

**COMPANY REGISTRATION NUMBER 07680823**  
**(England and Wales)**

**CALDEW SCHOOL**  
**COMPANY LIMITED BY GUARANTEE**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 AUGUST 2018**

**David Allen**  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

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**CALDEW SCHOOL  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mrs J M Wilkinson, (chair of governors) Mrs J E Doherty Mr D B Craig Mr J F Story, (community governor) (resigned 9 February 2018) Mrs K Richardson, (member from 20 March 2018)
<b>Governors and trustees</b>	Mrs P Y Abba, (parent governor) Mr R J Charlton, (parent governor until appointed community governor 24 April 2018) Mr S L Garbett, (staff governor) (resigned 15 November 2017) Mrs D Shirvinton, (community governor) Ms V J Jackson, (accounting officer) Miss R T Mason, (parent governor) Mrs C Messenger, (parent governor) (resigned 31 January 2018) Mr B Mcardle, (staff governor) (appointed 1 September 2017) Mrs A D Bradshaw, (staff governor) (appointed 1 September 2017) Ms T Abbas, (community governor) (appointed 27 November 2017) Mrs L P Atkinson, (parent governor) (appointed 26 June 2018) Mrs K Cavanagh, (staff governor) (appointed 23 January 2018) Mr K J Ross, (parent governor) (appointed 29 June 2018) Mr M Smillie, (community governor) (appointed 25 April 2018)
<b>Company secretary</b>	Mr D Foulkes

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**

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<b>Senior management team</b>	Ms V J Jackson, (headteacher/principal) Mr P D Hammond, (deputy headteacher) Mr P M Greenwood, (assistant headteacher) Miss Y Nordon, (assistant headteacher) Mr A L James, (assistant headteacher) Mr M Moody, (associate assistant headteacher) Mr D Foulkes, (business manager) Mrs C Atkinson, (deputy headteacher) Mr C Clarke, (associate assistant headteacher)
<b>Principal and registered office</b>	Caldew School Carlisle Road Dalston CA5 7NN
<b>Company registration number</b>	07680823
<b>Auditor</b>	David Allen Chartered Accountants & Statutory Auditor Dalmar House Barras Lane Estate Dalston Carlisle CA5 7NY
<b>Bankers</b>	Lloyds Bank Plc 5-6 King Street Penrith CA11 7AP  NatWest Bank Plc 92 English Street Carlisle CA3 8NF  Cumberland Building Society 12 The Square Dalston Carlisle CA5 7PH
<b>Solicitors</b>	Burnetts 6 Victoria Place Carlisle CA1 1ES

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**CALDEW SCHOOL  
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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018**

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The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. 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 11 to 18 serving a rural catchment area in north Cumbria. It has a pupil capacity of 1,050 and had a roll of 1,020 in the school census in January 2018.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

***Constitution***

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Caldew School and are also the directors of the charitable company for the purposes of company law. The charitable company operates as Caldew School. They have ultimate responsibility for management of Caldew School.

Details of the governors who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on pages 1 and 2.

The governing body has decided that there should always be four members, being the chair of governors, vice chair and two other community governors. Over the year changes have been made to the governing body as is the natural course of things and these are recorded at appropriate points both in this report and in the company's statutory books.

***Members' liability***

Each member of the academy trust undertakes to contribute to the assets of the academy trust 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 trustees have legal indemnity cover for £5,000,000 which is part of the overarching school insurance policy from Zurich Insurance Plc. This protects all trustees from legal claims made against them while undertaking the voluntary roles that they discharge through their status.

***Principal activities***

The academy trust's charitable object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In setting the objectives, strategy and activities of the academy trust, the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

The income and property of the academy trust is applied solely towards the promotion of the object.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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***Method of recruitment and appointment or election of Trustees***

(As outlined in the Articles of Association)

The number of governors shall be not less than three but shall not be subject to any maximum.

The governors of the academy trust meet regularly as a separate body (and are required to hold at least three meetings in any school year).

The governors of the academy are appointed using the procedures outlined in the articles (and summarised below). The governing body comprises the following;

- Up to five governors, deemed community governors who are appointed by the members. They are selected to provide balance and wider perspective to the governing body;
- Staff governors, appointed by the members through such process as they may determine, provided that the total number of governors (including the headteacher) who are employees of the academy trust does not exceed one third of the total number of governors. In practice this means that nominations are asked for from the staff body and in the case of more than one nomination, the clerk to the governors organises an appropriate voting process to determine the member of staff to be appointed;
- One governor appointed by the Local Authority if it chooses to do so (currently the governors have chosen not to appoint such a governor);
- The headteacher; and
- A minimum of two Parent Governors who are elected by parents of registered pupils at the academy. A Parent Governor must be a parent of a pupil at the academy at the time when he/she is elected.

The governing body shall make all necessary arrangements for, and determine all other matters relating to, an election of parent governors, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent governors which is contested shall be held by secret ballot.

The arrangements made for the election of a parent governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he/she prefers, by having his/her ballot paper returned to the academy trust by a registered pupil at the academy.

Where a vacancy for a parent governor is required to be filled by election, the governing body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that he/she is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of parent governors required shall be made up by parent governors appointed by the governing body if the number of parents standing for election is less than the number of vacancies.

The governors may appoint up to three co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the academy trust as a co-opted governor if thereby the number of governors who are employees of the academy trust would exceed one third of the total number of governors (including the principal).

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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***Policies and procedures adopted for the induction and training of Trustees***

All new governors are well supported in their roles through comprehensive training and information. On appointment all new governors are given:

- welcome letter from chair of governors and clerk
- articles of association
- guide to the law including a copy of the Charity Commission document "The Essential Trustee"
- terms of reference for all committees of the governing body
- business interests letter
- business interests form to be completed
- meetings calendar
- terms of office
- contact details
- governing body decision planner
- governing body code of practice
- committee structure

Members of the governing body are invited to attend a meeting of all the committees so that they may familiarise themselves with the function, purpose and remit of each. They are expected to attend the regular meetings of the full governing body as well as being a member of one of the committees that meet according to a published schedule. The schedule is readily available and published on the academy's website.

As training needs are identified through skills audit or emergent developments these are organised with relevant external providers through the clerk to the governors.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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***Organisational structure***

The governing body has overall responsibility for the administration and finances of the academy trust.

The governing body meets as a full committee once every half term during the academic year to ratify the work of the committees and to discuss any overarching policies as laid out in the scheme of delegation. The committees meet on a similar basis and each has specific terms of reference which are summarised below:

Committees:

- Finance and General Purposes - budget, financial procedures, best value, significant virements, contracts.
- Resources - HR, pay and conditions, appraisal, health and safety, maintenance, building development, accessibility.
- Student Welfare and Guidance - Pastoral care, trips / visits, admissions, safeguarding, pupil premium, SEND.
- Progress and Standards - curriculum, student attainment / progress, teaching and learning.

In addition to the general committees of the governing body there exists occasional committees. The ones that meet yearly are:

- Pay review
- Headteacher's pay review

The committees for staff dismissal and student discipline meet infrequently and only when called on due to circumstance.

***Arrangements for setting pay and remuneration of key management personnel***

The trust retains a pay policy for setting the pay and remuneration of key management personnel. The policy is reviewed annually by the governing body and clearly states the process by which pay and remuneration is set.



