
CREATING TOMORROW MULTI ACADEMY TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

CREATING TOMORROW MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

D P Collarbone (appointed 1 September 2017)
L Saunders (appointed 1 September 2017, resigned 31 July 2018)
S Welsh (appointed 1 September 2017)
J Stallard (appointed 18 September 2017)

Trustees

K J Latham, Head Teacher and Accounting Officer
A Bailey
J L Boyt
J Payne, Chair of Trustees (appointed 1 September 2017)
S Rustage (appointed 11 October 2016, resigned 18 October 2017)
H Reid (appointed 1 September 2017, resigned 31 July 2018)
L Saunders, Vice Chair (appointed 1 September 2017)
A Botterill (appointed 18 September 2017)
P Maddison (appointed 18 September 2017)

Company registered number

09392862

Company name

Creating Tomorrow Multi Academy Trust

Principal and registered office

Eastleigh Road, Kettering, Northamptonshire, NN15 6PT

Senior management teams - Trust

K J Latham, Headteacher
A Murphy, Chief Finance Officer
E Bushell, Chief Operating Officer

Independent auditors

Streets Audit LLP, 3 Wellbrook Court, Girton, Cambridge, CB3 0NA

Bankers

Lloyds Bank Plc, 3-4 Market Street, Kettering, Northamptonshire, NN16 0AH

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust comprises of two schools, Isebrook SEN Cognition and Learning College and Wren Spinney Special School. Both schools cater for pupils aged 11 - 18 years with a range of complex educational needs, with a role of 156 pupils at Isebrook and 56 at Wren Spinney.

Structure, governance and management

a. CONSTITUTION

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of Creating Tomorrow Multi Academy Trust are also the directors of the charitable company for the purpose of company law.

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

Subject to the provisions of the Companies Act 2006, every Trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of Trust in relation to the affairs of the Trust.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

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

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TRUSTEES' REPORT (continued)
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e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Wren Spinney and Isebrook are strategic partners of Maplefields Teaching School Alliance and take full use of all training provided, also using local government training for new trustees. New trustees access induction training and through the NGA governors' self-assessment of skills training can be identified for the whole board of trustees and for individuals.

f. ORGANISATIONAL STRUCTURE

The Trustees may delegate to any trustee, committee, the Head Teacher or any other holder of executive office, such of their powers or functions as they consider desirable to be exercised by them.

Where delegation has occurred, reporting back to the board of trustees must occur at the earliest opportunity.

Our organisational structure:

Members	
Dame Pat Collarbone	School Leadership, Education management and change: Skills and expertise: Wealth of experience leading education improvement and change across whole sectors nationally. Running successful business leading change management across private and public sector organisations.
Jayne Stallard	Member bringing breadth and depth of experience in education and special educational needs with particular expertise in the area of mental health and wellbeing in educational contexts. Additional skills in organisational change, leadership and management development and multi-professional working.
Stuart Welch	Strategy development and implementation, Business Excellence assessment and the application of continuous improvement methodologies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Trustees	Designation	Roles	Sub-Committee	Skills and Experience
Andrew Bailey	Community Director		Audit & Risk (Chair)	Education management, financial management. Skills and Expertise: Director of large Land Based Studies FE College with proven record of improving student experience through leading and developing high performing teams.
Ann Botterill	Community Director		Business and Performance, Pay & Personnel (Vice Chair)	Education and Leadership. Skills and expertise: Employed as teacher for students with wide range of severe and complex needs for over 40 years, set up of a unit for students with MDVI whilst working for RNIB, governor and subsequently Chair of Governors.
Jane Boyt	Community Director	Vice Chair of Directors	Audit & Risk	HR and Leadership. Skills and experience: Change and HR consultant supporting change across public and private sector. Leadership development. Chair of Governors at 2 schools and founding Director of a free school.
Kevin Latham	Chief Executive Officer		Business and Performance, Pay & Personnel	CEO - Leadership, Education Improvement, HR, Finance, Data handling Skills and expertise: Employed as headteacher for 6 years, leading Learning and Teaching of SEN both within own schools and strategic direction across local authority of SEN as Chair of Special Heads group in Warwickshire i.e. working with LA and stakeholders to implement SEND reforms. Leading and managing teams of professionals through change and development. CEO of a MAT and now headteacher of a SAT - fulfilling duties as principal accounting officer.

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TRUSTEES' REPORT (continued)
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Peter Maddison	Community Director		Business and Performance, Pay & Personnel (Chair)	Trustee bringing extensive strategic, leadership and managerial experience. Specialist in Governance, Performance Management, Financial Management, Change Management and Business Planning. Experienced in leadership of local statutory partnerships.
Jeannette Payne	Community Director	Chair of Directors	Audit & Risk (Vice Chair)	Leadership. Skills / experience – as a matron of a large unit - leadership & management, knowledge of health sector. Has served as a governor at 2 schools for 9 years – education and governance.
Linda Saunders	Community Director		Business and Performance, Pay & Personnel	Business and Human Resources: Skills / experience: Running a successful media company and FD of a large stone quarry – finance, business and HR skills.

