

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Trustees and members**

Dr A D Batey#  
Mrs L C Birch\*#  
Mr R S Plumbly\*  
Mr K J Reynolds\*  
Mr J Frost #, Chair  
Ms N Smith # (resigned 1 September 2015)  
Mrs K Monk #  
Ms P R Todman #  
Mr M Woods  
Mr P Larbey (appointed 1 February 2016)

\* members of the finance committee, # members of the personnel committee.

**Company registered number**

08304433

**Company name**

Cambridge Primary Education Trust

**Principal and registered office**

Histon and Impington Junior School, The Green, Histon, Cambridge, CB24 9JA

**Executive Principal**

Mrs L C Birch

**Senior leadership team**

Mr J Newman, HHS Headteacher  
Mrs C Hales, HHS Assistant Headteacher  
Mrs H Lorimer, HHS Headteacher  
Mr J-M Winstanley, HHS Assistant Headteacher  
Mr M Try, HP Headteacher until December 2015  
Mr A Aguda, HP Assistant Headteacher until December 2015 and Headteacher from January 2016.

HHS - Histon and Impington Infant School  
HHS - Histon and Impington Junior School  
HP - Hatton Park Primary School

**Independent auditors**

Larking Gowen, King Street House, 15 Upper King Street, Norwich, NR3 1RB

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Advisers (continued)**

**Bankers**

Barclays Bank PLC, 9-11 St Andrews Street, Cambridge, CB2 3AA

**Solicitors**

Stone King LLP, Cambridge Office, Thirty Station Road, Cambridge, CB1 2RE

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

**Structure, governance and management**

**a. CONSTITUTION**

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

The charitable company's memorandum and articles of association (dated 22 November 2012) are the primary governing documents of the trust.

The trustees of Cambridge Primary Education Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Cambridge Primary Education Trust.

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

The principal activity of the trust is to operate three academies, Hatton Park Primary School (HP), Histon & Impington Infant School (HIIS), and Histon & Impington Junior School (HIJS).

**b. MEMBERS' LIABILITY**

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

**c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The management of the trust is the responsibility of the trustees who are elected and co-opted under the terms of the trust deed.

The members may appoint the following Trustees:

- a. each chairperson of a local governing body shall be a Trustee (LGB Chair Trustee)
- b. the Executive Principal shall be a Trustee
- c. three parent Trustees (one per academy)
- d. one Trustee appointed by Cambridge Meridian Academy Trust
- e. up to four other Trustees

Parent Trustees shall be elected by the parent members of the local governing bodies. The elected parent Trustees must be a parent of a registered pupil at one of the academies at the time when she/he is elected.

The Trustees may appoint up to three co-opted Trustees. A "co-opted Trustee" means a person who is appointed to be a Trustee by being co-opted by Trustees who have not themselves been so appointed.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**d. 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; an induction is given to all trustees. During the year, the trust has subscribed to the governor training programme provided by the local authority and the National Governors Association. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

**e. PAY POLICY FOR KEY MANAGEMENT PERSONNEL**

The trust reviews its pay policy for staff on an annual basis together with the policy relating to performance management.

Performance Management occurs annually with all recommendations for salary progression being presented with evidence and approved by the Personnel Committee.

**f. ORGANISATIONAL STRUCTURE**

The Trustees have overall responsibility for the management of the trust and have appointed an Executive Principal who in turn oversees each of the individual academies. Each academy has a Local Governing Body that holds to account the Headteacher and Senior Leadership Team responsible for the daily operations of each academy.

**g. TRUSTEES' INDEMNITIES**

The trust has Trustee Liability Insurance for a limit of £2,000,000.

**Objectives and Activities**

**a. OBJECTS AND AIMS**

The trust's objects are specifically restricted to the following:

a) to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.

b) to promote for the benefit of the inhabitants of Cambridge and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**b. ACTIVITIES FOR ACHIEVING OBJECTIVES**

The multi academy trust is developing strong partnerships across the three academies and with other networks. Attainment and progress is high in each of the academies. Teaching and learning opportunities across the trust have been frequent including, joint staff meetings, training sessions, interviewing, observations, lesson study, moderation, mentoring and coaching. The academies celebrate success together and have held science days, art and musical events for families and friends to come along and join in the fun. Systems and procedures for finance, personnel and premises are constantly being reviewed and upgraded.

The trust works in partnership with its senior leadership teams, governors, trustees, local headteachers and colleagues to develop learning opportunities for the children in its care. A number of collaborative projects with other schools will enhance its learning and provision.

**c. MAIN ACTIVITIES UNDERTAKEN TO FURTHER THE CHARITY'S PURPOSES FOR PUBLIC BENEFIT**

In exercising their powers and duties the trust directors have complied with their duty to have due regard to the public benefit guidance published by the Charity Commission.

**Achievements and performance**

**a. KEY FINANCIAL PERFORMANCE INDICATORS**

Most of the trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust has also been in receipt of devolved formula capital grants from the EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £4,367,988 (2015: £4,142,918) exceeded recurrent grant funding from the EFA and other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and the pension fund) was £247,365 (2015: £83,190) excess of income over expenditure). The planned excess was financed by brought forward reserves.

At 31 August 2016 the net book value of fixed assets was £9,569,567 (2015: £9,620,386) and movements in tangible fixed assets are shown within note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academies.