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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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***Risk management***

The academy is exposed to a number of risks that are included as known in the three year development plan. This is reviewed annually by the governing body and regularly by the headteacher in conjunction with the senior leadership team and business manager. These revolve around the funding that sustains the school in its function and the physical site that the school occupies. The main risks that are foreseen are changes to current funding formula, pay settlements for either associate or teaching staff, potential enhanced pension contributions, pupil numbers on roll and encroachment of the river Caldeu into the schools grounds.

The academy trust is the custodian of the land that the academy sits upon and the governors maintain a regular overview of its conditions including the river and public rights of way. Chancery insurance is in place to protect the academy against the risk of local parish chancery claims.

The Finance and General Purposes Committee of the governing body regularly reviews the in-year budget to protect against risks of over expenditure. The school also employs an internal auditor to ensure that internal audit testing is completed to Education and Skills Funding Agency (ESFA) guidelines and reports on each internal auditor visit are presented to the Finance and General Purposes Committee, along with an appropriate action plan to address any highlighted areas for improvement in practice.

The Premises Committee instruct a quinquennial site survey and maintain a regularly updated premises priorities list that balances educational need with premises upkeep and longevity of the estate. The committee also oversees health and safety policy and procedures within the school.

The work of each of these committees is reported directly to the governing body.

***Connected organisations, including related party relationships***

Caldew School works in partnership with "Trinity School, A Church of England Academy" in a soft chain. Each academy has a separate governing body and they work as completely autonomous schools. The level of school to school support and development undertaken through the soft chain is decided upon each year in agreement between the respective headteachers (principals) and their deputies. These activities have no financial impact on either academy and are done purely on a level of sharing teaching and learning expertise to enhance the educational provision for the students of the respective institutions.

The academy trust maintains a register of business interests for all governors and senior management to identify related party relationships and transactions.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**OBJECTIVES AND ACTIVITIES**

***Objects and aims***

The aim of the governing body is to maintain and improve the school's standards of education in accordance with its charitable object. Its work can be divided into three key areas:

- Setting the school's vision and strategic aims, agreeing plans and policies, and making creative use of resources.
- Monitoring and evaluating performance, acting as a critical friend to the headteacher and senior leadership team to support and challenge them in managing the school.
- Ensuring that the school is accountable to the children and parents it serves, to its local community, to those who fund and maintain it, as well as to the staff it employs.

***Objectives, strategies and activities***

The school has set a three year action plan for the period of 2017-2020 that is focussed around the strategic oversight of the committees of the governing body:

Standards and progress

- academic outcomes
- progress
- learning community
- equality

Student welfare and guidance

- attendance
- behaviour
- admissions
- equality

Resources

- premises
- staffing
- equality

Finance

Full governing body

- estate plan
- communications
- equality

All activities of the school are aimed at ensuring that these are the focus of its work and that of the governing body. In addition to these strategic objectives the governing body maintains the desire to achieve at least balanced budgets with appropriate financial management and safeguards in place.

A more detailed breakdown of the objectives, strategies and activities undertaken around these areas can be found in the schools action plan available on request. A summary of the current year's action plan in summary detail is available to download from the school's website.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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***Public benefit***

The academy trust's charitable purpose, to promote education for the public benefit, underpins all our objectives, strategies and activities and the governors have proper regard to relevant Charity Commission guidance on public benefit in managing the academy trust.

Caldew School provides education to 11 to 18 year old students who are admitted to the academy through its admissions policy to a non-fee paying school. The students are not selected by ability or aptitude; Caldew School admits all students of the relevant age living within the geographical area of its catchment. Once these students have been admitted then, as per the admission policy, other students from the wider geographical area are able to achieve admission. All external data shows that the academy achieves positive value added with its students from their point of entry to the point at which they leave the school at either the end of the academic year they reach 16, 17 or 18 as determined by their voluntary leaving age post compulsory education.

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

The school exists for the benefit of its students and as such their outcomes are the easiest to measure as achievements and as a reflection on the performance of the school.

The school made substantial progress towards the majority of its objectives in 2017-18. The Year 11 cohort in 2017-18 was below average in terms of prior attainment. The GCSE results for this year group improved significantly from the previous year and in some measures are the best the school has achieved. In the basics measure (standard pass) 67% of students achieved grade 4 or above in Maths and English (it was 59% the previous year) and for the basics measure (good pass) 42% of students achieved grade 5 or above in Maths and English up from 35%. This is likely to be in line with the national averages for both measures. The percentage of students achieving the EBacc measure (standard pass) increased to 24% which again is likely to be in line with the national average. The schools Progress 8 score is likely to be around 0 for all students showing students made the progress they should have done. The achievement of Pupil Premium students and boys remains an area for focus for the school. SEN students with an Education Health Care Plan and those at support level made good progress. There was a significant improvement in students' progress and achievement in English, Science and History. GCSE results in Maths, Geography and MFL did not show the same level of improvement. The EBacc subjects remains a priority for the school and is a key area for focus in the School Action Plan.

Year 12 AS results dipped from last year, however they remain above the results for 2015-16. The average points per entry decreased meaning the average grade achieved dropped to D. Year 13 results improved from the previous year and continue the schools track record of good results at A level. All students secured their places at University or the grades they needed for their chosen progression routes. There was an increase in the average points score per entry resulting in the average grade rising to C+ from C- and expected levels of progress being made in most subjects. Provisional calculations show that the value added score is likely to be in line with national average.

As well as in academic qualifications improvements were made in the areas of attendance and behaviour. Student attendance improved significantly from the previous year and will be at least in line with the national average. Although there were improvements in the attendance of students who are pupil premium and SEND support these groups are still below others nationally and their attendance remains a priority for the school. Across the academy the number of fixed term exclusions fell and the number of repeat exclusions also decreased.

The school was subject to an OFSTED inspection during 2017-18 and was judged as Requires Improvement. The areas for improvement identified in the OFSTED report have been incorporated into the school development plan.

The school has used its budgetary resources to fund the maintenance work of the premises. A bid for capital funding was successful for improving site security. This work was started in August 2018 and was completed in October 2018. A separate bid to improve the toilet facilities was unsuccessful. Due to the poor state of the boys toilets on the main corridor governors released £20,000 from reserves to enable these toilets to be refurbished.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**STRATEGIC REPORT**

Change has also been evident in the composition of the governing body. Due to terms of office coming to an end as well as changing circumstances meaning some members and governors have resigned and been subsequently replaced.

The governing body is pleased with the progress the school has made in the last 12 months as an academy and look forward to securing further improvements in the next reporting period.

***Key non-financial performance indicators***

A full budget is prepared before the start of the accounting period. The budget is set to balance in year, accounting for known and anticipated funding and income against known and anticipated expenditure. The budget is approved by the governing body. During the accounting period the budget was monitored on a regular basis. Payroll detail is spot checked each month for accuracy. Invoices are authorised and paid within payment terms and a monthly bank reconciliation completed to confirm transactions are accurate and cash flow secure. A VAT return is completed online each month to comply with HMRC regulations.

