Act 2016.

Plans for future periods

a. Future developments

The Academy will:

- Continue to strive to ensure that all students are able to realise their potential in both academic and non-academic terms.
- Continue to encourage and inspire everyone in our community to believe and achieve their best.
- Continue to develop an excellent environment in which to learn.
- Continue to keep up to date with new technologies.
- Continue to ensure appropriate access for all.

Disclosure of information to auditor

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Insofar as the Trustees are aware:

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

Auditor

The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~11 December~~ 2019 and signed on its behalf by:

S Blay, Accounting Officer



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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 Crossacres Primary Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
E Parker	6	6
H Ford	4	6
S Blay, Accounting Officer	5	6
C Leach	6	6
S Colclough	0	0
S Turner	4	6
K Andrew	6	6
C Desjardins	6	6
E Findlay	6	6
K Cartwright	4	6

The Finance and General Purposes Committee is combined with the Audit Committee is a sub-committee of the main board of trustees. Its purpose is to assist the Governing Board in fulfilling its responsibilities in relation to the leadership and management of the school in relation personnel, staffing, pay, finance, premises and health and safety, governance and control.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
H Ford	4	6
S Blay	5	6
C Leach	6	6
S Turner	4	6
K Andrew	6	6

Review of Value for Money

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

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

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GOVERNANCE STATEMENT (continued)

- tendering for goods or services in excess of £2,000 unless a specific exemption exists approved by the Trustees. Tenders during the year were sought for grounds maintenance and external audit in addition to any capital purchases. Tenders are sought on a cyclical basis for all goods and services and all orders are authorised as to providing value for money before orders are raised.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Crossacres Primary Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the internal audit provider 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 has decided to appoint BDO as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- cash handling procedures and supply purchasing along with assurance on the recently implemented BACS controls for supplier and third party payments.

The auditor reports to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal

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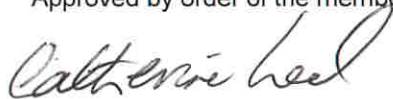
GOVERNANCE STATEMENT (continued)

control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on their behalf, by:



C Leach
Chair of Trustees



S Blay
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Crossacres Primary Academy I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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 ESFA.



S Blay
Accounting Officer

Date: 11 December 2019

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 ~~11TH~~ **DECEMBER** and signed on its behalf by:
2019



C Leach
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROSSACRES PRIMARY ACADEMY**

Opinion

We have audited the financial statements of Crossacres Primary Academy (the 'academy') for the year ended 31 August 2019 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 academy'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 Trustees are responsible for the other information. The other information comprises the information included in the Annual report (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROSSACRES PRIMARY ACADEMY**

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the 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, 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, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CROSSACRES PRIMARY ACADEMY**

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date:

23rd December 2019

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CROSSACRES PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 28 June 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Crossacres Primary Academy during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Crossacres Primary Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Crossacres Primary Academy 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 Crossacres Primary Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Crossacres Primary Academy's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Crossacres Primary Academy's funding agreement with the Secretary of State for Education dated 29 April 2014, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

Conclusion

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

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
CROSSACRES PRIMARY ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: *23rd December 2019.*

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2019**

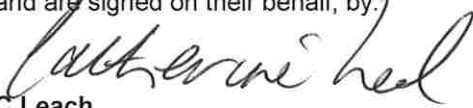
	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Restated Total funds 2018 £
Income from:						
Donations and capital grants	2	-	-	3,751,473	3,751,473	188,180
Charitable activities	3	123,415	3,255,934	-	3,379,349	3,119,024
Investments	4	770	-	-	770	810
Total income		124,185	3,255,934	3,751,473	7,131,592	3,308,014
Expenditure on:						
Charitable activities		117,687	3,439,934	297,402	3,855,023	3,440,114
Total expenditure	5	117,687	3,439,934	297,402	3,855,023	3,440,114
Net income / (expenditure) before transfers		6,498	(184,000)	3,454,071	3,276,569	(132,100)
Transfers between Funds	15	(20,881)	-	20,881	-	-
Net income / (expenditure) before other recognised gains and losses		(14,383)	(184,000)	3,474,952	3,276,569	(132,100)
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(474,000)	-	(474,000)	242,000
Net movement in funds		(14,383)	(658,000)	3,474,952	2,802,569	109,900
Reconciliation of funds:						
Total funds brought forward		255,690	(655,000)	8,723,350	8,324,040	8,381,812
Prior year adjustment (Note 14)		-	-	-	-	(167,672)
Total funds carried forward		241,307	(1,313,000)	12,198,302	11,126,609	8,324,040

