

Company Registration Number: 07491945 (England & Wales)

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Dr G. Johnson Mrs J. Banks Mrs J. Womack Mr J. Dix Mr S. Kindersley (appointed 10 July 2018)
Trustees	Dr G. Johnson, Chair Mr C. Greenhalgh CBE Mr S. Munday CBE, CEO and Accounting Officer Mr G. Pearson Mr A. Read Mrs K. Stutchbury Mr S. Terrell (resigned 20 July 2018) Mrs S. Williamson Mr J. Hartley Ms T. Kelleher Mr R. Warsap Mr M. Goodridge Mr G. Daniels Dr N. Walshe Mr S. Krintas (appointed 1 May 2018)
Company registered number	07491945
Company name	The Cam Academy Trust
Principal and registered office	West Street Comberton Cambridge CB23 7DU

THE CAM ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary Mr M. Norman

Chief executive officer Mr S. Munday CBE

**Senior management
team**

Mr S. Munday, CEO and Accounting Officer
Mr P. Lawrence, Director of Education
Mr M. Norman, Director of Finance and Operations
Mrs R. Hawkes, Director of International Education and Research
Mrs C. Coates, Principal of Cambourne Village College
Mr P. Law, Head of Comberton Village College
Mr S. Holmes, Principal of Melbourn Village College
Mrs S Desborough, Head of Gamlingay First School
Mr C. Jukes, Primary Executive Leader
Mr C. Bennet, Headteacher, St. Peter's School, Huntingdon
Mrs R. Lee, Head of Hartford Infant School
Mr S. Davis, Head of Hartford Junior School
Mrs S. Wright, Head of Jeavons Wood Primary School

Independent auditor Streets Audit LLP
3 Wellbrook Court
Girton
Cambridge
CB3 0NA

Bankers Clydesdale and Yorkshire Bank
10 Church Street
Peterborough
PE1 1XB

Solicitors Stone King LLP
Boundary Lane
91 Charthouse Street
London
EC1M 6HR

THE CAM ACADEMY TRUST
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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 1st September 2017 to 31st August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 9 primary/secondary academies in Cambridgeshire. Its academies had a combined pupil roll of 5,618.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Cam Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Cam Academy Trust.

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

Members' Liability

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

Trustees' Indemnities

The Academy Trust has purchased insurance to cover Members and Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust Business. Such qualifying third party indemnity provision has a limit of £10,000,000.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited by the Board depending upon perceived need (including an audit of trustee skills) and known opportunities to bring highly capable and experienced people onto the Board. Trustees are appointed by the Members on the recommendation of the Board.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given a tour of the academies and the chance to meet with staff and students.

All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally few new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Consideration is given to progression at recruitment as well as during the fulfillment of their role.

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

Organisational Structure

Certain strategic decisions are reserved for the Board to make final decisions upon. These include: the appointment of Principals to any schools in the Trust; all decisions regarding the potential addition of new schools into the Trust, including decisions to make Free School proposals; final decisions on budgets for all schools in the Trust and the over-arching Trust budget (following suggestions from Local Governing Bodies); confirmation of all policies that operate at Trust level; and decisions and confirmations regarding key Trust priorities that are expected to drive development and inform priorities for each school within the Trust. Trust staff are then expected to see through these key areas and ensure high standards in each school. Local Governing Bodies carry out local governance matters within these over-arching Trust parameters. The CEO is the named accounting officer for the Trust.

Employment of Disabled Persons

The trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities.

Employees with disabilities receive appropriate training to promote their career development within the trust. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee Involvement

The trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

There is no remuneration agreement for any Trustee with the exception of the Chief Executive Officer. The Board of Trustees (excluding the Chief Executive Officer) reviews the Chief Executive Officer's pay on at least an annual basis and the Chair of the Board approves any pay review.

The Board of Trustees review and approve the pay for the Senior Leadership Team on at least an annual basis and in making such determinations they take into account a range factors including; the nature of the post, the level of qualifications, skills and experience required, market conditions, the wider school context and external activity and achievement against performance targets.

Related Parties and other Connected Charities and Organisations

Details of all related party transactions are set out in Note 26. In addition there are a number of 'Friends Of' associations connected to individual schools which perform fundraising activities.

Trade Union Facility Time

During the year the academy had no employees who were paid trade union officials.

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

Objectives and Activities

Objects and Aims

The over-arching aim is to provide excellent education for all pupils in all of the Trust schools. This over-arching aim is articulated through 5 core principals/aims:

- Educational excellence
- A comprehensive education for all types of pupils
- Schools rooted in and serving their community
- Schools working strongly in partnership with others
- A clear international dimension to education

Objectives, Strategies and Activities

Priorities for development are stated as:

- Development of Primary Schools within the locally based Trust
- Submitting of Free School proposals where these are required within the local area of the Trust
- Seeking to work in appropriate effective partnership with other local trusts

Public Benefit

The Trustees have reviewed the objectives and activities of the charity as detailed above and are satisfied that they are for the public benefit as detailed in the Charity Commission guidance note on this subject.