The main elements of the budget were all expended as planned with some variance in other areas. The majority of expenditure that occurs is through staffing costs with an overall small underspend. The areas of negative variance that occurred were building maintenance and services, admin staff costs, invigilation staff costs and catering supplies. The increase in catering supply is due to increased numbers of students using the schools catering facilities. The increase in building costs is due to additional security and higher than expected servicing costs. The school also spent £20,000 on the boy's toilets refurbishment from the cumulative surplus. Two areas of the budget saw higher than predicted levels of income that off-set these areas. These were income from SEN high needs funding (from Local Authority) due to an increase in the number of students with education health care plans and catering both performed marginally above expectations. Music income was lower than originally budgeted.

A forward budget plan is prepared within the school action plan that enables the academy to plan for known cost pressures or income variance. The school is facing increased financial pressures in the future due to national changes to funding, unfunded pay rises and increased pension costs. In addition it is predicted that the school will see a decrease in pupil numbers of 28 in 2018-19 which will impact on income in 2019-20. Areas already identified for 2018-19 include changes to the Local Government Pension Scheme (LGPS) where it is anticipated that an increase in the lump sum contributions may be required, pay awards for support staff of 2%, teacher pay awards where schools have to fund the first 1% of the pay rise, reduced GAG funding due to national funding changes, and a possible increase in employer contributions to the Teacher Pension Scheme and LGPS. The school has taken measures to cope with the financial pressures it is now facing. Staff numbers have been reduced for 2018-19 with a reduction to teaching staff of 6 full time equivalents and reductions to support staff. Cuts have also been made to budget lines. The school has prepared and submitted a 3 year budget to the ESFA that shows the impact of these financial pressures over the next 3 years. The 2018-19 budget has been set as a balanced budget. The school is now undertaking planning for 2019-2020 and 2020-2021 to find the savings that are required.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**STRATEGIC REPORT**

***Going concern***

After making appropriate enquiries, and in reliance on appropriate financial and accounting advice, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

**FINANCIAL REVIEW**

Governors have adopted the ESFA finance manual which incorporates the policy for financial delegation, statement of internal control and best value. This is updated as necessary to reflect the practices and procedures in place within the academy trust as operationally needed or through recommendations of the internal or external auditors.

The academy prepares and monitors financial plans to ensure ongoing financial health. The budget is monitored and monthly management accounts are prepared that set out the schools financial performance and position, budget variance reports and cash flow forecasts. These reports are reviewed by the headteacher and chair of governors monthly and will be by other trustees six times per year to satisfy the DFE financial handbook.

The main funding stream is the GAG provided via the ESFA, along with threshold, pupil premium, bursary funding and other minor grants. The school receives "top-up" SEN funding from Cumbria Local Authority. Ring fenced capital maintenance funding has been made available via successful bids. The private income generated by the school is predominately raised through the provision of internal catering and lettings of its sporting facilities.

The school is in a reasonably healthy financial position given the cuts to funding and increases to running costs. The school is aware of future pressures and is planning accordingly.

Expenditure has supported key objectives by narrowing the gap in achievement between key groups and successful exam results.

During the year ended 31 August 2018 total income amounted to £6,097,353 (2017: £6,316,970) and the total expenditure was £6,554,911 (2017: £6,710,097). This resulted in net expenditure before transfers and other gains and losses (and after accounting for depreciation charges of £435,067) of £457,558 (2017: £393,127).

At 31 August 2018 the net book value of fixed assets was £8,078,193 (2017: £8,490,031) and movements in tangible fixed assets are detailed in note 11 to the financial statements. The assets were used exclusively for the purposes of providing education.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**STRATEGIC REPORT**

***Reserves policy***

The academy trust ran at an overall surplus of £131,442 for the year. This was after accounting for depreciation of £435,067 and an actuarial gain on the local government pension scheme of £589,000. At the year end the total funds carried forward amounted to £6,244,174 which included unrestricted funds of £295,272 and restricted general funds of £115,709, not including the pension deficit of £2,245,000.

The academy trust had achieved a cumulative surplus of unrestricted funds of £295,272 by the end of 2017/18 and it is the policy of the governing body that the majority of monies available should be used to benefit the education of students so a reserve of £25,000 only will be retained as detailed in the academy's treasury policy. This will be used for emergency purposes while the remainder of the surplus will be used to refurbish ageing teaching spaces and increase other budget lines that have been under pressure due to cost increases within the school.

A further cumulative £45,000 has been set aside in a separate bank account for the replacement of the school's astro-turf pitch and multi-gym equipment. A sum of £15,000 will be added each year to allow for replacement costs of these capital intense teaching spaces.

The academy is paying pension contributions to the LGPS and as a result of the year end actuarial valuation there is a deficit on this scheme of £2,245,000. The liability does not result in an immediate cash flow impact on the academy trust. The academy trust has entered into an agreement to make additional contributions to the scheme to cover the deficit position. Details of this agreement can be found in note 22.

Tangible assets are held for use by the academy and are not included in the reserves policy.

At the year end the academy trust has an overall carried forward surplus, available to spend of £294,289. This has been calculated after taking into account the above adjustments of astro and gym replacement and reserves policy figure. The restricted fixed asset fund balance has not been included in this calculation. The surplus balance has been calculated based on unrestricted and GAG balances and does not include any other ring fenced restricted funds.

The academy monitors the levels of reserves held in detail throughout the financial year, but undertakes a detailed review of their reserves policy at the end of each financial year. If considered necessary the level of reserves they believe need to be held will be amended.

***Investment policy***

Potential investment avenues have been explored such as using short notice accounts and this work is under constant review to ensure that any such actions maximise returns on the cash surplus that the academy holds.

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**STRATEGIC REPORT**

**PRINCIPAL RISKS AND UNCERTAINTIES**

The academy trust uses financial instruments, including bank balances and various items such as trade debtors and trade creditors that arise directly from its activities. The main risk associated with these is liquidity risk.

Cash flow is currently secure and the LGPS pension deficit is monitored annually to ensure that the current contribution rate is appropriate. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding LGPS liabilities would be met by the Department for Education (DfE). The guarantee came into force on 18 July 2013. The LGPS scheme has been actuarially re-valued during 2016 and the anticipated increase in the lump sum contributions has been applied to address the projected deficit. This will be reviewed in 2020 and there may be a further increase to the lump sum.

In the current year funding has decreased from 2016-17 levels by £126,012. This was as a result of reduced pupil numbers and the introduction of the National Funding Formula. At the January census in 2018 there were 1,020 students on roll. This is 29 fewer than the previous year which is mainly due to a reduction to Sixth Form numbers. The academy managed to set a balanced budget for 2017-18 though this has been increasingly difficult due to external costs pressures. The academy in September 2018 has started the year with a steady roll and currently has 996 students.

All major risks such as fire, legal claims and threats to the building fabric the school carries full insurance for. The school has decided after exploring whether to join the ESFA risk protection scheme to renew instead its insurance rather than take this option. This was a decision made by the members after taking into consideration the unique features of the academy such as its farm, river within its grounds and copper roof coverings. It was decided that on balance the RPA scheme did not give sufficient coverage at this time to make it comparable to existing insurance. This arrangement will continue into the 2018-19 year.



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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**STRATEGIC REPORT**

**PLANS FOR FUTURE PERIODS**

The school under the direction of the headteacher has refined its action plan system. The objectives set out in its annual action plan centred on the schools development as an educational establishment and are available on the schools website. Key objectives and actions are set out under the following headings:

- Leadership and management

All members of the school community are leaders of learning. Leaders at all levels are empowered to create a culture of continuous improvement that enables all students and staff to succeed in achieving outstanding progress and outcomes.