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08899140

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	Restated 2018 £
Fixed assets					
Tangible assets	11		12,198,302		8,566,797
Current assets					
Debtors	12	137,692		214,566	
Cash at bank and in hand		193,801		304,995	
		<u>331,493</u>		<u>519,561</u>	
Creditors: amounts falling due within one year	13	(90,186)		(107,318)	
Net current assets			241,307		412,243
Total assets less current liabilities			12,439,609		8,979,040
Defined benefit pension scheme liability	21	(1,313,000)			(655,000)
Net assets including pension scheme liabilities			<u>11,126,609</u>		<u>8,324,040</u>
Funds of the academy					
Restricted income funds:					
Restricted income funds excluding pension liability		12,198,302		8,723,350	
Pension reserve		(1,313,000)		(655,000)	
Total restricted income funds			10,885,302		8,068,350
Unrestricted income funds	15		241,307		255,690
Total funds			<u>11,126,609</u>		<u>8,324,040</u>

The financial statements on pages 18 to 41 were approved by the Trustees, and authorised for issue, on 11TH DECEMBER 2019 and are signed on their behalf, by:


C Leach
Chair of Trustees

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>66,905</u>	<u>10,540</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		770	810
Purchase of tangible fixed assets		(369,150)	(109,749)
Capital grants from DfE Group		<u>190,281</u>	<u>188,180</u>
Net cash (used in)/provided by investing activities		<u>(178,099)</u>	<u>79,241</u>
Change in cash and cash equivalents in the year		<u>(111,194)</u>	<u>89,781</u>
Cash and cash equivalents brought forward		<u>304,995</u>	<u>215,214</u>
Cash and cash equivalents carried forward	18	<u><u>193,801</u></u>	<u><u>304,995</u></u>

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

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

The academy is dependant on continued funding from central government and as such its future income stream is uncertain. The academy budgets for the medium term and produces both short and medium term (5 year) plans although those plans are very reliant on future funding levels. Should the income level fall the Academy has a number of strategies in place to reduce expenditure should this occur.

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting Policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

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

1.4 Expenditure

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% straight line
Furniture and fixtures	-	20-33% straight line
Assets under construction	-	Not depreciated

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 incorporating income and expenditure account.

1.6 Debtors

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

1.7 Cash at Bank and in hand

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

1.8 Liabilities and provisions

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

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting Policies (continued)

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.10 Taxation

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

1.11 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting Policies (continued)

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

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

1.12 Fund accounting

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

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

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

CROSSACRES PRIMARY ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. Accounting Policies (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 August 2017 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Other than the matters disclosed above the Governors do not consider there to be any other critical areas of judgment.

2. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Restated Total funds 2018 £
Donations	-	-	3,561,192	3,561,192	-
Grants	-	-	190,281	190,281	188,180
	-	-	3,751,473	3,751,473	188,180
<i>Total 2018</i>	-	-	188,180	188,180	

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

3. Funding for Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Restated Total funds 2018 £</i>
DfE/ESFA grants				
GAG	-	2,419,293	2,419,293	2,191,327
Other DfE/ESFA grants	-	363,464	363,464	505,843
	-	2,782,757	2,782,757	2,697,170
Other government grants				
LA Grants	-	473,177	473,177	321,062
	-	473,177	473,177	321,062
Other funding				
Other Incoming Resources	123,415	-	123,415	100,792
	123,415	-	123,415	100,792
	123,415	3,255,934	3,379,349	3,119,024
<i>Total 2018</i>	159,368	2,959,656	3,119,024	

4. Investment income

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	<i>Restated Total funds 2018 £</i>
Investment income	770	-	770	810
<i>Total 2018</i>	810	-	810	

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

5. Expenditure

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Educational Operations:					
Direct costs	2,124,431	-	541,172	2,665,603	2,577,661
Support costs	642,299	399,242	147,879	1,189,420	862,453
	<u>2,766,730</u>	<u>399,242</u>	<u>689,051</u>	<u>3,855,023</u>	<u>3,440,114</u>
Total 2018	<u>2,456,558</u>	<u>278,144</u>	<u>705,412</u>	<u>3,440,114</u>	

6. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total 2019 £	Total 2018 £
Educational Operations	2,665,603	1,189,420	3,855,023	3,440,114
Total 2018	<u>2,577,661</u>	<u>862,453</u>	<u>3,440,114</u>	