Strategic Report

Achievements and Performance

The Trust has continued to develop and grow within its clear and strategic remit of being a locally-based, cross-phase Trust seeking to provide excellent education for all pupils in all of its schools and to serve its local communities. The following specific developments have taken place:

- Following much work and support during the year, Thongsley Fields Nursery and Primary School in Huntingdon joined the Trust on 1 September 2018. It is a feeder Primary School for St Peter's School and will work very closely with St Peter's School, including having joint local governance.
- Everton Heath Primary School formally joined the Trust in September 2018 having worked closely with the Trust and its schools during the year. The school is a small school moving from First to Primary School and is located very close to Gamlingay Village Primary School
- Following a year of supporting the remaining pupils at the school, Gamlingay Middle School was shut by the Trust on 31 August 2018. This has enabled Gamlingay First School to become Gamlingay Village Primary School.

The Trust's Secondary Schools all have live Ofsted grades. Formally measured pupil outcomes were in line with the current grades: Outstanding at Cambourne and Comberton Village Colleges and Good at Melbourn Village College and St Peter's School. Cambourne Village College received its first ever set of public examination results. All key measures were clearly above national averages and in line with the positive predictions made for pupil achievements. Comberton Village College achieved pupil outcomes well above national averages for all of the key performance measures thus consolidating further its very high performance. Both Melbourn Village College and St Peter's School had key outcomes that were in line with national averages. In the case of St Peter's School, this represents further confirmation of its improvement in pupil outcomes over time following its legacy Special Measures designation when it came into the Trust in September 2016.

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

The Trust's Primary Schools have joined the Trust more recently than its Secondary Schools and have yet to receive an Ofsted inspection since coming into the Trust. Pupil outcomes across the Trust's Primary Schools were largely in line with national averages with some variation between schools. Pupil groups coming through the schools are seen to be achieving more strongly than the outcomes in summer 2018. Hartford Junior School has seen strong improvement in pupil outcomes from the low outcomes that pupils were achieving when the school joined the Trust.

Key Performance Indicators

The overall financial position of the Trust, accounting for all of the schools in the Trust, is positive with costs kept within income. Budgets are set to maintain this situation.

Ofsted grades for the 8 schools in the Trust as of 31 August 2018 were as follows:

- 2 schools graded 'outstanding'
- 1 school with a legacy 'outstanding' grade
- 2 schools graded 'good'
- 3 schools with no current Ofsted designation

An improvement trajectory is evident in those schools that were under-performing when joining the Trust.

Going Concern

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

Financial Review

The majority of the Trust's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of the General Annual Grant ("GAG"), the use of which is restricted to particular purposes. The grants received from the ESFA during the period reported on and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2018, total expenditure was £35,670,000.

As 31 August 2018, the net book value of fixed assets was £109,628,000 (including a transfer upon conversion of £1,324,000). The assets were used for providing education and the associated support services to the students of the Trust.

The Trust held fund balances at 31 August 2018 of £108,243,000, comprising of £2,880,000 of restricted funds (Net of pension deficit and fixed assets); a pension reserve deficit of £5,013,000, restricted fixed asset reserve of £111,123,000.

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

The Trust's non teaching staff are entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme and consequently the Trust's balance sheet shows a net liability of £5,013,000. However, the deficit does not mean that an immediate liability for this amount crystallises. The contribution rate to reduce the liability is calculated by an independent actuary and is reported within the notes to the financial statements.

Reserves Policy

The Trustees aim to build the general reserves of the Trust to provide sufficient working capital to cover delays between spending and receipt of grant funding and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. It also seeks to have reserves to support further developments with schools joining the Trust.

The Academy Trust is currently reviewing its reserves policy in line with the ESFA's guidance. The level of free reserves at the year end was £1,238,000, being the GAG carry forward.

Funds that can only be realised through the disposal of fixed assets amounts to £111,123,000.

Investment Policy

Should the level of free cash reserves held by the Trust exceed that which is necessary to service its on-going working capital needs, the Trustees, with reference to the short and longer-term forecasts will consider investment of any excess funds over an appropriate period, to maximise the return on any such surplus funds, while ensuring that risk is avoided insofar as is possible.

Principal Risks and Uncertainties

The Trust has overseen a full risk assessment across all of its schools in the past year and identified the high-level risks across all of its schools and at Trust level with key mitigations against these that the Trust is able to take. Each school has and works on its individual school risk assessment overseen by the school's local governing body.

At overall Trust level, there are identified risks relating to pupil performance in the Trust's Primary Schools. These schools have recently entered the Trust and there are areas of needed improvement to ensure that there is a direction of securing excellent education for all pupils in all of our Primary Schools. Capacity has been developed to support this improvement and the work of both the Primary Executive Leader and the Director of Education is strongly focussed towards this.