- Teaching and learning

Teaching will engage and empower all students to develop their academic potential, personal interests and aspirations. The quality of teaching in all key stages and all subjects will increasingly be 'outstanding' and never less than 'consistently good'. This will lead to students developing in depth knowledge and transferable skills across all subjects in the curriculum.

- Personal development, welfare and guidance

Students are the core of everything: their outstanding achievement and success is driven by a shared belief in their potential, their capacity to be leaders in the school and that all barriers can be overcome. Students take pride in their school and actively engage in all aspects of school life. They are prepared to take risks and are resilient learners.

- Outcomes

There are high levels of achievement for all, with students making excellent progress, regardless of gender, ability, additional needs or background. Assessment is accurate and rigorous so that underachievement is identified early and personalised interventions are in place to allow every student to catch up, keep up and achieve. These achievements allow students to have high aspirations and go on to make informed and ambitious choices about their next stages in life.

- Sixth Form

Our Sixth Form will provide a learning environment, curriculum and high quality teaching to meet the needs of each and every student. In everything we do we will focus on the needs and aspirations of individuals, responding to the changing demands and circumstances which our students face. We will make the Sixth Form experience for each student a challenging, successful and enjoyable one which equips them for the next stage in their lives.

The school has updated its three year development plan looking strategically at other areas outside the core of student outcomes and experiences. These include:

- Evaluation of premises improvements
- Academy development
- Future of the ASC resourced provision and collocation of SEN students
- Actions as identified in internal auditor report and auditors management letter
- ICT infrastructure

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**GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2018 (CONTINUED)**

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**AUDITOR**

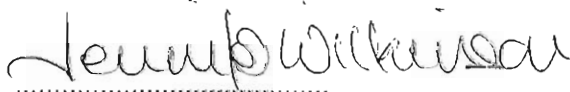
In so far as the trustees are aware:

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

***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of David Allen as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Governors' report , incorporating a Strategic Report, was approved by order of the members of the governing body, as the company directors, on 3 December 2018 and signed on the members behalf by:



.....  
Mrs J M Wilkinson  
Chair of Governors

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT**

---

**Scope of responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Caldew School 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 governing body has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Caldew School and the Secretary of State for Education. They are also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing body has formally met 6 times during the year. Attendance during the year at meetings of the governing body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs J M Wilkinson	6	6
Mr J F Story	0	2
Mr D B Craig	6	6
Mrs P Y Abba	4	6
Mr S L Garbett	1	2
Mrs K Richardson	6	6
Mrs D Shirvinton	4	6
Mr R J Charlton	5	6
Miss R T Mason	6	6
Mrs C Messenger	1	3
Ms V J Jackson	6	6
Mrs A D Bradshaw	6	6
Mr B Mcardle	5	6
Ms T Abbas	3	4
Mr M Smillie	3	3
Mr K J Ross	0	1
Mrs L P Atkinson	1	1
Mrs K Cavanagh	4	4

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance reviews**

The governing body has seen some movement in membership as is normal over the accounting period. As vacancies arise the governing body reviews the skills and background of its members to ensure that the right blend of skills and attributes are in place. Two new staff governors, Mrs A D Bradshaw and Mr B McArdle were appointed on 1 September 2017. Mr S L Garbett resigned as staff governor and Mrs K Cavanagh was appointed on 23 January 2018. Two new community governors were appointed, Ms T Abbas on 27 November 2017 and Mr M Smillie on 25 April 2018. Mrs C Messenger resigned as parent governor and Mr R Charlton was appointed as community governor, creating two parent governor vacancies. These were filled by Mr K J Ross and Mrs L P Atkinson, appointed on 29 and 26 June 2018 respectively. Mrs K Richardson was appointed as a member on 20 March 2018. It remains difficult to attract local business representatives to community positions despite repeated canvassing and approaches being made. This remains an area for further development in the future period.

All meetings remained quorate over this period as laid out in the Articles of Association.

The Finance and General Purposes Committee is a sub-committee of the main governing body. Its purpose is to scrutinise and approve the school budget, monitor financial procedures, ensure best value, approve significant virements and oversee the award of contracts. This committee meets 3 times per year. The members board also meets 3 times a year. Governors maintain an effective oversight of funds as in addition to these meetings, the headteacher and business manager meet fortnightly and review the budget, any issues are then raised with governors. During the year the Finance and General Purposes Committee also received the internal auditors report on the financial systems within the school as well as the auditors management report. The internal and external auditors reports confirm that there is effective oversight of the academies financial affairs and use of resources. Attendance at meetings during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr J F Story	1	1
Mr D B Craig	3	3
Mrs J M Wilkinson	3	3
Mrs P Y Abba	2	3
Ms T Abbas	1	3
Mrs K Cavanagh	1	1
Ms V J Jackson	3	3
Mr M Smillie	3	3
Mr S L Garbett	0	1
Mr R J Charlton	1	3

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT (CONTINUED)**

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**Review of value for money**

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

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

- The school has clear guidelines within its Financial Handbook regarding the need for purchases over set limits to be subject to multiple quotes and where appropriate a full tendering process. The accounting officer with the schools business manager ensure that these are strictly adhered to. The external and internal audit testing of the school are further checks that these systems are both appropriate and implemented fully.
- Benchmarking for all cost centres in the budget is undertaken on a regular basis. This has led to changes in senior leadership team staffing structure in the last year and where significant concerns are raised during benchmarking action is clearly identified in the schools three year development plan.
- Where economies of scale are achievable, such as in energy contracts negotiated across a number of schools, the school takes steps to secure these.
- The school has undertaken a major project this year and secured CIF funding to improve site security. £127,468 was received from ESFA.
- The schools business manager is active in Cumbria wide networks to ensure that best practice is shared and learnt from where possible.

As a result the school continues to be able to offer a broad and balanced curriculum while experiencing per pupil real terms decreases in funding.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control**

The school manages risk review and checking of controls through the appointment of an internal audit service. This is carried out by an external audit company Dodd and Co on an annual basis. This is the preferred option as there is no one on the Governing Body who has the qualifications or experience to carry out this work. Dodd and Co provide an independent review by qualified and experienced auditors with no conflict of interest.

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 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 Caldew School for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

The work of the internal auditor is leading to modifications and improvement of these systems to ensure that they meet best practice as recommended in the internal auditor's report. The business manager of the school with the accounting officer (headteacher) work to ensure that any such adjustments are made in a timely and correct manner. The internal auditor has identified only low risk adjustments required for the schools internal systems and in the last report in the reporting period was unable to identify any adjustments that should be made.

**Capacity to handle risk**

The governing body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The governing body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT (CONTINUED)**

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**The risk and control framework**

The academy 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 governing body;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The governing body has considered the need for a specific internal audit function and has decided:

- to appoint Dodd and Co Chartered Accountants as 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. In particular the checks carried out in the current period included a review of the academy's financial procedures and controls.