Trust Leadership Team:

Chief Executive Officer – Kevin Latham
Chief Finance Officer – Anthea Murphy
Chief Operating Officer – Esther Bushel

Centralised Trust Staff Members:

Network Manager
Payroll Manager
Trust Finance Officer

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Role	Isebrook SEN College	Wren Spinney Special School
Headteacher	1	1
Deputy Headteacher	1	1
AHT	2	0
Middle Leaders (Key Stage / Phase)	5	4
Teachers	22	5
Classroom / Curriculum Support Assistants	43	25
Pastoral Support	7	1
Therapy Staff	2	0
Administrative Support	5	3
Premises	3	1

g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Creating Tomorrow Multi Academy Trust consists of 2 special academies; Isebrook SEN College (convertor academy 1st March 2015) and Wren Spinney Special School (convertor academy 1st September 2017).

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and Activities

a. OBJECTS AND AIMS

Overall aims of the business;

- Ensure the quality of education provided;
- Ensure the spiritual, moral, social and cultural development of pupils ;
- Ensure the welfare, health and safety of pupils; and
- Ensure the suitability of staff, supply staff, proprietors and accommodation.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Focus for 2017-18

1. Through effective staff support (professional development and performance management) and CPD staff are able to effectively support students to meet their outcomes
 - Development of leadership skills and capacity to ensure
 - o Clear lines of support
 - o Clear line management
 - o Appraisal responsibilities
 - CPD model across the MAT to support succession planning – identifying possible leaders of the future and offering routes for personal development
 - Trustees and governors have defined training support to enable them to fulfil their roles and effectively
2. Ensure vision and values so that they run through to practice
 - Staff survey carried out to find staff views on MAT .
 - Staff completed visioning / values activity (Shared with parents / carers at consultation evenings).
 - Leadership focus on being present and supporting, try to thread through everything we say / do.
 - Planned programme for reviewing the school's vision and values with all stakeholder groups:
 - o Staff
 - o Governors
 - o Students
 - o Families
 - Plan a programme for communicating and embedding the vision and values in all aspects of the school's work.
 - Development of new websites for schools and MAT and ensure the vision and values are clear for all.
3. Ensure resources are efficiently and effectively deployed to meet needs of the school
 - Review of financial policies and procedures.
 - Check all Health & Safety policies and procedures (H&S Audit)
 - Review roles & responsibilities & job descriptions e.g. subject leaders, TA roles, and through PM processes.
 - Project manage and plan forwards re pupil and staff movement and accommodation (e.g. plan in place for filling new building)
 - Staff – review roles / responsibilities, performance management / professional development, to include Chief Operations Officer to manage business of schools in MAT

c. PUBLIC BENEFIT

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general

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guidance on public benefit when reviewing the academy's objectives and aims and in planning future activities for the year. Given the activities of the academy and the student population that it services, the Trustees consider that the academy's aims are demonstrably to the public benefit.

Achievements and performance

a. GOING CONCERN

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

b. KEY PERFORMANCE INDICATORS

The academy trust uses a number of financial key performance indicators to monitor the financial success of the academy trust and progress/improvement against the targets set.

The academy trust monitors the Cost Centres within the academy trust and reviews their balances termly to review cash flow and maintain a positive cash balance.

End of Year Progress Data:

Isebrook SEN College
Whole school

%	English	Maths	Science	PSHE	ICT
Above	31	38	58	39	44
Expected	47	27	36	35	52
Below	22	35	6	27	4

Wren Spinney
Whole school

%	Eng	Maths	PSHE
Above	47	32	44
Expected	23	33	16
Below	30	35	41

Our end of year results show that across both school students achieve well in English – this is a particular focus for the curriculum at Wren Spinney as the students have more complex learning needs and communication

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difficulties.

Students across both schools achieve less well in Maths and this may be in part due to the conceptual difficulties that 'pure' maths presents. Leaders are exploring functional maths and a financial maths program that will be much more practical and relevant to students' needs.

The data for PSHE shows as an area for development at Wren Spinney – closer analysis of the data suggests that the underlying skills framework is not appropriate for students with complex needs and as such doesn't capture the most important aspects of the subject area – managing self, looking after self, working with others. Again, leaders are looking at more meaningful assessments

When students start in Key Stage 3 they join us either from 2 local primary SEND school, or from mainstream primary schools. The pupils from mainstream schools often have wide range of additional social and emotional needs due to not being successful in the mainstream setting. A lot of work is put in place to enable the pupils to gain / regain their love of learning and this is shown in the progress that all students make.

Due to the focus we give to supporting individual needs and targeting interventions across the school, by the end of year 11 the majority of students have made good to outstanding individual progress.

At Isebrook, Students gain a range of qualifications by the end of Year 11 or 13 including entry level and level 1 qualifications in functional maths, English and ICT. Students are also entered into entry level / level 1 qualification for combined science. As appropriate students are also entered into GCSEs. 2 students gained GCSEs in art, 3 in Maths.

At Wren Spinney students gain awards through ASDAN and in-house certificates. These acknowledge and celebrate the significant achievements in key areas such as communication, independence and daily living skills. All students at Wren Spinney and Isebrook SEN College achieve extremely well in relation to their starting points in Year 7 and the vast majority have positive destinations once they leave school, either into further education, supported internships, training providers or using personal budgets to access a broad range of education and social activities.