There are noted financial risks and uncertainties for the Trust. The exceptional secondary pupil growth anticipated across the Trust's secondary schools from 1 September 2018 threatens significantly to weaken the Trust's financial position with a system of lagged funding. The Trust is in significant negotiations with the ESFA to seek to confirm the exceptional nature of this pupil growth and thus the need to be funded on actual pupil numbers for the year 2018-19. Ongoing significant increases to staff costs, such as national increases to salaries and pension contributions that are known to be coming through imminently are a significant risk. Lack of certainty over the future funding support from Government regarding these significant cost increases provides financial uncertainty and possible considerable threat to the Trust's financial position. The Trust continues to work very hard to reduce its costs without adversely affecting educational standards in any of its schools. It makes appropriate use of ICFFP.

Robust systems and checking mechanisms are in place across the Trust in order to guard against the risks that could have very great impact: child protection and safeguarding and health and safety. Given these, the likelihood of potential risks actually happening is seen as low but it is recognised that the impact would be very high should anything significant happen in these areas.

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

Plans for Future Periods

The three key stated priorities for development are:

- To develop more Primary Schools within the Trust in the local area. There are currently several local Primary Schools speaking with the Trust regarding possible membership
- To submit further Free School proposals where new schools are required within the Trust's local area or develop existing sites
- To develop appropriate joint working with other local Trusts for the benefit of local education provision

The appointment of a new Primary Executive Leader, who started working for the Trust in January 2017, has been crucial in enabling the Primary School development that has taken place and is planned for the future. Primary development is seen as crucial to develop the strongest possible educational model that can have the greatest impact in achieving the core aims of the Trust. It is seen as the obvious area for the Trust's next phase of development. Significant work is now taking place.

Past experience has shown also that opening a new school can enable the Trust to ensure that its core educational aims are enshrined in a school from the outset and have a very positive impact (the Free School within the Trust has already been graded as 'outstanding'). We are looking at models also of developing a new campus of a pre-existing school (such as Cambourne Village College) as a means by which to cater for further pupil number growth. This is both for potential Primary and Secondary developments.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustees on behalf of others for the year ending 31 August 2018.

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on the board's behalf by:

Dr G. Johnson
Chair of Trustees

THE CAM ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Cam 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 The Cam 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 5 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
Dr G. Johnson, Chair	5	5
Mr C. Greenhalgh CBE	4	5
Mr S. Munday CBE, CEO/Accounting Officer	5	5
Mr G. Pearson	5	5
Mr A. Read	3	5
Mrs K. Stutchbury	3	5
Mr S. Terrell	5	5
Mrs S. Williamson	4	5
Mr J. Hartley	5	5
Ms T. Kelleher	4	5
Mr R. Warsap	5	5
Mr M. Goodridge	5	5
Mr G. Daniels	3	5
Dr N. Walshe	4	5
Mr S. Krintas	1	2

During the year the Academy Trust reviewed the skills base of the board and members and where able to make additional appointments. In addition the structure was amended to incorporate members independent of the Board of Trustees.

The Resources & finance committee is a sub-committee of the main board of trustees. Its purpose is to:

- Oversee the budgetary situation in each of the Trust's school, ensuring that budgets are on track with the budgets that have been set
- Oversee the total financial position of the Trust and make strategic suggestions for the Board about key future financial decisions and suggested required strategic actions
- Oversee the setting and monitoring of the central staff budget
- Oversee the principle of good value through the Trust's budget
- Confirm key HR recommendations for Trust Board approval.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Hartley	9	10
Mr S. Munday	10	10
Mr S. Terrell	10	10
Mr S. Krintas	3	4
Mr M. Goodridge	3	3

The Audit and Risk Committee is also a sub-committee of the main board of trustees. Its purpose is to

- Oversee the risk and control framework of the Trust
- Oversee the internal & external audit process.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Dix (Member)	5	5
Mr S. Munday	5	5
Mr G. Pearson	5	5
Mrs J. Womack (Member)	5	5

REVIEW OF VALUE FOR MONEY

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

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

- Insisting that all appropriate financial protocols regarding best value on all contracts are properly followed by relevant staff.
- Clarifying with the Heads of each school that resources are committed where they have the greatest impact upon educational standards for pupils in the school.
- Encouraging new ways of working across the Trust and involving all schools that can secure economies for all schools and thus maximise the resource available for committing to high-quality education.
- Using the resources of the Trust to employ high-quality staff with appropriate expertise who can ensure excellent use of resources by schools and support the achievement of very high standards for all pupils in all schools.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Cam 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.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Resources & finance 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 CEFM as internal auditor.

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

- Testing of the purchasing system
- Testing of the income systems
- Testing of the payroll systems.