Analysis of support costs

	Educational Operations £	Total 2019 £	Total 2018 £
Staff costs	631,653	631,653	440,671
Depreciation	297,402	297,402	197,990
Governance Costs	9,300	9,300	31,589
Premises Costs	126,186	126,186	151,460
Other	124,879	124,879	40,743
	<u>1,189,420</u>	<u>1,189,420</u>	<u>862,453</u>
At 31 August 2018	<u>862,453</u>	<u>862,453</u>	

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

7. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the charity	297,402	197,525
Auditor's remuneration - audit	9,100	8,365
Operating lease rentals	5,293	50,438
	<u> </u>	<u> </u>

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

8. Staff costs

a. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	2,082,581	2,021,199
Social security costs	183,981	162,951
Operating costs of defined benefit pension schemes	500,168	152,000
	<u>2,766,730</u>	<u>2,336,150</u>
Other costs	-	120,408
	<u>2,766,730</u>	<u>2,456,558</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	31	29
Administration and support	65	59
	<u>96</u>	<u>88</u>

c. Higher paid staff

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

	2019 No.	2018 No.
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the academy trust comprise the Governors 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 academy trust was £455,559 (2018: £449,944)

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Trustees' remuneration and expenses

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

		2019 £	2018 £
S Blay	Remuneration	85,000-90,000	85,000-90,000
	Pension contributions paid	10,000-15,000	10,000-15,000
E Parker	Remuneration	45,000-50,000	40,000-45,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2019, Trustees received reimbursement of travel expenses of £200 to one Trustee (2018 - £175 to one Trustee).

10. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £14,914 (2018 - £11,677).

11. Tangible fixed assets

	Land & Buildings £	Furniture and fixtures £	Improvements to Buildings £	Assets under construction £
Cost				
At 1 September 2018 (as previously stated)	9,172,309	348,868	-	31,623
Prior year adjustment	-	(67,253)	-	-
At 1 September 2018 (as restated)	9,172,309	281,615	-	31,623
Additions	3,561,192	61,091	308,058	-
Disposals	-	(18,581)	-	-
Transfer between classes	-	-	31,623	(31,623)
At 31 August 2019	12,733,501	324,125	339,681	-
Depreciation				
At 1 September 2018 (as previously stated)	722,410	95,921	-	-
Prior year adjustment	-	100,419	-	-
At 1 September 2018 (as restated)	722,410	196,340	-	-
Charge for the year	243,476	47,132	6,794	-

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

11. Tangible fixed assets (continued)

On disposals	-	(17,147)	-	-
At 31 August 2019	<u>965,886</u>	<u>226,325</u>	<u>6,794</u>	<u>-</u>
Net book value				
At 31 August 2019	<u>11,767,615</u>	<u>97,800</u>	<u>332,887</u>	<u>-</u>
At 31 August 2018 (as restated)	<u>8,449,899</u>	<u>85,275</u>	<u>-</u>	<u>31,623</u>
				Total
				£
Cost				
At 1 September 2018 (as previously stated)				9,552,800
Prior year adjustment				(67,253)
At 1 September 2018 (as restated)				<u>9,485,547</u>
Additions				3,930,341
Disposals				(18,581)
Transfer between classes				-
At 31 August 2019				<u>13,397,307</u>
Depreciation				
At 1 September 2018 (as previously stated)				818,331
Prior year adjustment				100,419
At 1 September 2018 (as restated)				<u>918,750</u>
Charge for the year				297,402
On disposals				(17,147)
At 31 August 2019				<u>1,199,005</u>
Net book value				
At 31 August 2019				<u>12,198,302</u>
At 31 August 2018 (as restated)				<u>8,566,797</u>

The school has identified assets which had been capitalised within the financial statements which are no longer held with a cost of £67,253 and that fixed assets have been historically underdepreciated by £100,419 resulting in fixed assets and restricted fixed asset funds to be overstated by £167,672 as at 1 September 2017. See note 14 for the impact of this prior year adjustment on the accounts.

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

12. Debtors

	2019 £	2018 £
Trade debtors	7,548	21,810
Other debtors	28,579	100,552
Prepayments and accrued income	101,565	92,204
	<u>137,692</u>	<u>214,566</u>

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	188	-
Accruals and deferred income	89,998	107,318
	<u>90,186</u>	<u>107,318</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	43,225	40,177
Resources deferred during the year	33,395	43,225
Amounts released from previous years	(43,225)	(40,177)
Deferred income at 31 August 2019	<u>33,395</u>	<u>43,225</u>

Deferred income relates to Universal Infant Free School Meals income received in advance of the 2019/20 academic year.