Financial review

a. PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

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

- Reputational risk – mitigated by having policies and practices relating to safeguarding and use of media which are monitored and updated when necessary.
- Performance Risk - mitigated by the school evaluating its performance throughout the year. There is also a school improvement plan which makes provision in respect of recruitment, CPD and reorganisation to manage risk.
- Financial Risk – the principal risk factors are a reduction in pupil numbers, reduction in Government funding, unbudgeted costs of teaching and support staff costs and unforeseen capital repairs. These risks are mitigated by monitoring and reporting to Trustees on a termly basis and predictive measures in financial planning.
- Risks associated with personnel – there is absence insurance in place to mitigate the risk. HR policies have been developed with the guidance of an HR provider.

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The academy trust practices through its Board, namely the board of trustees and the constituted subcommittees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main Board with proposed mitigating actions and they continue to be reported until the risk is adequately mitigated.

The board of trustees accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of this process requires major risks to be resolved by the board of trustees collectively, whilst more minor risks are dealt with by senior executive officers.

b. RESERVES POLICY

The Trustees require a revenue reserve to be created to fund future expenditure related to the Academy Development Plan's strategic long-term aims and developments and a capital reserve for future capital expenditure. The policy of the Academy is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. .

c. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

As a Multi Academy Trust, Creating Tomorrow MAT is committed to following the recommendations set out in the School Teachers Pay and Conditions Document (STPCD), which is updated yearly by the DfE.

Pay for the Key Management Personnel (Leadership) is overseen by the Business, Performance, Pay & Personnel committee and are guided by the "Determination of the school's headteacher group" (Part 2 of the STPCD, paragraph 7) and then following guidance the rest of the leadership pay is determined.

Remuneration is decided yearly through a rigorous appraisal cycle, focussing on performance throughout the year and progress towards agreed objectives. The headteacher's appraisal is overseen by a panel of directors who have support from an external independent advisor. Leadership appraisal is overseen by the headteacher.

Any recommendations for changes in pay are presented to the Business and Performance, Pay & Personnel committee within the director's finance sub-committee.

d. TRADE UNION FACILITY TIME

The academy had no employees who were relevant union officials during the period.

e. MATERIAL INVESTMENTS POLICY

The academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the academy aims to invest surplus cash funds to optimise returns, whilst ensuring that the investment instruments are such that there is no risk to the loss of these funds.

Investments may only be made in accordance with written procedures approved by the Trustees.

Plans for future periods

a. FUTURE DEVELOPMENTS

Both Isebrook and Wren Spinney have highlighted the following specific future developments:

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TRUSTEES' REPORT (continued)
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What are we trying to improve?

Governance

- Ensure a Creating Tomorrow annual plan is in place including finance and central services requirements
- Ensure a process is applied in all schools to identify staff requirements including succession planning
- Ensure that a safeguarding and welfare system is in place within each school
- Bed down the role of Members, Trustees and LGBs

Leadership & Management

- Ensure central services are staffed according to AP and that school staffing plans are identified and implemented
- Ensure finances in place and deployed to meet Creating Tomorrow annual plan

Learning and Teaching

- Support for new school (Daventry Hill School) that joined trust October 1st to secure provision for all
- Curriculum offered to meet the needs of all learners
- Individualised support in place for students to manage emotions and social interactions
- Ensure the achievements of learners are measured

Staff and Community

- Ensure staff performance in all schools is measured

Safeguarding

- Ensure Creating Tomorrow safeguarding and welfare standards are set and met in each school

Future developments

Governance

- Increase the number of schools in the MAT
- Ensure that schools infrastructure meets the needs of learners

Staff and community

- Personal performance standards set to reflect School Development Plan and Self evaluation Review and appraisal yearly (September) for all key roles in school. Compliance monitored by CTM trustees.
- Ensure staff welfare standards are set, measured and improved.

a. FUNDRAISING

Consistent with other schools, a low level of fundraising is performed throughout the year.

FUNDS HELD AS CUSTODIAN

The academy trust does not hold funds as custodian trustee on behalf of others.

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TRUSTEES' REPORT (continued)
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DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on its behalf by:

.....
J Payne
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Creating Tomorrow Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 9 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
K J Latham, Head Teacher and Accounting Officer	9	9
A Bailey	3	9
J L Boyt	6	9
J Payne, Chair of Trustees	7	9
H Reid	4	9
L Saunders, Vice Chair	8	9
A Botterill	9	9
P Maddison	6	9

A skills audit was performed internally during the year which identified training and support for the board which we are looking to fill.

The Finance Committee, moving forward as a MAT was split into a Business PPP Committee and an Audit and Risk Committee at the start of the year, is a sub-committee of the main board of trustees. Its purpose is to ensure proper financial administration arrangements are in place that enables the board of trustees to fulfil its statutory responsibilities for financial management and also demonstrates the achievement of key financial administration standards required by Ofsted and the Audit Commission.