On a triannual basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The Trust confirms that the internal audit function has been delivered in line with the ESFA's requirements and that no material control issues have arisen as a result of the reports.

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GOVERNANCE STATEMENT (continued)

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 auditor;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:

Dr G Johnson
Chair of Trustees

Mr S Munday
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

Mr S Munday
Accounting Officer

Date: 12 December 2018

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFADfE 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 12 December 2018 and signed on its behalf by:

Dr G Johnson
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAM ACADEMY TRUST**

OPINION

We have audited the financial statements of The Cam 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 2017 to 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAM ACADEMY TRUST**

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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

THE CAM ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CAM ACADEMY TRUST**

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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

3 Wellbrook Court
Girton
Cambridge
CB3 0NA
18 December 2018

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

In accordance with the terms of our engagement letter dated 8 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Cam 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 The Cam 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 The Cam 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 The Cam Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE CAM ACADEMY TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Cam Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 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 CAM ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE CAM
ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

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

18 December 2018

THE CAM 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 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations & capital grants:						
Transferred on conversion from the local authority	3	-	-	-	-	15,410
Transfer from existing academies	3	-	-	1,324	1,324	8,588
Other donations and capital grants	3	140	-	10,871	11,011	1,954
Charitable activities	4	122	32,175	-	32,297	28,914
Other trading activities	5	1,093	-	-	1,093	992
Investments	6	10	-	-	10	-
Teaching school		-	682	-	682	1,068
TOTAL INCOME		1,365	32,857	12,195	46,417	56,926
EXPENDITURE ON:						
Teaching school		-	682	-	682	839
Charitable activities:						
Transfer of assets and liabilities out of the trust		-	-	-	-	(4,517)
Other charitable activities		1,790	32,724	(191)	34,323	33,481
TOTAL EXPENDITURE	7	1,790	33,406	(191)	35,005	29,803
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(425)	(549)	12,386	11,412	27,123
Actuarial gains on defined benefit pension schemes	23	-	2,434	-	2,434	5,538
NET MOVEMENT IN FUNDS		(425)	1,885	12,386	13,846	32,661
RECONCILIATION OF FUNDS:						
Total funds brought forward		425	(4,765)	98,737	94,397	61,736
TOTAL FUNDS CARRIED FORWARD		-	(2,880)	111,123	108,243	94,397

The notes on pages 24 to 51 form part of these financial statements.

THE CAM ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07491945

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	14		109,628		97,874
CURRENT ASSETS					
Debtors	15	1,369		1,113	
Cash at bank and in hand		5,445		3,263	
		<u>6,814</u>		<u>4,376</u>	
CREDITORS: amounts falling due within one year	16	(3,186)		(1,806)	
NET CURRENT ASSETS			3,628		2,570
TOTAL ASSETS LESS CURRENT LIABILITIES			113,256		100,444
CREDITORS: amounts falling due after more than one year	17		-		(13)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			113,256		100,431
Defined benefit pension scheme liability	23		(5,013)		(6,034)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			108,243		94,397
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	18	2,133		1,269	
Restricted fixed asset funds	18	111,123		98,737	
Restricted income funds excluding pension liability		<u>113,256</u>		<u>100,006</u>	
Pension reserve		<u>(5,013)</u>		<u>(6,034)</u>	
Total restricted income funds			108,243		93,972
Unrestricted income funds	18		-		425
TOTAL FUNDS			108,243		94,397

THE CAM ACADEMY TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 20 to 51 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

Dr G. Johnson
Chair of Trustees

The notes on pages 24 to 51 form part of these financial statements.

THE CAM ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	11,725	(1,092)
Cash flows from investing activities:			
Purchase of tangible fixed assets		(10,943)	(1,017)
Capital grants from DfE Group		1,411	1,833
Cash transferred on conversion to an academy trust		-	204
Cash transferred from existing academy		-	650
Cash transferred out of academy trust		-	(152)
Net cash (used in)/provided by investing activities		(9,532)	1,518
Cash flows from financing activities:			
Repayment of Salix loan		(11)	(2)
Net cash used in financing activities		(11)	(2)
Change in cash and cash equivalents in the year		2,182	424
Cash and cash equivalents brought forward		3,263	2,839
Cash and cash equivalents carried forward	21	5,445	3,263

The notes on pages 24 to 51 form part of these financial statements.

THE CAM 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.

The Cam Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

THE CAM ACADEMY TRUST
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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.

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

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity.

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

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.

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Freehold property	-	2% per annum on a straight line basis
Leasehold property	-	2% per annum on a straight line basis
Furniture and fixtures	-	10%, 33% per annum on a straight line basis
Assets under construction	-	None

At the beginning of the year it was determined that property assets had been depreciated down to their residual value. Accordingly no further depreciation has been charged in the current year. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

1.6 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.

1.7 Cash at Bank and in hand

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

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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 Taxation

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

1.10 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 23, 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.