14. Prior year adjustment

The school has identified assets which had been capitalised within the financial statements which are no longer held with a cost of £67,253 and that fixed assets have been historically underdepreciated by £100,419 resulting in fixed assets and restricted fixed asset funds to be overstated by £167,672 as at 1 September 2017. This has been adjusted for as a prior year adjustment the impact of which is as follows:

Total reserves as stated in the 2018 financial statements	8,381,812
Overstatement of fixed assets	(167,672)
Total restated reserves as reported in the SOFA	8,214,140

All of the reduction in reserves has gone through restricted fixed asset funds.

CROSSACRES PRIMARY ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

15. Statement of funds

	Restated Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	255,690	124,185	(117,687)	(20,881)	-	241,307
Restricted funds						
General Annual Grant (GAG)	-	2,419,293	(2,419,293)	-	-	-
Other DfE/ESFA Grants	-	367,395	(367,395)	-	-	-
Other Government Grants	-	469,246	(469,246)	-	-	-
Pension reserve	(655,000)	-	(184,000)	-	(474,000)	(1,313,000)
	<u>(655,000)</u>	<u>3,255,934</u>	<u>(3,439,934)</u>	<u>-</u>	<u>(474,000)</u>	<u>(1,313,000)</u>
Restricted fixed asset funds						
Transfer of Land & Buildings	7,562,208	-	-	-	-	7,562,208
Capex From GAG	972,962	-	-	-	-	972,962
Devolved Formula Capital Grant	-	36,376	-	-	-	36,376
Capital Maintenance Fund	188,180	153,905	(208,372)	20,881	-	154,594
Donated Building	-	3,561,192	(89,030)	-	-	3,472,162
	<u>8,723,350</u>	<u>3,751,473</u>	<u>(297,402)</u>	<u>20,881</u>	<u>-</u>	<u>12,198,302</u>
Total restricted funds	<u>8,068,350</u>	<u>7,007,407</u>	<u>(3,737,336)</u>	<u>20,881</u>	<u>(474,000)</u>	<u>10,885,302</u>
Total of funds	<u>8,324,040</u>	<u>7,131,592</u>	<u>(3,855,023)</u>	<u>-</u>	<u>(474,000)</u>	<u>11,126,609</u>

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

General Annual Grant

Under the funding agreement with the Secretary of State, the academy trust must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA Grants

Comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other Government Grants

Comprise additional funding received for the furtherance of education, which must be used in accordance

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15. Statement of funds (continued)

with the specific terms of each grant.

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

Statement of funds - prior year

	<i>Restated Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Restated Balance at 31 August 2018 £</i>
General funds						
General Funds	284,106	160,178	(110,468)	(78,126)	-	255,690
Restricted funds						
General Annual Grant (GAG)	-	2,132,751	(2,132,751)	-	-	-
Other DfE/ESFA Grants	-	505,843	(505,843)	-	-	-
Other Government Grants	-	321,062	(321,062)	-	-	-
Pension reserve	(725,000)	-	(172,000)	-	242,000	(655,000)
	<u>(725,000)</u>	<u>2,959,656</u>	<u>(3,131,656)</u>	<u>-</u>	<u>242,000</u>	<u>(655,000)</u>
Restricted fixed asset funds						
Transfer of Land & Buildings	7,760,198	-	(197,990)	-	-	7,562,208
Capex From GAG	894,836	-	-	78,126	-	972,962
Capital Maintenance Fund	-	188,180	-	-	-	188,180
	<u>8,655,034</u>	<u>188,180</u>	<u>(197,990)</u>	<u>78,126</u>	<u>-</u>	<u>8,723,350</u>
Total restricted funds	<u>7,930,034</u>	<u>3,147,836</u>	<u>(3,329,646)</u>	<u>78,126</u>	<u>242,000</u>	<u>8,068,350</u>
Total of funds	<u>8,214,140</u>	<u>3,308,014</u>	<u>(3,440,114)</u>	<u>-</u>	<u>242,000</u>	<u>8,324,040</u>