The internal auditor reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

All functions of the internal auditor role have been undertaken in compliance with the relevant ESFA guidance. There were no improvements highlighted to internal systems in their report.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**GOVERNANCE STATEMENT (CONTINUED)**

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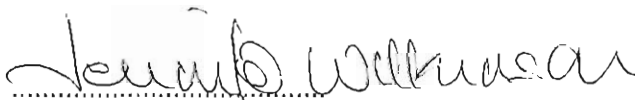
**Review of effectiveness**

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

- the work of the 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 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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the governing body on 3 December 2018 and signed on its behalf by:



Mrs J M Wilkinson  
Chair of Governors



Ms V J Jackson  
Accounting officer  
Governor and trustee



**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

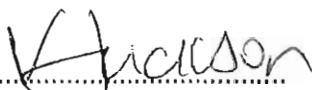
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Caldew School I have considered my responsibility to notify the academy trust governing body 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 2017.

I confirm that I and the academy trust governing body 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 2017.

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 governing body and ESFA.

  
.....  
Ms V J Jackson  
Accounting officer

3 December 2018

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

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The trustees (who act as the governors of Caldew School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published 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 in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 governing body on 3 December 2018 and signed on its behalf by:



.....  
Mrs J M Wilkinson  
Chair of Governors

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS  
OF CALDEW SCHOOL**

---

**Opinion**

We have audited the financial statements of CaldeW School (the 'academy trust') for the year ended 31 August 2018, which comprise the Statement of Financial Activities (incorporating the income and expenditure account), Balance Sheet, Statement of Cash Flows and 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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)) and the Academies Accounts Direction 2017 to 2018 issued by ESFA.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including 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 Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

**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 trust 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.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS  
OF CALDEW SCHOOL (CONTINUED)**

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**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 trust'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 Governors' 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 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 Governors' Report, including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report, including the incorporated 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated strategic report.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS  
OF CALDEW SCHOOL (CONTINUED)**

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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 Governors' 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 governors' responsibilities [set out on page 24], the trustees 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 trust'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 trust 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

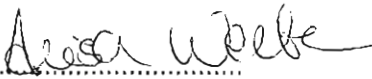
**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS  
OF CALDEW SCHOOL (CONTINUED)**

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- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

This report is made solely to the academy trust'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 trust'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 trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
ALISON WELTON (Senior Statutory Auditor)  
For and on behalf of David Allen, Statutory Auditor

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

3 December 2018

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO  
CALDEW SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 November 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Caldew School during the year 1 September 2017 to 31 August 2018 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 Caldew School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Caldew School and 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 Caldew School and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Caldew School's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Caldew School's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 from 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by 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 trust's income and expenditure.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

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

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The work undertaken to draw to our conclusion includes:

- A review of the outcome of the regularity audit for the previous accounting period.
- A review of the statement on regularity, propriety and compliance provided by the accounting officer and confirming that to the best of her and the ESFA's knowledge there have been no irregular transactions within the accounting period.
- Gaining an understanding of the work carried out by the accounting officer, the basis from which the statement on regularity, propriety and compliance has been prepared and undertaking a review of the evidence used to support this statement.
- Evaluation of the internal control procedures and scheme of delegation in place and ensuring that expenditure does not contravene the funding agreement.
- Evaluation of how the academy trust ensures best value for money and the exclusion of personal benefit in transactions undertaken.
- Evaluation of what the academy has done to review the effectiveness of the governing body.
- A review of the declared business interests.
- Undertaking a review of the delegated authorities and ensuring these have been complied with.
- Considering the outcome of the audit of the financial statements and the resulting findings from this work undertaken.

**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 from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



.....  
ALISON WELTON, Reporting Accountant  
For and on behalf of  
David Allen  
Chartered Accountants & Statutory Auditor

Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

3 December 2018



**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
<b>Income from:</b>					
Donations and capital grants	2	-	72,370	127,468	199,838
<i>Charitable activities:</i>					
Funding for the academy trust's educational operations	3	-	5,518,328	-	5,518,328
Other trading activities	4	116,741	262,074	-	378,815
Investments	5	372	-	-	372
Total		<u>117,113</u>	<u>5,852,772</u>	<u>127,468</u>	<u>6,097,353</u>
<b>Expenditure on:</b>					
Raising funds	6	-	370,965	-	370,965
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>19,308</u>	<u>5,729,571</u>	<u>435,067</u>	<u>6,183,946</u>
Total		<u>19,308</u>	<u>6,100,536</u>	<u>435,067</u>	<u>6,554,911</u>
Net income/(expenditure)		97,805	(247,764)	(307,599)	(457,558)
Transfers between funds		(33,965)	161,433	(127,468)	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	<u>589,000</u>	-	<u>589,000</u>
Net movement in funds		63,840	502,669	(435,067)	131,442
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2017		<u>231,432</u>	<u>(2,631,960)</u>	<u>8,513,260</u>	<u>6,112,732</u>
Total funds carried forward at 31 August 2018		<u>295,272</u>	<u>(2,129,291)</u>	<u>8,078,193</u>	<u>6,244,174</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016/17 £
<b>Income from:</b>					
Donations and capital grants	2	-	94,968	184,939	279,907
<i>Charitable activities:</i>					
Funding for the academy trust's educational operations	3	-	5,655,529	-	5,655,529
Other trading activities	4	112,122	269,061	-	381,183
Investments	5	351	-	-	351
Total		<u>112,473</u>	<u>6,019,558</u>	<u>184,939</u>	<u>6,316,970</u>
<b>Expenditure on:</b>					
Raising funds	6	-	385,122	-	385,122
<i>Charitable activities:</i>					
Academy trust educational operations	7	<u>44,942</u>	<u>5,854,374</u>	<u>425,659</u>	<u>6,324,975</u>
Total		<u>44,942</u>	<u>6,239,496</u>	<u>425,659</u>	<u>6,710,097</u>
Net income/(expenditure)		67,531	(219,938)	(240,720)	(393,127)
Transfers between funds		(24,753)	24,753	-	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	<u>690,000</u>	-	<u>690,000</u>
Net movement in funds		42,778	494,815	(240,720)	296,873
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2016		<u>188,654</u>	<u>(3,126,775)</u>	<u>8,753,980</u>	<u>5,815,859</u>
Total funds carried forward at 31 August 2017		<u>231,432</u>	<u>(2,631,960)</u>	<u>8,513,260</u>	<u>6,112,732</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET AS AT 31 AUGUST 2018**

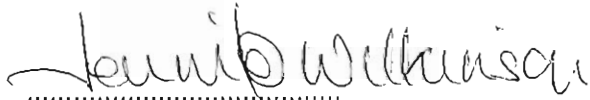
	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	8,078,193	8,490,031
<b>Current assets</b>			
Stocks	12	4,411	6,226
Debtors	13	108,843	143,505
Cash at bank and in hand		<u>529,134</u>	<u>348,309</u>
		642,388	498,040
<b>Liabilities</b>			
Creditors: Amounts falling due within one year	14	<u>(231,407)</u>	<u>(216,339)</u>
<b>Net current assets</b>		<u>410,981</u>	<u>281,701</u>
<b>Total assets less current liabilities</b>		<u>8,489,174</u>	<u>8,771,732</u>
<b>Net assets excluding pension liability</b>		8,489,174	8,771,732
Defined benefit pension scheme liability	22	<u>(2,245,000)</u>	<u>(2,659,000)</u>
<b>Total net assets</b>		<u><u>6,244,174</u></u>	<u><u>6,112,732</u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Restricted general fund	15	115,709	27,040
Restricted fixed asset fund	15	8,078,193	8,513,260
Restricted pension fund	15	<u>(2,245,000)</u>	<u>(2,659,000)</u>
		5,948,902	5,881,300
<b>Unrestricted funds</b>			
Unrestricted general fund	15	<u>295,272</u>	<u>231,432</u>
<b>Total funds</b>		<u><u>6,244,174</u></u>	<u><u>6,112,732</u></u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET AS AT 31 AUGUST 2018 (CONTINUED)**