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Fund accounting

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

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

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

1.12 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 and in hand - 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 notes 16 and 17. 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.

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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 impairments. 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 23, 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.

1.14 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 Gamlingay Village College 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 Donations - transfer from local authority on conversion 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.

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 Transfer of existing academies

Transfer into the trust

The transfer of existing single academy trusts into the multi-academy trust involved the transfer of identifiable assets and liabilities and the operation of the academies 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 relating to Gamlingay Village College, to the 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 Donations - transfer from existing academies 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.

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

Gamlingay Village College

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Freehold property	1,324	-	1,324
Net assets	<u>1,324</u>	<u>-</u>	<u>1,324</u>

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Transferred on conversion from the local authority	-	-	-	-	15,410
Transfer from existing academies	-	-	1,324	1,324	8,588
	<u>-</u>	<u>-</u>	<u>1,324</u>	<u>1,324</u>	<u>23,998</u>
Donations	140	-	-	140	120
Capital Grants	-	-	10,871	10,871	1,834
	<u>140</u>	<u>-</u>	<u>10,871</u>	<u>11,011</u>	<u>1,954</u>
	<u>140</u>	<u>-</u>	<u>12,195</u>	<u>12,335</u>	<u>25,952</u>
<i>Total 2017</i>	<u>-</u>	<u>8,708</u>	<u>17,244</u>	<u>25,952</u>	

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

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	24,381	24,381	23,055
Pupil premium	-	916	916	911
Other DfE/ESFA Grants	-	615	615	1,294
	-	25,912	25,912	25,260
Other government grants				
Local authority grants	-	2,815	2,815	1,659
	-	2,815	2,815	1,659
Other funding				
Other income from the academy trust's educational operations	122	3,448	3,570	1,995
	122	3,448	3,570	1,995
	122	32,175	32,297	28,914
<i>Total 2017</i>	719	28,195	28,914	

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	162	-	162	161
Other income	931	-	931	831
	1,093	-	1,093	992
<i>Total 2017</i>	992	-	992	

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

6. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Bank interest	10	-	10	-

7. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Teaching school	-	-	682	682	838
Activities:					
Direct costs	20,563	-	2,888	23,451	22,116
Support costs	5,853	2,626	2,393	10,872	6,848
	<u>26,416</u>	<u>2,626</u>	<u>5,963</u>	<u>35,005</u>	<u>29,802</u>
<i>Total 2017</i>	<u>24,340</u>	<u>1,845</u>	<u>3,617</u>	<u>29,802</u>	

THE CAM ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. CHARITABLE ACTIVITIES

	Total funds 2018 £000	<i>Total funds 2017 £000</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	15,344	14,615
National insurance	1,488	1,466
Pension cost	3,784	3,470
Pension finance cost	167	193
Technology costs	406	407
Educational supplies	1,750	1,365
Examination fees	337	347
Staff development	87	100
Other direct costs	88	153
	<u>23,451</u>	<u>22,116</u>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,680	3,882
National insurance	263	228
Pension cost	797	679
Depreciation	512	2,375
Recruitment and support	112	144
Maintenance of premises and equipment	919	309
Cleaning	401	357
Rent & rates	134	662
Energy costs	645	503
Insurance	163	152
Security and transport	86	158
Catering	737	639
Bank interest and charges	10	9
Other support costs	1,413	1,268
Transfer out of Voyager Academy Trust	-	(4,517)
	<u>10,872</u>	<u>6,848</u>
	<u><u>34,323</u></u>	<u><u>28,964</u></u>

THE CAM ACADEMY TRUST
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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	<i>2017</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the Trust	512	<i>2,375</i>
Auditors' remuneration - audit related	26	<i>23</i>
Auditors' remuneration - non-audit related	8	<i>5</i>
Operating lease rentals	125	<i>-</i>
	=====	<i>=====</i>

10. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim.

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FOR THE YEAR ENDED 31 AUGUST 2018

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	19,792	18,084
Social security costs	1,752	1,694
Operating costs of defined benefit pension schemes	4,581	4,150
	<u>26,125</u>	<u>23,928</u>
Agency staff costs	233	412
Staff restructuring costs	58	-
	<u>26,416</u>	<u>24,340</u>

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	41	-
Severance payments	18	-
	<u>59</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory / non-contractual severance payments totaling £17,500 (2017: £Nil). The individual payments are £17,500 paid in August 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Management	50	45
Teachers	339	339
Administration and support	411	395
	<u>800</u>	<u>779</u>

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

11. STAFF COSTS (continued)

d. Higher paid staff

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	6	<i>4</i>
In the band £70,001 - £80,000	5	<i>6</i>
In the band £80,001 - £90,000	2	<i>0</i>
In the band £90,001 - £100,000	1	<i>1</i>
In the band £120,001 - £130,000	1	<i>1</i>

13 (2017 - 11) of the above participated in the Teacher's Pension Scheme. 2 (2017- 1) of the above participated in the LGPS.