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GOVERNANCE STATEMENT (continued)

Attendance at the Audit and Risk Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
K J Latham, Head Teacher	6	6
J Payne	6	6
J L Boyt	4	6
A Bailey	4	6

Attendance at the Business PPP Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Saunders	6	6
P Maddison	6	6
K Latham	7	9
H Reid	6	7
A Botterill	7	7

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the MAT 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 MAT'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 MAT has delivered improved value for money during the year by:

Targeted Improvement:

There are development plans in place detailing the priorities of the trust and individual schools that are costed with clear aims and success criteria.

Staffing for classes is based on student need as identified by the matrix in use by the Local Authority. This is then reviewed on a regular basis to ensure resources are used effectively in order that students are safe and able to make the best progress possible.

Focus on Individual Students:

Resources are identified through students' Education Health and Care Plans (or Statements of Educational Need if not already transferred) and in order to support individual students, all have an Individual Education Plan, developed through discussion with families and other professionals. The school curriculum goes above academic teaching to enhance the development of physical, social, emotional and behavioural skills. All students are able to access a range of activities and therapies. The schools support the training of staff to enable the delivery of a range of therapies; individual and small group activities, such as music, and a wide and varied alternative curriculum. There is also significant additional support for pastoral and welfare support and communication needs.

Space is made available for health care specialists, such as Speech and Language Therapists and nursing staff in order that they can work on site with students. This supports families and reduces the time that would be spent in travelling to access the services in other locations. There is a collegiate approach with the school staff to ensure the best possible outcomes for students.

Collaboration:

Administration staff are deployed across the trust and the individual schools in order to ensure cost effective

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GOVERNANCE STATEMENT (continued)

ordering and use of resources. There are also regular skills sharing of staff and close collaboration of all of the Senior Leadership Team.

The Academies are part of the special schools network in Northamptonshire who work closely together. This includes regular Head Teacher meetings and Deputies meetings where current changes/issues are discussed and ways of improvement considered. Both schools are also strategic partners of Maplefields Teaching School Alliance that supports the continuing Professional Development of the staff ensuring value for money through a collaborative approach and sharing of expertise.

New Initiatives:

The LA is supporting both academies with building works to improve the provision and offer, and in respect of Isebrook to increase the school's capacity by 25%, so by securing future provision and funding.

Quantifying Improvements:

The schools regularly review data to ensure student progress. This is done in collaboration with the Schools' Improvement Advisor and the Local Authority. Gaps are identified and appropriate interventions put in place to support improvement. School data in achievement, behaviour and safety and attendance show that the schools are at least Good.

Financial Governance and Oversight/Reviewing controls and managing risks:

During the year trust has had an audit of internal systems and procedures and an audit of finances, ensuring that the trust is acting in accordance with the Academies Financial Handbook. The new finance recording and reporting system (PS Financials) has been installed and has supported financial management.

The trust has a Financial Control Policy in place covering all areas of finance. We also have a completed Risk Register. This ensures compliance with the Academies Financial Handbook. Areas include clear delegation and distribution of roles and responsibilities; this also ensures appropriate division of duties.

There is a 5-year budget plan (linked to the Development Plans) agreed by the board of trustees. This is monitored by the Chief Finance Officer (CFO) who reports to the Accounting Officer any issues/areas of concern. The CFO provides a detailed report covering all areas to the board of trustees.

Trustees ensure that projects will benefit the school, whilst also being cost effective and affordable, for example as the new buildings are being completed Trustees will ensure the spaces are being utilized fully for the benefit of our students.

Better Purchasing:

Contracts are being reviewed regularly to ensure that best value is achieved and 3 quotes are required on all expenditure over £10,000 and wherever possible on expenditure over £1,000.

The outcome for the trust on these processes is that we have a better service and are making financial savings. We are certain of our financial regularity.

The outcome for the academy on these processes is that we have a better service and have made a financial saving. We are certain of our financial regularity.

Better Income Generation:

Income generation is an area for development as the trust is being established however is an area that our finance team will be able to focus on.

Lessons Learned:

The trust is aware that there are areas to develop and is committed to ensure that financial systems are transparent and robust, and that reporting to directors is clear so that they are able to discharge their duties.

The trust continues to strive for best value. There is an openness to different ways of working and continual

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GOVERNANCE STATEMENT (continued)

review of resources to ensure impact on students' progress.

The academy understands that it needs to use a range of resources to ensure best value.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of MAT 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 Creating Tomorrow Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the MAT's significant risks, that has been in place for the year 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 board of trustees.

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Julia Raftery Consulting Limited as internal auditor.