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The financial statements on pages 31 to 59 were approved by the trustees and authorised for issue on 3 December 2018 and signed on their behalf by:



.....  
Mrs J M Wilkinson  
Chair of Governors

Registration number: 07680823

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018**

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	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	76,214	129,108
<b>Cash flows from investing activities</b>	19	<u>104,611</u>	<u>23,580</u>
<b>Change in cash and cash equivalents in the year</b>		180,825	152,688
<b>Cash and cash equivalents at 1 September</b>		<u>348,309</u>	<u>195,621</u>
<b>Cash and cash equivalents at 31 August</b>	20	<u><u>529,134</u></u>	<u><u>348,309</u></u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018**

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**1 ACCOUNTING POLICIES**

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

**Basis of preparation**

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**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 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 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.

**Income**

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

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**1 ACCOUNTING POLICIES (continued)**

***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 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 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.

***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 academy trust has provided the goods or services.

***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.

All resources expended are inclusive of irrecoverable VAT.

***Expenditure on raising funds***

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

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**1 ACCOUNTING POLICIES (continued)**

***Charitable activities***

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

**Tangible fixed assets**

Assets costing £2,500 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 requiring 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 freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, per the table below.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Buildings	over the remaining life of the building
Fixtures, Fittings and Equipment	10%
Computer Equipment	33%
Plant, Machinery and Motor Vehicles	10-20%

**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 academy 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.



**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**1 ACCOUNTING POLICIES (continued)**

***Provisions***

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

**Leased assets**

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

**Financial instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 13. Prepayments are not financial instruments.

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 cost as detailed in note 14. 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.

**Stock**

Stocks are valued at the lower of cost or net realisable value.

**Taxation**

The academy 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 academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**1 ACCOUNTING POLICIES (continued)**

**Pension benefits**

Retirement benefits to employees of the academy 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 academy 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 credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 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.

**Fund accounting**

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

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**1 ACCOUNTING POLICIES (continued)**

**Critical accounting estimates and areas of judgement**

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

***Critical accounting estimates and assumptions***

The academy 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2018. 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.

**Agency accounting**

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The academy trust can use up to 0% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 24.

**2 DONATIONS AND CAPITAL GRANTS**

	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>2017/18 Total £</b>	<b>2016/17 Total £</b>
Capital grants	-	127,468	127,468	184,939
Other donations	72,370	-	72,370	94,968
	<u>72,370</u>	<u>127,468</u>	<u>199,838</u>	<u>279,907</u>

**CALDEW SCHOOL**  
**COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018**  
**(CONTINUED)**

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**3 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS**

	<b>Restricted funds £</b>	<b>2017/18 Total £</b>	<b>2016/17 Total £</b>
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	5,096,696	5,096,696	5,222,708
Capital grants (Formula capital)	22,473	22,473	22,872
Pupil premium	172,894	172,894	172,713
Other DfE/ESFA grants	<u>16,057</u>	<u>16,057</u>	<u>16,688</u>
	<u>5,308,120</u>	<u>5,308,120</u>	<u>5,434,981</u>
<b>Other government grants</b>			
Special educational projects	161,081	161,081	173,756
<b>Non-government grants and other income</b>			
Exam fees income	1,606	1,606	2,603
Curriculum income	8,020	8,020	7,729
Other grant income and funding	<u>39,501</u>	<u>39,501</u>	<u>36,460</u>
	<u>49,127</u>	<u>49,127</u>	<u>46,792</u>
Total grants	<u>5,518,328</u>	<u>5,518,328</u>	<u>5,655,529</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**4 OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	62,032	-	62,032	60,407
Catering income	-	262,074	262,074	269,061
Music tuition	22,298	-	22,298	25,432
Rental income	3,120	-	3,120	2,812
Other miscellaneous income	29,291	-	29,291	23,471
	<u>116,741</u>	<u>262,074</u>	<u>378,815</u>	<u>381,183</u>

**5 INVESTMENT INCOME**

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Bank interest receivable	372	372	351

**6 EXPENDITURE**

	Non Pay Expenditure			2017/18 Total £	2016/17 Total £
	Staff costs £	Premises £	Other costs £		
<b>Expenditure on raising funds</b>					
Direct costs	134,803	-	236,162	370,965	385,122
<b>Academy's educational operations</b>					
Direct costs	3,929,964	435,067	497,668	4,862,699	5,071,362
Allocated support costs	751,370	393,218	176,659	1,321,247	1,253,613
	<u>4,816,137</u>	<u>828,285</u>	<u>910,489</u>	<u>6,554,911</u>	<u>6,710,097</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**6 EXPENDITURE (continued)**

**Net income/(expenditure) for the year includes:**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
Operating lease rentals	7,108	6,804
Depreciation	435,067	425,557
Fees payable to auditor - audit	3,650	3,400
(Gain)/loss on disposal of fixed assets	-	102
Fees payable to auditor - other services	<u>14,304</u>	<u>9,272</u>

Included within expenditure are the following transactions.

	<b>Total £</b>	<b>Individual items above £5,000</b>	
		<b>Amount £</b>	<b>Reason</b>
Unrecoverable debts	1,291	-	-

**7 CHARITABLE ACTIVITIES**

	<b>Total</b>	<b>Total</b>
	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
Direct costs - educational operations	4,862,699	5,071,362
Support costs - educational operations	<u>1,321,247</u>	<u>1,253,613</u>
	<u>6,183,946</u>	<u>6,324,975</u>

	<b>Educational</b>	<b>2017/18</b>	<b>2016/17</b>
	<b>operations</b>	<b>Total</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Analysis of support costs</b>			
Support staff costs	751,370	751,370	772,113
Technology costs	51,265	51,265	48,826
Premises costs	393,218	393,218	311,898
Other support costs	115,956	115,956	111,218
Governance costs	<u>9,438</u>	<u>9,438</u>	<u>9,558</u>
Total support costs	<u>1,321,247</u>	<u>1,321,247</u>	<u>1,253,613</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**8 STAFF**

**Staff costs**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	3,702,985	3,876,875
Social security costs	334,206	371,435
Pension costs	<u>643,470</u>	<u>646,175</u>
	4,680,661	4,894,485
Supply staff costs	69,885	101,843
Staff restructuring costs	<u>65,591</u>	-
	<u><u>4,816,137</u></u>	<u><u>4,996,328</u></u>
		<b>2018</b>
		<b>£</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments		<u><u>65,591</u></u>

**Staff numbers**

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

	<b>2017/18</b>	<b>2016/17</b>
	<b>No</b>	<b>No</b>
<b>Charitable activities</b>		
Teachers	64	76
Administration and support	42	70
Management	<u>2</u>	<u>2</u>
	<u><u>108</u></u>	<u><u>148</u></u>

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**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**8 STAFF (continued)**

The number of persons (including senior management team) employed by the academy during the year expressed as full time equivalents was as follows:

	<b>2018</b>	2017
	<b>No</b>	No
Teachers	<b>64</b>	68
Administration and support	<b>42</b>	46
Management	<b>2</b>	2
	-----	-----
	<b>108</b>	116
	=====	=====

**Higher paid staff**

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

	<b>2017/18</b>	<b>2016/17</b>
	<b>No</b>	<b>No</b>
£60,001 - £70,000	4	1
£70,001 - £80,000	<u>1</u>	<u>1</u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £685,301 (2017: £564,534).