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. This team increased due to the expansion of the academy trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,280,455 (2017 - £1,022,772).

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

12. CENTRAL SERVICES

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

- CEO
- Director of Education
- Director of International Development
- Teaching and Learning Support
- Human Resources Services
- Central Finance
- IT Services
- Legal and Professional including external and internal audit
- Publicity

The academy charges for these services on the following basis:

4% of General Annual Grant.

The actual amounts charged during the year were as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Comberton Village College	294	<i>306</i>
The Voyager Academy	-	<i>70</i>
Melbourn Village College	92	<i>86</i>
Cambourne Village College	181	<i>138</i>
Gamlingay First School	35	<i>32</i>
Hartford Infant School, Huntingdon	30	<i>20</i>
Hartford Junior School, Huntingdon	35	<i>24</i>
St Peter's School, Huntingdon	197	<i>200</i>
Jeavons Wood Primary School	58	<i>10</i>
Gamlingay Village College	25	<i>-</i>
	947	<i>886</i>
Total	947	<i>886</i>

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

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>
S Munday	Remuneration	125-130	<i>125-130</i>
	Pension contributions paid	20-25	<i>20-25</i>

During the year ended 31 August 2018, one Trustee received £429 reimbursement of expenses (2017 - £NIL).

14. TANGIBLE FIXED ASSETS

	Freehold property £000	Leasehold property £000	Furniture and fixtures £000	Plant and equipment £000	Total £000
Cost					
At 1 September 2017	69,685	35,094	4,431	28	109,238
Additions	-	10,400	542	-	10,942
Transferred in	1,324	-	-	-	1,324
At 31 August 2018	71,009	45,494	4,973	28	121,504
Depreciation					
At 1 September 2017	6,646	2,793	1,897	28	11,364
Charge for the year	-	-	512	-	512
At 31 August 2018	6,646	2,793	2,409	28	11,876
Net book value					
At 31 August 2018	64,363	42,701	2,564	-	109,628
<i>At 31 August 2017</i>	<i>63,039</i>	<i>32,301</i>	<i>2,534</i>	<i>-</i>	<i>97,874</i>

Long-term leasehold property relates to 125-year leases from the relevant local authority.

Property values are based on ESFA valuations where available. Where not available other suitable methods are adopted by the Trustees.

During the year the extension to Cambourne Village College was handed over to the trust. It has been included in additions at its estimated cost of £10,400,000.

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

15. DEBTORS

	2018	2017
	£000	£000
Trade debtors	257	441
Other debtors	114	87
Prepayments and accrued income	998	585
	1,369	1,113
	1,369	1,113

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£000	£000
Trade creditors	788	514
Other taxation and social security	446	336
Salix loan	2	2
Other creditors	57	-
Accruals and deferred income	1,893	954
	3,186	1,806
	3,186	1,806

	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September	824	1,074
Resources deferred during the year	674	824
Amounts released from previous years	(824)	(1,074)
	674	824
	674	824

Deferred income includes UIFSM income received in the year that relates to the 2018/19, school trips occurring in 2018/19 and provision of other services including transportation in 2018/19.

17. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£000	£000
Salix loan	-	13
	-	13
	-	13

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds					
General Funds	425	1,365	(1,790)	-	-
Restricted funds					
General Annual Grant (GAG)	891	24,382	(24,035)	-	1,238
Other DfE/ESFA grants	82	1,586	(1,668)	-	-
Other Government Grants	66	2,815	(2,881)	-	-
Other income	-	2,727	(2,727)	-	-
Teaching school	230	682	(682)	-	230
School funds	-	665	-	-	665
Pension reserve	(6,034)	-	(1,413)	2,434	(5,013)
	<u>(4,765)</u>	<u>32,857</u>	<u>(33,406)</u>	<u>2,434</u>	<u>(2,880)</u>
Restricted fixed asset funds					
Restricted Fixed Asset Funds	98,737	12,195	191	-	111,123
Total restricted funds	<u>93,972</u>	<u>45,052</u>	<u>(33,215)</u>	<u>2,434</u>	<u>108,243</u>
Total of funds	<u>94,397</u>	<u>46,417</u>	<u>(35,005)</u>	<u>2,434</u>	<u>108,243</u>

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

Unrestricted Funds

General Funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Funds

General Annual Grant (GAG) must be used for the normal running costs of the Trust.

Other DfE/ESFA Grants comprise of various grants awarded for specific projects, in particular to boost standards of attainment. Grants include Pupil Premium funding which is intended to support education from pupils from a disadvantaged background.

Other Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the trust to assist with student's education.

Other income comprises various other receipts including school meals. The income is classed as restricted or unrestricted based upon the nature of the income.

Teaching school relates to the income and associated expenditure of the Trust associated with its status as a teaching school.