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16. Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,198,302	12,198,302
Current assets	331,493	-	-	331,493
Creditors due within one year	(90,186)	-	-	(90,186)
Provisions for liabilities and charges	-	(1,313,000)	-	(1,313,000)
	<u>241,307</u>	<u>(1,313,000)</u>	<u>12,198,302</u>	<u>11,126,609</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restated Restricted fixed asset funds 2018 £	Restated Total funds 2018 £
Tangible fixed assets	-	-	8,566,796	8,566,796
Current assets	363,008	-	156,554	519,562
Creditors due within one year	(107,318)	-	-	(107,318)
Provisions for liabilities and charges	-	(655,000)	-	(655,000)
	<u>255,690</u>	<u>(655,000)</u>	<u>8,723,350</u>	<u>8,324,040</u>

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,276,569	(132,100)
Adjustment for:		
Depreciation charges	297,402	197,528
Dividends, interest and rents from investments	(770)	(810)
Loss on the sale of fixed assets	1,434	462
Decrease/(increase) in debtors	76,875	(89,444)
(Decrease)/increase in creditors	(17,132)	51,084
Capital grants from DfE and other capital income	(190,281)	(188,180)
Defined benefit pension scheme cost less contributions payable	164,000	152,000
Defined benefit pension scheme finance cost	20,000	20,000
Donated property	(3,561,192)	-
Net cash provided by operating activities	<u>66,905</u>	<u>10,540</u>

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18. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	193,801	304,995
Total	<u>193,801</u>	<u>304,995</u>

19. Contingent liabilities

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

20. Capital commitments

At 31 August 2019 the academy had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>275,000</u>

21. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 August 2017.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £197,168 (2018 - £166,955) and at the year-end nil (2018 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019.

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21. Pension commitments (continued)

Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £181,000 (2018 - £175,000), of which employer's contributions totalled £139,000 (2018 - £134,000) and employees' contributions totalled £42,000 (2018 - £41,000). The agreed contribution rates for future years are 14.1% for employers and 6.4% - 12.4% for employees.

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

	2019	2018
Discount rate for scheme liabilities	1.80 %	2.80 %
Rate of increase in salaries	3.10 %	3.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
Inflation assumption (CPI)	2.30 %	2.40 %

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21. Pension commitments (continued)

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

	2019	<i>2018</i>
Retiring today		
Males	20.6	<i>21.5</i>
Females	23.1	<i>24.1</i>
Retiring in 20 years		
Males	22	<i>23.7</i>
Females	24.8	<i>26.2</i>

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

	Fair value at 31 August 2019 £	<i>Fair value at 31 August 2018 £</i>
Equities	1,506,880	<i>1,338,000</i>
Bonds	332,400	<i>315,000</i>
Property	177,280	<i>138,000</i>
Other Assets	199,440	<i>177,000</i>
Total market value of assets	<u>2,216,000</u>	<i><u>1,968,000</u></i>

The actual return on scheme assets was £97,000 (2018 - £98,000).

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

	2019 £	<i>2018 £</i>
Current Service Cost	128,000	<i>152,000</i>
Interest Cost	20,000	<i>20,000</i>
Past Service Cost	36,000	<i>-</i>
Total	<u>184,000</u>	<i><u>172,000</u></i>

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Pension commitments (continued)

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

	2019 £	2018 £
Opening defined benefit obligation	2,623,000	2,446,000
Current Service Cost	267,000	286,000
Interest cost	77,000	65,000
Employee contributions	42,000	41,000
Actuarial losses/(gains)	514,000	(189,000)
Benefits paid	(30,000)	(26,000)
Past service costs	36,000	-
	<u>3,529,000</u>	<u>2,623,000</u>
Closing defined benefit obligation	<u>3,529,000</u>	<u>2,623,000</u>

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

	2019 £	2018 £
Opening fair value of scheme assets	1,968,000	1,721,000
Interest income	57,000	45,000
Actuarial losses	40,000	53,000
Employee contributions	42,000	41,000
Benefits paid	(30,000)	(26,000)
Employer contributions	139,000	134,000
	<u>2,216,000</u>	<u>1,968,000</u>
Closing fair value of scheme assets	<u>2,216,000</u>	<u>1,968,000</u>

22. Operating lease commitments

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

	2019 £	2018 £
Amounts payable:		
Within 1 year	6,352	7,620
Between 1 and 5 years	9,528	12,065
	<u>15,880</u>	<u>19,685</u>
Total	<u>15,880</u>	<u>19,685</u>

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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/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £NIL for the debts and liabilities contracted before he/she ceases to be a member.

24. Related party transactions

During the year £570 was paid to an alliance of teaching schools for staff training services. Headteacher Suzanne Blay is a director at the organisation which provided these services. No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 9.