The audit report produced informs the board of trustees, through the business committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

On an annual basis, the reviewer reports to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The programme of work was delivered as planned and recommendations are being actioned.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the MAT 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 Business Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2018 and signed on their behalf, by:

.....
J Payne
Chair of Trustees

.....
K J Latham, Head Teacher
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Creating Tomorrow Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

.....
K J Latham
Accounting Officer

Date: 3 December 2018

CREATING TOMORROW MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of 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 (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:

.....
J Payne
Chair of Trustees

CREATING TOMORROW MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CREATING TOMORROW MULTI ACADEMY TRUST**

OPINION

We have audited the financial statements of Creating Tomorrow Multi Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CREATING TOMORROW MULTI ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

CREATING TOMORROW MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CREATING TOMORROW MULTI ACADEMY TRUST**

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

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

USE OF OUR REPORT

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

3 Wellbrook Court
Girton
Cambridge
CB3 0NA
Date:

CREATING TOMORROW MULTI ACADEMY TRUST
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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CREATING TOMORROW MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 11 October 2017 and further to the requirements of the Education and 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 Creating Tomorrow Multi Academy Trust 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 Creating Tomorrow Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Creating Tomorrow Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Creating Tomorrow Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF CREATING TOMORROW MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Creating Tomorrow Multi Academy Trust's funding agreement with the Secretary of State for Education dated 11 October 2017, 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 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

CREATING TOMORROW MULTI ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CREATING
TOMORROW MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**
(continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson

Streets Audit LLP

3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Date:

CREATING TOMORROW MULTI ACADEMY TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	3	343,431	(1,095,000)	2,105,625	1,354,056	-
Other donations and capital grants	3	-	-	15,020	15,020	13,854
Charitable activities	6	114,020	5,010,900	-	5,124,920	3,119,430
Other trading activities	4	11,423	-	-	11,423	22,293
Investments	5	509	-	-	509	643
TOTAL INCOME		469,383	3,915,900	2,120,645	6,505,928	3,156,220
EXPENDITURE ON:						
Charitable activities		-	5,238,727	47,452	5,286,179	3,131,294
TOTAL EXPENDITURE	7	-	5,238,727	47,452	5,286,179	3,131,294
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		469,383	(1,322,827)	2,073,193	1,219,749	24,926
Transfers between Funds	17	(800,215)	699,291	100,924	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(330,832)	(623,536)	2,174,117	1,219,749	24,926
Actuarial gains on defined benefit pension schemes	21	-	448,000	-	448,000	345,000
NET MOVEMENT IN FUNDS		(330,832)	(175,536)	2,174,117	1,667,749	369,926
RECONCILIATION OF FUNDS:						
Total funds brought forward		330,832	(925,462)	11,562,609	10,967,979	10,598,053
TOTAL FUNDS CARRIED FORWARD		-	(1,100,998)	13,736,726	12,635,728	10,967,979

CREATING TOMORROW MULTI ACADEMY TRUST
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REGISTERED NUMBER: 09392862

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		13,736,726		11,562,609
CURRENT ASSETS					
Debtors	15	263,756		63,151	
Cash at bank and in hand		960,864		512,620	
		<u>1,224,620</u>		<u>575,771</u>	
CREDITORS: amounts falling due within one year	16	<u>(271,618)</u>		<u>(75,401)</u>	
NET CURRENT ASSETS			<u>953,002</u>		<u>500,370</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	21		14,689,728		12,062,979
			<u>(2,054,000)</u>		<u>(1,095,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>12,635,728</u>		<u>10,967,979</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	17	953,002		169,538	
Restricted fixed asset funds	17	13,736,726		11,562,609	
Restricted income funds excluding pension liability		<u>14,689,728</u>		<u>11,732,147</u>	
Pension reserve		<u>(2,054,000)</u>		<u>(1,095,000)</u>	
Total restricted income funds			<u>12,635,728</u>		<u>10,637,147</u>
Unrestricted income funds	17		-		<u>330,832</u>
TOTAL FUNDS			<u>12,635,728</u>		<u>10,967,979</u>

The financial statements on pages 25 to 52 were approved by the Trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:

.....
J Payne
Chair of Trustees

CREATING TOMORROW MULTI ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>548,659</u>	<u>213,546</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		509	643
Purchase of tangible fixed assets		<u>(100,924)</u>	<u>(24,277)</u>
Net cash used in investing activities		<u>(100,415)</u>	<u>(23,634)</u>
Change in cash and cash equivalents in the year		448,244	189,912
Cash and cash equivalents brought forward		<u>512,620</u>	<u>322,708</u>
Cash and cash equivalents carried forward	20	<u><u>960,864</u></u>	<u><u>512,620</u></u>

CREATING TOMORROW MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Creating Tomorrow Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

CREATING TOMORROW MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	10% Straight Line
Motor vehicles	-	20% Straight Line
Fixtures and fittings	-	10% Straight Line
Computer equipment	-	33% Straight Line

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

CREATING TOMORROW MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.7 Taxation

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

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. 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 costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

CREATING TOMORROW MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Wren Spinney Community Special School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 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.

2. CONVERSION TO AN ACADEMY TRUST

On 1 September 2017, Wren Spinney Community Special School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Creating Tomorrow Multi Academy Trust from Northamptonshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

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

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2. CONVERSION TO AN ACADEMY TRUST (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	2,105,625	2,105,625
Budget surplus/(deficit) on LA funds	343,431	-	-	343,431
LGPS pension surplus/(deficit)	-	(1,095,000)	-	(1,095,000)
Net assets/(liabilities)	<u>343,431</u>	<u>(1,095,000)</u>	<u>2,105,625</u>	<u>1,354,056</u>

The above net assets include £448,172 that were transferred as cash but this was matched against an overadvancement of funds of £104,741 at the time of the conversion.