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

18. STATEMENT OF FUNDS (continued)

The pension reserve represents the current deficit balance of the Local Government Pension Scheme.

Restricted Fixed Asset Funds

Restricted fixed asset funds represent monies received in respect of and spent on fixed assets. This includes assets inherited on conversion. The total of resources expended within this fund include the depreciation charge for the year. The transfers figure is the amount of other funds used to acquire fixed assets.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as below. These include school funds of £665,000 (2017: £555,000) which are held for specific restricted purposes. In addition there is £231,000 (2017: £231,000) relating to the Teaching School.

	Academy C/F £000	Restricted School Funds £000	Total 2018 £000	Total 2017 £000
CVC	9	266	275	232
MVC	56	88	144	170
Cam VC	456	148	604	392
GFS	77	2	79	49
HIS	160	8	168	152
HJS	33	7	40	10
St Peter's School	209	140	349	287
Jeavons Wood	223	6	229	171
The CAM Trust	-	-	-	1
Teaching School	-	231	231	231
GVC	15	-	15	-
Total before fixed asset fund and pension	1,238	896	2,134	1,695
Restricted fixed asset fund			111,123	98,737
Pension reserve			(5,013)	(6,034)
Total			108,244	94,398

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

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding dep'tion £000	Total 2018 £000	Total 2017 £000
CVC	6,076	2,705	668	1,912	11,361	10,434
TVA	-	-	-	-	-	(1,129)
MVC	1,678	567	92	631	2,968	2,768
Cam VC	3,382	833	1,448	714	6,377	3,994
GFS	715	108	31	184	1,038	923
HIS	636	95	74	152	957	611
HJS	807	142	26	164	1,139	757
St Peter's School	3,948	687	182	1,159	5,976	5,767
Jeavons Wood	1,185	266	145	316	1,912	277
The CAM Trust	525	390	123	664	1,702	1,181
Teaching School	-	-	628	-	628	839
GVC	418	147	26	75	666	-
	<u>19,370</u>	<u>5,940</u>	<u>3,443</u>	<u>5,971</u>	<u>34,724</u>	<u>26,422</u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General Funds						
General Funds	646	2,289	(2,507)	(3)	-	425
Restricted funds						
General Annual Grant (GAG)	-	23,055	(22,164)	-	-	891
Other DfE/ESFA grants	114	2,206	(2,236)	-	-	84
Other Government Grants	77	1,659	(1,671)	-	-	65
Other income	-	1,530	(1,530)	-	-	-
Teaching school	-	1,068	(839)	-	-	229
Pension reserve	(11,108)	(3,983)	3,519	-	5,538	(6,034)
	<u>(10,917)</u>	<u>25,535</u>	<u>(24,921)</u>	<u>-</u>	<u>5,538</u>	<u>(4,765)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds	72,008	29,102	(2,376)	3	-	98,737
Total of funds	<u>61,737</u>	<u>56,926</u>	<u>(29,804)</u>	<u>-</u>	<u>5,538</u>	<u>94,397</u>

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	646	3,654	(4,297)	(3)	-	-
Restricted funds						
General Annual Grant (GAG)	-	47,437	(46,199)	-	-	1,238
Other DfE/ESFA grants	114	3,792	(3,904)	-	-	2
Other Government Grants	77	4,474	(4,552)	-	-	(1)
Other income	-	4,257	(4,257)	-	-	-
Teaching school	-	1,750	(1,521)	-	-	229
	-	665	-	-	-	665
Pension reserve	(11,108)	(3,983)	2,106	-	7,972	(5,013)
	<u>(10,917)</u>	<u>58,392</u>	<u>(58,327)</u>	<u>-</u>	<u>7,972</u>	<u>(2,880)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	72,008	41,297	(2,185)	3	-	111,123
	<u>61,091</u>	<u>99,689</u>	<u>(60,512)</u>	<u>3</u>	<u>7,972</u>	<u>108,243</u>
Total of funds	<u>61,737</u>	<u>103,343</u>	<u>(64,809)</u>	<u>-</u>	<u>7,972</u>	<u>108,243</u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	109,628	109,628
Current assets	4,999	321	1,495	6,815
Creditors due within one year	14	(3,201)	-	(3,187)
Provisions for liabilities and charges	(5,013)	-	-	(5,013)
	<u>-</u>	<u>(2,880)</u>	<u>111,123</u>	<u>108,243</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £000</i>	<i>Restricted funds 2017 £000</i>	<i>Restricted fixed asset funds 2017 £000</i>	<i>Total funds 2017 £000</i>
Tangible fixed assets	-	-	97,874	97,874
Current assets	425	3,088	863	4,376
Creditors due within one year	-	(1,806)	-	(1,806)
Creditors due in more than one year	-	(13)	-	(13)
Provisions for liabilities and charges	-	(6,034)	-	(6,034)
	<u>425</u>	<u>(4,765)</u>	<u>98,737</u>	<u>94,397</u>