**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Mrs S K Cooper (Staff governor):

Remuneration: £Nil (2017 - £30,000 - £35,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

Mr R Looker (Staff governor):

Remuneration: £Nil (2017 - £35,000 - £40,000)

Employer's pension contributions: £Nil (2017 - £5,000 - £10,000)

Mr S L Garbett (Staff governor):

Remuneration: £0 - £5,000 (2017 - £15,000 - £20,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

Ms V J Jackson (Headteacher):

Remuneration: £75,000 - £80,000 (2017 - £70,000 - £75,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

Mr B Mcardle (staff governor):

Remuneration: £45,000 - £50,000 (2017 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2017 - £Nil)

Mrs A D Bradshaw (staff governor):

Remuneration: £40,000 - £45,000 (2017 - £Nil)

Employer's pension contributions: £5,000 - £10,000 (2017 - £Nil)

Mrs K Cavanagh (staff governor):

Remuneration: £10,000 - £15,000 (2017 - £Nil)

Employer's pension contributions: £0 - £5,000 (2017 - £Nil)

Other related party transactions involving the trustees are set out in note 23.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**10 GOVERNORS' 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 2018 was £327 (2017 - £327).

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

**11 TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings £</b>	<b>Computer Equipment £</b>	<b>Plant, Machinery and Motor Vehicles £</b>	<b>Fixtures, Fittings and Equipment £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 September 2017	10,662,167	152,414	163,915	188,741	11,167,237
Additions	23,229	-	-	-	23,229
Disposals	-	(7,903)	-	-	(7,903)
At 31 August 2018	<u>10,685,396</u>	<u>144,511</u>	<u>163,915</u>	<u>188,741</u>	<u>11,182,563</u>
<b>Depreciation</b>					
At 1 September 2017	2,322,258	152,414	99,322	103,212	2,677,206
Charge for the year	400,801	-	15,392	18,874	435,067
Eliminated on disposals	-	(7,903)	-	-	(7,903)
At 31 August 2018	<u>2,723,059</u>	<u>144,511</u>	<u>114,714</u>	<u>122,086</u>	<u>3,104,370</u>
<b>Net book value</b>					
At 31 August 2018	<u>7,962,337</u>	<u>-</u>	<u>49,201</u>	<u>66,655</u>	<u>8,078,193</u>
At 31 August 2017	<u>8,339,909</u>	<u>-</u>	<u>64,593</u>	<u>85,529</u>	<u>8,490,031</u>

The academy trust's transactions relating to land and buildings included:

- undertaking an electrical install to R block which was purchased by the trust at a value of £23,229

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**12 STOCK**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Catering	2,521	3,676
Livestock	<u>1,890</u>	<u>2,550</u>
	<u><u>4,411</u></u>	<u><u>6,226</u></u>

**13 DEBTORS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,579	15,423
VAT recoverable	32,619	42,034
Prepayments and accrued income	<u>71,645</u>	<u>86,048</u>
	<u><u>108,843</u></u>	<u><u>143,505</u></u>

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

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	155,007	187,477
Accruals	6,989	10,712
Deferred income	<u>69,411</u>	<u>18,150</u>
	<u><u>231,407</u></u>	<u><u>216,339</u></u>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>

**Deferred income**

Deferred income at 1 September 2017	18,150	21,632
Resources deferred in the period	69,411	18,150
Amounts released from previous periods	<u>(18,150)</u>	<u>(21,632)</u>
Deferred income at 31 August 2018	<u><u>69,411</u></u>	<u><u>18,150</u></u>

At the balance sheet date the academy trust was holding funds received in advance for grants relating to the next financial year and school fund income relating to school trips to be undertaken in the next school year.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**15 FUNDS**

	<b>Balance at 1 September 2017 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2018 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	6,523	5,096,696	(5,033,799)	-	69,420
Pupil premium	-	172,894	(172,894)	-	-
Other DfE/ESFA grants	7,256	38,530	(43,063)	-	2,723
Special educational needs	-	161,081	(161,081)	-	-
Catering income	-	262,074	(296,039)	33,965	-
General	-	19,977	(19,977)	-	-
Other	13,261	72,370	(74,928)	-	10,703
Maths Hub	-	29,150	(29,150)	-	-
CIF - Safeguarding works	-	-	(94,605)	127,468	32,863
	<u>27,040</u>	<u>5,852,772</u>	<u>(5,925,536)</u>	<u>161,433</u>	<u>115,709</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA funding	8,513,260	127,468	(435,067)	(127,468)	8,078,193
<b>Restricted pension funds</b>					
Pension reserve	(2,659,000)	-	(175,000)	589,000	(2,245,000)
Total restricted funds	5,881,300	5,980,240	(6,535,603)	622,965	5,948,902
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>231,432</u>	<u>117,113</u>	<u>(19,308)</u>	<u>(33,965)</u>	<u>295,272</u>
Total funds	<u><u>6,112,732</u></u>	<u><u>6,097,353</u></u>	<u><u>(6,554,911)</u></u>	<u><u>589,000</u></u>	<u><u>6,244,174</u></u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**15 FUNDS (continued)**

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

GAG must be used for the normal running costs of the academy. Under the funding agreement with the secretary of state, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Restricted general funds relates to the academy trust's development and operational activities. Also within this amount is £262,074 of income from other trading activities as described in note 4.

Other restricted general funds relate to the school fund transactions within the year. This fund is for school trips.

The transfer out of unrestricted funds of £33,965 is to offset the deficit on catering restricted funds during the financial year.

The transfer from restricted fixed asset funds to restricted funds represents the total CIF capital grant received within the year. The grant is being utilised for replacement and improvement safeguarding works. At the year end there is a remaining balance held on this restricted fund of £32,863.

The pension reserve relates to the academy trust's share of the deficit of the LGPS.

The restricted fixed asset funds represent the net book value of the academy trust's fixed assets of £8,078,193.