The premises of Wren Spinney Community Special School are under the ownership of Northampton City Council. They are used by the academy under the terms of a 125 year lease which transfers the benefit of the ownership to the trust.

The trustees have utilised a valuation dated 1 April 2017 which they consider to be a reasonable approximation to the value of leasehold land and buildings on conversion. The valuation has been calculated on a fair value basis.

3. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer on conversion	343,431	(1,095,000)	2,105,625	1,354,056	-
Capital Grants	-	-	15,020	15,020	13,854
	<u>343,431</u>	<u>(1,095,000)</u>	<u>2,120,645</u>	<u>1,369,076</u>	<u>13,854</u>
<i>Total 2017</i>	<u>-</u>	<u>-</u>	<u>13,854</u>	<u>13,854</u>	

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Hire of premises	11,423	-	11,423	22,293
	=====	=====	=====	=====
<i>Total 2017</i>	22,293	-	22,293	
	=====	=====	=====	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Investment income	509	-	509	643
	=====	=====	=====	=====
<i>Total 2017</i>	643	-	643	
	=====	=====	=====	

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

6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,018,235	2,018,235	1,420,515
Other ESFA grants	-	90,500	90,500	10,693
	-	2,108,735	2,108,735	1,431,208
Other government grants				
Other government grants	-	2,900,517	2,900,517	1,655,599
	-	2,900,517	2,900,517	1,655,599
Other funding				
Other income	114,020	1,648	115,668	32,623
	114,020	1,648	115,668	32,623
	114,020	5,010,900	5,124,920	3,119,430
<i>Total 2017</i>	32,623	3,086,807	3,119,430	

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational Operations:					
Direct costs	3,670,293	-	442,647	4,112,940	2,538,409
Support costs	557,821	249,346	366,072	1,173,239	592,885
	4,228,114	249,346	808,719	5,286,179	3,131,294
<i>Total 2017</i>	2,520,519	144,061	466,714	3,131,294	

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8. CHARITABLE ACTIVITIES

	Total funds 2018 £	<i>Total funds 2017 £</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	2,929,554	1,775,439
National insurance	236,334	140,884
Pension cost	504,405	286,417
Educational supplies	103,755	59,651
Examination fees	10,520	11,328
Staff recruitment and development	54,385	27,488
Technology costs	10,924	22,460
Educational supplies and consultancy	72,976	137,569
Travel and subsistence	6,863	4,393
Other	183,224	72,780
	4,112,940	2,538,409
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	244,239	171,796
National insurance	13,172	9,311
Pension cost	300,410	136,672
Depreciation	32,433	30,462
Pension finance costs	58,000	28,000
Technology costs	54,633	-
Maintenance of premises and equipment	106,678	75,855
Cleaning	51,096	43,795
Rent	12,423	-
Energy	79,151	32,306
Insurance	26,070	14,056
Catering	17,085	19,683
Other	20,634	-
Professional fees	144,715	24,449
Audit fees	12,500	6,500
	1,173,239	592,885
	5,286,179	3,131,294

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

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the academy	32,432	30,462
Auditor's remuneration	9,500	5,500
Accounting services	3,000	1,000
Operating lease rentals	12,423	-
	=====	=====

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

10. STAFF COSTS

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	3,094,687	1,846,069
Social security costs	249,506	150,195
Operating costs of defined benefit pension schemes	804,815	423,089
	4,149,008	2,419,353
Supply teacher costs	79,106	78,781
Staff restructuring costs	-	22,385
	4,228,114	2,520,519

Staff restructuring costs comprise:

	2018	2017
	£	£
Severance payments	-	22,385
	-	22,385

The severance payments were non-contractual and related to one employee in the previous year.

	2018	2017
	No.	No.
Teachers	31	19
Administration and support	121	72
Management	16	4
	168	95

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	30	21
Administration and support	109	58
Management	10	4
	149	83

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

10. STAFF COSTS (continued)

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

	2018	<i>2017</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>2</i>
In the band £70,001 - £80,000	1	<i>0</i>
In the band £80,001 - £90,000	0	<i>1</i>
In the band £90,001 - £100,000	1	<i>0</i>

The above employees participate in the Teachers' Pension Scheme.

Key Management personnel

The key management personnel of the academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £506,637 (2017 £276,462).

11. CENTRAL SERVICES

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

- Financial services;
- Human resources; and
- IT support

The academy charges for these services on the following basis:

Charges for central services made to the individual academies are based on a flat percentage of annual ESFA General Annual Grant funding at 5%.

The actual amounts charged during the year were as follows:

	2018	<i>2017</i>
	£	<i>£</i>
Isebrook SEN Cognition & Learning College	40,563	<i>-</i>
Wren Spinney Community School	16,199	<i>-</i>
Total	56,762	<i>-</i>

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. The overall cost for RPA insurance during the year was £4,240 (2017: £4,056).

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13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	<i>2017</i>
		£'000	<i>£'000</i>
K J Latham	Remuneration	90-95	<i>80-85</i>
	Pension contributions paid	15-20	<i>5-10</i>
A J Shiells	Remuneration	15-20	<i>15-20</i>
	Pension contributions paid	5-10	<i>0-5</i>
S Rustage	Remuneration	0-5	<i>20-25</i>
	Pension contributions paid	0-5	<i>0-5</i>

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to Trustees).