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

	2018 £000	2017 £000
Net income for the year (as per Statement of Financial Activities)	11,412	27,123
Adjustment for:		
Depreciation charges	512	2,375
Investment income	(10)	-
Increase in debtors	(256)	(310)
Increase/(decrease) in creditors	1,389	(535)
Capital grants from DfE and other capital income	(1,411)	(1,833)
LGPS adjustments	1,413	1,199
Assets and liabilities from local authority conversion	-	(15,205)
Assets and liabilities on transfer from existing academy	(1,324)	(9,237)
Assets and liabilities transferred out of the academy trust	-	(4,669)
Net cash provided by/(used in) operating activities	<u>11,725</u>	<u>(1,092)</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	<i>2017</i>
	£000	<i>£000</i>
Cash in hand	5,445	<i>3,263</i>
Total	5,445	<i>3,263</i>

22. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements	-	<i>73</i>

23. PENSION COMMITMENTS

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

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

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23. PENSION COMMITMENTS (continued)

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £2,310,000 (2017 - £2,037,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,474,000 (2017 - £1,412,000), of which employer's contributions totalled £1,142,000 (2017 - £1,106,000) and employees' contributions totalled £332,000 (2017 - £306,000). The agreed contribution rates for future years are an average of 23% for employers and up to 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	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.70 %	<i>2.70 %</i>
Rate of increase for pensions in payment / inflation	2.40 %	<i>2.40 %</i>

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23. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.0	24.0
Females	26.3	26.3

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
0.5% decrease in Real Discount Rate	2,809	2,586
0.5% increase in the Salary Increase Rate	383	403
0.5% increase in the Pension Increase Rate	2,396	2,144

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	12,905	10,708
Corporate bonds	1,797	1,808
Property	1,144	973
Cash and other liquid assets	490	418
Total market value of assets	16,336	13,907

The actual return on scheme assets was £784,000 (2017 - £729,000).

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

	2018 £000	2017 £000
Current service cost	(2,388)	(2,112)
Net interest	(167)	(193)
Total	(2,555)	(2,305)
Actual return on scheme assets	784	729

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

23. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening defined benefit obligation	19,941	21,987
Current service cost	2,388	2,112
Interest cost	530	402
Employee contributions	332	306
Changes in assumptions	(1,650)	(5,018)
Benefits paid	(192)	(165)
Effect of business combinations and disposals	-	317
	<u>21,349</u>	<u>19,941</u>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	13,907	10,879
Interest income	363	209
Expected return	784	520
Employer contributions	1,142	1,106
Employee contributions	332	306
Benefits paid	(192)	(165)
Effect of business combinations and disposals	-	1,052
	<u>16,336</u>	<u>13,907</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	106	-
Between 1 and 5 years	452	-
	<u>558</u>	<u>-</u>
Total	<u>558</u>	<u>-</u>

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

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.

26. RELATED PARTY TRANSACTIONS

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

Expenditure

Mrs S. Williamson is a director and shareholder of SSAT (The Schools Network) Limited. During the year subscriptions of £9,580 (2017 - £20,046) were paid by the Academy Trust, which incorporates a group discount. In addition services have been received free of charge. Overall the Academy Trust is satisfied that the combined services are provided at below value and procurement policies, in accordance with ESFA guidance, have been complied with.

Mr J. Hartley is a director of John Hartley Education Consultants Limited. The Academy Trust has utilised the services of John Hartley Education Consultants Limited to mentor Principals and Heads in their development. During the year purchases of £1,214 (2017 - £169) have been made by the Academy Trust.

Mr G. Pearson has a significant interest in Pearson Publishing Ltd. In addition, Mr S. Munday is an unpaid director. The Academy Trust has utilised the services of Pearson Publishing Ltd to buy training provision in connection with GDPR requirements. During the year purchases of £14,055 (2017: £Nil) have been made by the Academy Trust. The element above £2,500 has been provided at no more than cost and the statement of assurance has been provided.

27. POST BALANCE SHEET EVENTS

Post year end Thongsley Fields Primary School and Everton Heath Primary School converted to academy status and joined the trust.

THE CAM ACADEMY TRUST
(A company limited by guarantee)

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

28. TEACHING SCHOOL TRADING ACCOUNT

	2018 £000	2018 £000	2017 £000	2017 £000
INCOME				
DIRECT INCOME				
Grants	55		-	
OTHER INCOME				
Other income	627		1,032	
TOTAL INCOME		682		1,032
EXPENDITURE				
DIRECT EXPENDITURE				
Educational supplies	95		129	
OTHER EXPENDITURE				
Other support costs	587		928	
TOTAL EXPENDITURE		682		1,057
SURPLUS / (DEFICIT) FROM ALL SOURCES		-		(25)
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		231		256
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		231		231