Comparative information in respect of the preceding period is as follows:

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**15 FUNDS (continued)**

	<b>Balance at 1 September 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2017 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	5,222,708	(5,216,185)	-	6,523
Pupil premium	-	172,713	(172,713)	-	-
Other DfE/ESFA grants	4,340	39,560	(36,644)	-	7,256
Special educational needs	-	173,756	(173,756)	-	-
Catering income	-	269,061	(293,814)	24,753	-
General	-	19,734	(19,734)	-	-
Core Maths funding	2,284	-	(2,284)	-	-
Other	9,601	94,968	(91,308)	-	13,261
Maths Hub	-	27,058	(27,058)	-	-
	<u>16,225</u>	<u>6,019,558</u>	<u>(6,033,496)</u>	<u>24,753</u>	<u>27,040</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA funding	8,753,980	184,939	(425,659)	-	8,513,260
<b>Restricted pension funds</b>					
Pension reserve	(3,143,000)	-	(206,000)	690,000	(2,659,000)
Total restricted funds	5,627,205	6,204,497	(6,665,155)	714,753	5,881,300
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>188,654</u>	<u>112,473</u>	<u>(44,942)</u>	<u>(24,753)</u>	<u>231,432</u>
Total funds	<u><u>5,815,859</u></u>	<u><u>6,316,970</u></u>	<u><u>(6,710,097)</u></u>	<u><u>690,000</u></u>	<u><u>6,112,732</u></u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**16 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2018 are represented by:

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	8,078,193	8,078,193
Current assets	295,272	347,116	-	642,388
Current liabilities	-	(231,407)	-	(231,407)
Pension scheme liability	-	(2,245,000)	-	(2,245,000)
Total net assets	<u>295,272</u>	<u>(2,129,291)</u>	<u>8,078,193</u>	<u>6,244,174</u>

Comparative information in respect of the preceding period is as follows:

	<b>Unrestricted funds £</b>	<b>Restricted general funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Tangible fixed assets	-	-	8,490,031	8,490,031
Current assets	231,432	243,379	23,229	498,040
Current liabilities	-	(216,339)	-	(216,339)
Pension scheme liability	-	(2,659,000)	-	(2,659,000)
Total net assets	<u>231,432</u>	<u>(2,631,960)</u>	<u>8,513,260</u>	<u>6,112,732</u>

**17 COMMITMENTS UNDER OPERATING LEASES**

***Operating leases***

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2018 £</b>	<b>2017 £</b>
Amounts due within one year	2,636	6,602
Amounts due between one and five years	<u>2,128</u>	<u>865</u>
	<u>4,764</u>	<u>7,467</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

**18 RECONCILIATION OF NET EXPENDITURE TO NET CASH INFLOW/(OUTFLOW)FROM  
OPERATING ACTIVITIES**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(457,558)	(393,127)
Depreciation [note 11]	435,067	425,557
Capital grants from DfE and other capital income	(127,468)	(184,939)
Interest receivable [note 5]	(372)	(351)
Defined benefit pension scheme cost less contributions payable [note 22]	105,000	132,000
Defined benefit pension scheme finance cost [note 22]	70,000	74,000
Decrease in stocks	1,815	42
Decrease/(increase) in debtors	34,662	(15,918)
Increase in creditors	15,068	91,742
Loss on disposal of tangible fixed assets	-	102
Net cash provided by operating activities	<u>76,214</u>	<u>129,108</u>

**19 CASH FLOWS FROM INVESTING ACTIVITIES**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
Dividends, interest and rents from investments	372	351
Purchase of tangible fixed assets	(23,229)	(161,710)
Capital grants from DfE/ESFA	<u>127,468</u>	<u>184,939</u>
Net cash provided by investing activities	<u>104,611</u>	<u>23,580</u>

**20 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>529,134</u>	<u>348,309</u>
Total cash and cash equivalents	<u>529,134</u>	<u>348,309</u>



**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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**21 MEMBERS' LIABILITY**

Each member of the academy trust undertakes to contribute to the assets of the academy trust 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.

**22 PENSION AND SIMILAR OBLIGATIONS**

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

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. 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's pension costs paid to TPS in the period amounted to £434,054 (2017: £449,793).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £266,146 (2017 - £256,781), of which employer's contributions totalled £209,767 (2017 - £198,329) and employees' contributions totalled £56,379 (2017 - £58,452). The agreed contribution rates for future years are 14.9% for employers and between 5.5% and 12.5% for employees.

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

The academy has entered into an agreement to make additional contributions to the scheme to cover the deficit position. The total additional contributions paid in the financial year amounted to £69,625. The agreement also continues for future financial years with the contributions due to amount to £71,167 and £42,058 for the financial years ending 31 August 2019 and 2020 respectively. The current agreement ends on 31 March 2020.

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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

**Principal actuarial assumptions**

	<b>2018</b>	<b>2017</b>
	%	%
Rate of increase in salaries	3.70	3.70
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	2.90	2.50
Inflation assumptions (CPI)	2.20	2.20
Commutation of pensions to lump sums	<u>50.00</u>	<u>50.00</u>

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

	<b>2018</b>	<b>2017</b>
<b>Retiring today</b>		
Males retiring today	23.20	23.10
Females retiring today	25.80	25.70
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.50	25.40
Females retiring in 20 years	<u>28.50</u>	<u>28.40</u>

**Sensitivity analysis**

	<b>2018</b>	<b>2017</b>
	£	£
Discount rate +0.1%	2,105,000.00	2,518,000.00
Mortality assumption – 1 year increase	2,339,000.00	2,754,000.00
CPI rate +0.1%	2,388,000.00	2,803,000.00
Pay growth +0.1%	<u>2,287,000.00</u>	<u>2,705,000.00</u>

**CALDEW SCHOOL  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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

The academy trust's share of the assets in the scheme were:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Equities	1,549,000	1,366,000
Government bonds	557,000	508,000
Other bonds	200,000	179,000
Property	289,000	226,000
Cash and other liquid assets	188,000	151,000
Other	398,000	360,000
Total market value of assets	<u>3,181,000</u>	<u>2,790,000</u>

The actual return on scheme assets was £143,000 (2017 - £191,000).

**Amounts recognised in the Statement of Financial Activities**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	259,000	272,000
Interest cost	64,000	68,000
Admin expenses	6,000	6,000
Total amount recognised in the SOFA	<u>329,000</u>	<u>346,000</u>

**Changes in the present value of defined benefit obligations were as follows:**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
At start of period	5,449,000	5,378,000
Current service cost	315,000	330,000
Interest cost	137,000	120,000
Employee contributions	56,000	58,000
Actuarial (gain)/loss	(519,000)	(431,000)
Benefits paid	<u>(12,000)</u>	<u>(6,000)</u>
At 31 August	<u>5,426,000</u>	<u>5,449,000</u>

**CALDEW SCHOOL  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018  
(CONTINUED)**

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

**Changes in the fair value of academy trust's share of scheme assets:**

	<b>2017/18</b>	<b>2016/17</b>
	<b>£</b>	<b>£</b>
At start of period	2,790,000	2,235,000
Interest income	67,000	46,000
Actuarial gain/(loss)	70,000	259,000
Employer contributions	210,000	198,000
Employee contributions	56,000	58,000
Benefits paid	<u>(12,000)</u>	<u>(6,000)</u>
At 31 August	<u>3,181,000</u>	<u>2,790,000</u>

**23 RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the governing body being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place in the financial period.

**Income related party transactions**

**Mr D Foulkes**

Mr D Foulkes is the business manager and company secretary of the academy trust.

During the year the academy trust invoiced Mr Foulkes for the hire of facilities amounting to £Nil (2017: £992).

**Story Homes Limited**

Story Homes Limited is a company in which a governor, Mr J F Story has an interest.

During the year the academy trust invoiced Story Homes Limited for the use of hire facilities amounting to £875 (2017: £1,472).

**24 AGENCY ARRANGEMENTS**

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £13,444 and disbursed £13,444 from the fund. An amount of £Nil is included in other creditors relating to undistributed funds that is repayable to ESFA.