14. TANGIBLE FIXED ASSETS

	Leasehold property	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2017	11,455,110	81,764	78,436	11,615,310
Additions	70,040	20,871	10,013	100,924
Additions on conversion	2,105,625	-	-	2,105,625
At 31 August 2018	13,630,775	102,635	88,449	13,821,859
Depreciation				
At 1 September 2017	1,250	38,149	13,302	52,701
Charge for the year	1,011	23,394	8,027	32,432
At 31 August 2018	2,261	61,543	21,329	85,133
Net book value				
At 31 August 2018	13,628,514	41,092	67,120	13,736,726
<i>At 31 August 2017</i>	<i>11,453,860</i>	<i>43,615</i>	<i>65,134</i>	<i>11,562,609</i>

Leasehold property transferred on conversion are held under a 125 year lease and are stated at valuations which the trustees believe are appropriate. Subsequent additions are stated at cost.

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15. DEBTORS

	2018	2017
	£	£
Trade debtors	66,242	1,556
Other debtors	102,032	39,570
Prepayments and accrued income	95,482	22,025
	<hr/> 263,756 <hr/>	<hr/> 63,151 <hr/>

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	86,236	3,714
Other taxation and social security	-	38,224
Other creditors	3,156	963
Accruals and deferred income	182,226	32,500
	<hr/> 271,618 <hr/>	<hr/> 75,401 <hr/>

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16. CREDITORS: Amounts falling due within one year (continued)

	2018	<i>2017</i>
	£	£
Deferred income		
Deferred income at 1 September	-	5,129
Amounts released from previous years	-	(5,129)
	<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	330,832	469,383	-	(800,215)	-	-
Restricted funds						
General Annual Grant (GAG)	169,538	2,018,235	(1,934,062)	699,291	-	953,002
Other EFSA Grants	-	90,500	(90,500)	-	-	-
Other Government Grants	-	2,902,165	(2,902,165)	-	-	-
Pension reserve	(1,095,000)	(1,095,000)	(312,000)	-	448,000	(2,054,000)
	<u>(925,462)</u>	<u>3,915,900</u>	<u>(5,238,727)</u>	<u>699,291</u>	<u>448,000</u>	<u>(1,100,998)</u>
Restricted fixed asset funds						
ESFA Capital Grants	-	15,020	(15,020)	-	-	-
Assets acquired with funding	94,216	-	(32,432)	100,924	-	162,708
Assets transferred on conversion	11,468,393	2,105,625	-	-	-	13,574,018
	<u>11,562,609</u>	<u>2,120,645</u>	<u>(47,452)</u>	<u>100,924</u>	<u>-</u>	<u>13,736,726</u>
Total restricted funds	<u>10,637,147</u>	<u>6,036,545</u>	<u>(5,286,179)</u>	<u>800,215</u>	<u>448,000</u>	<u>12,635,728</u>
Total of funds	<u><u>10,967,979</u></u>	<u><u>6,505,928</u></u>	<u><u>(5,286,179)</u></u>	<u><u>-</u></u>	<u><u>448,000</u></u>	<u><u>12,635,728</u></u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
Unrestricted funds						
General Funds	299,550	55,559	-	(24,277)	-	330,832
	<u>299,550</u>	<u>55,559</u>	<u>-</u>	<u>(24,277)</u>	<u>-</u>	<u>330,832</u>

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17. STATEMENT OF FUNDS (continued)

Restricted funds

Other ESFA Grants	-	10,693	(10,693)	-	-	-
General Annual Grant (GAG)	36,709	1,420,515	(1,287,686)	-	-	169,538
Other Government Grants	-	1,655,599	(1,655,599)	-	-	-
Pension reserve	(1,307,000)	-	(133,000)	-	345,000	(1,095,000)
	<u>(1,270,291)</u>	<u>3,086,807</u>	<u>(3,086,978)</u>	<u>-</u>	<u>345,000</u>	<u>(925,462)</u>

Restricted fixed asset funds

ESFA Capital Grants	-	13,854	(13,854)	-	-	-
Assets acquired with funding	100,401	-	(30,462)	24,277	-	94,216
Assets transferred on conversion	11,468,393	-	-	-	-	11,468,393
	<u>11,568,794</u>	<u>13,854</u>	<u>(44,316)</u>	<u>24,277</u>	<u>-</u>	<u>11,562,609</u>
Total restricted funds	<u>10,298,503</u>	<u>3,100,661</u>	<u>(3,131,294)</u>	<u>24,277</u>	<u>345,000</u>	<u>10,637,147</u>
Total of funds	<u>10,598,053</u>	<u>3,156,220</u>	<u>(3,131,294)</u>	<u>-</u>	<u>345,000</u>	<u>10,967,979</u>

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

Unrestricted funds:

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

Restricted funds:

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

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

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

Restricted fixed asset funds:

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

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

Assets acquired with funding - represents the net book value of assets acquired using DFC income.

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17. STATEMENT OF FUNDS (continued)

During the year unrestricted funds have been transferred to restricted funds to consolidate and simplify reporting.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Isebrook SEN Cognition & Learning College	494,486	500,370
Wren Spinney Community Special School	458,026	-
Trust	490	-
Total before fixed asset fund and pension reserve	953,002	500,370
Restricted fixed asset fund	13,736,726	11,562,609
Pension reserve	(2,054,000)	(1,095,000)
Total	12,635,728	10,967,979

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	<i>Total 2017 £</i>
Creating Tomorrow	2,570,498	364,113	79,706	621,637	3,635,954	3,100,832
Wren Spinney Community Special School	1,076,150	193,709	24,049	217,613	1,511,521	-
Trust	23,646	-	-	82,626	106,272	-
	3,670,294	557,822	103,755	921,876	5,253,747	3,100,832

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,736,726	13,736,726
Current assets	-	1,224,620	-	1,224,620
Creditors due within one year	-	(271,618)	-	(271,618)
Provisions for liabilities and charges	-	(2,054,000)	-	(2,054,000)
	<u>-</u>	<u>(1,100,998)</u>	<u>13,736,726</u>	<u>12,635,728</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Restricted fixed asset funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	-	-	11,562,609	11,562,609
Current assets	330,832	244,939	-	575,771
Creditors due within one year	-	(75,401)	-	(75,401)
Provisions for liabilities and charges	-	(1,095,000)	-	(1,095,000)
	<u>330,832</u>	<u>(925,462)</u>	<u>11,562,609</u>	<u>10,967,979</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	1,219,749	24,926
Adjustment for:		
Depreciation charges	32,432	30,462
Dividends, interest and rents from investments	(509)	(643)
(Decrease)/increase in provisions	312,000	133,000
Decrease/(Increase) in debtors	(200,605)	15,255
(Decrease)/increase in creditors	196,217	10,546
Non-cash assets and liabilities from local authority on conversion	(1,354,056)	-
Net gain on assets and liabilities from local authority on conversion	343,431	-
Net cash provided by operating activities	<u>548,659</u>	<u>213,546</u>

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20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	<i>2017</i>
	£	£
Cash in hand	960,864	<i>512,620</i>
Total	960,864	<i>512,620</i>

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

21. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 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 Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £154,000 (2017 - £132,000).

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21. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £425,000 (2017 - £219,000), of which employer's contributions totalled £327,000 (2017 - £176,000) and employees' contributions totalled £98,000 (2017 - £43,000). The agreed contribution rates for future years are 22% for employers and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.40 %	<i>2.50 %</i>
Rate of increase in salaries	2.70 %	<i>2.70 %</i>
Rate of increase for pensions in payment / inflation	2.80 %	<i>2.40 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	22.1	<i>22.1</i>
Females	24.2	<i>24.2</i>
Retiring in 20 years		
Males	23.9	<i>23.9</i>
Females	26.1	<i>26.1</i>

	At 31 August 2018	<i>At 31 August 2017</i>
Sensitivity analysis	£	<i>£</i>
Discount rate -0.1%	279,000	<i>300,000</i>
CPI rate +0.1%	230,000	<i>239,000</i>

CREATING TOMORROW MULTI ACADEMY TRUST
(A company limited by guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,558,000	744,000
Bonds	316,000	161,000
Cash	63,000	30,000
Property	168,000	70,000
	<hr/>	<hr/>
Total market value of assets	2,105,000	1,005,000
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The actual return on scheme assets was £45,000 (2017 - £16,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(577,000)	(281,000)
Interest income	45,000	16,000
Interest cost	(103,000)	(44,000)
	<hr/>	<hr/>
Total	(635,000)	(309,000)
	<hr/> <hr/>	<hr/> <hr/>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	2,100,000	1,953,000
Upon conversion	1,698,000	-
Current service cost	577,000	281,000
Interest cost	103,000	44,000
Contributions by employees	80,000	43,000
Actuarial gains	(396,000)	(219,000)
Benefits paid	(3,000)	(2,000)
	<hr/>	<hr/>
Closing defined benefit obligation	4,159,000	2,100,000
	<hr/> <hr/>	<hr/> <hr/>

CREATING TOMORROW MULTI ACADEMY TRUST
(A company limited by guarantee)

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

21. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	1,005,000	646,000
Upon conversion	603,000	-
Expected return on assets	45,000	16,000
Actuarial losses	52,000	126,000
Employer contributions	323,000	176,000
Employee contributions	80,000	43,000
Benefits paid	(3,000)	(2,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	<u>2,105,000</u>	<u>1,005,000</u>

22. CONTINGENT LIABILITIES

In the event of Isebrook SEN Cognition and Learning College ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the academy.

23. RELATED PARTY TRANSACTIONS

As disclosed in the register of business interest there are a couple of family members of the Trustees employed by the academy. The Trustees confirm that all individuals were fairly recruited and their performance has been managed in the normal way; their employment is considered to be of benefit to the academy.

No other related party transactions were noted during the period.

24. POST BALANCE SHEET EVENTS

From the 1st October 2018, Daventry Hill School joined the Trust.

25. MEMBERS' LIABILITY

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