In accordance with FRS 102, the trust received an actuarial assessment of pension scheme deficit. The deficit balance of £2,000,000 (2015: £1,284,000) is included within the balance sheet as at 31 August 2016. Supporting disclosures are in note 23.

**Financial review**

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**a. 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 Accounting Policies.

**b. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The trust's main source of income is funding from the EFA that is paid monthly to each academy throughout the year. Given this and the planned reserves at each academy, the trust board do not consider they have a cash flow or liquidity risk.

**c. PRINCIPAL RISKS AND UNCERTAINTIES**

The trust has assessed the major risks to which it is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the trust, and its finances, all of which are outlined on the risk register. The trust/governors have implemented a number of systems to assess risks that the academies face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains, they have ensured that they have adequate insurance cover. The trust has an effective system of internal financial controls and this is explained in more detail in the statement on internal control.

The trust board has considered and compiled an ongoing risk register. The trust board considers the principle risks and uncertainties are regarding changes in funding levels. All academies aim to maximise the recruitment and retention of students and the trust board seeks to ensure maximum funding is received.

**d. RESERVES POLICY**

The trustees review the reserve levels of the trust regularly. This review encompasses the nature of income and expenditure streams, the need to match income commitment and the nature of reserves.

Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

**e. MATERIAL INVESTMENTS POLICY**

During this year, the trust has held all its funds in an interest bearing current account. The trust does not hold any other investments.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

The trust will explore and develop partnership models, including inviting good and outstanding schools to share in its family of schools, to work with the trust to share best practice and increase the individual and collective school improvement capacity.

Expansions are being considered at all three academies. These are long term strategic plans. Short term plans include the addition of a fourth reception class at Histon and Impington Infant School which occurred in September 2015. The additional class was due to the increasing demand in the catchment area. As a result of this, Year 2 children are to be sited at the Junior School for the next few years.

The trust has been recommended to sponsor a Free School in Trumpington, Cambridgeshire. The school is due to open in September 2017.

Due to the opening of the Free School in Trumpington, the trust Articles of Association and Governance will be reviewed.

**DISCLOSURE OF INFORMATION TO AUDITORS**

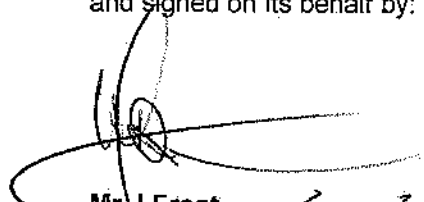
Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

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

**AUDITORS**

The auditors, Larking Gowen, have indicated their willingness to continue in office. The designated trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

This report was approved by order of the board of trustees as the company directors, on 12 December 2016 and signed on its behalf by:



**Mr J Frost**  
**Chair of Trustees**

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

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

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 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 A D Batey	5	7
Mrs L C Birch	6	7
Mr R S Plumbly	7	7
Mr K J Reynolds	7	7
Mr J Frost, Chair	7	7
Mr P Larbey	3	4
Mrs K Monk	6	7
Ms P R Todman	5	7
Mr M E Woods	7	7

Ms N Smith resigned on 1st September 2015.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to review the financial performance of the academies.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs L C Birch	4	4
Mr R S Plumbly	4	4
Mr K J Reynolds	4	4

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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## **REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Executive Principal 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.

What is Best Value?

Trustees will apply the four principles of best value:

- Challenge: Why, how and by whom a service is provided
- Compare: Academy performance against available data
- Consult: With service users, the local community etc.
- Competition: Wherever practicable, to secure efficient and effective services

The Trustees' Approach

The trustees and academy managers apply the principles of best value when making decisions about:

- Allocation of resources to best promote the aims and values of individual academies
- Targeting of resources to best improve standards and the quality of provision
- Use of resources to best support the various educational needs of all pupils

The trustees and the academy managers:

- Make comparisons with other/similar academies using available data, e.g. RAISE online, quality of teaching and learning, levels of expenditure
- Challenge proposals, examining them for effectiveness, efficiency and cost
- Require suppliers to compete on grounds of cost and quality/suitability of services/products
- Consult individuals and organisations on quality/suitability of service provided to parents, pupils, and services received from providers

This will apply in particular to:

- Staffing: Trustees, governors and academy managers deploy staff to provide best value in terms of quality of teaching, quality of learning, adult pupil ratio, and curriculum management with a clear focus on individual student achievement.
- Use of premises: Trustees, governors and academy managers consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources and opportunities to generate income from the premises assets.
- Use of resources: Trustees, governors and academy managers deploy equipment, materials and services to provide pupils and staff with resources which support high quality teaching and learning.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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- **Quality of teaching:** Trustees, governors and academy managers review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has raised expectations of children's achievement.
- **Quality of learning:** Trustees, governors and academy managers review the quality of pupil's learning by setting and tracking pupil achievement targets.
- **Purchasing:** Trustees, governors and academy managers have clear procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.
- **Pupil's welfare:** Trustees, governors and academy managers review the quality of the academy environment and the academy ethos, in order to provide a supportive environment conducive to learning and recreation.
- **Health and safety:** Trustees, governors and academy managers review the quality of the academy environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

These areas are monitored for best value by:

1. Departmental reviews by the Executive Principal and senior leadership team
2. Target setting meetings between Executive Principal, senior leadership team and head of departments
3. Annual performance management
4. Annual budget planning and monitoring
5. Feedback from internal auditor and audit reports
6. Analysis of individual academy pupil performance data
7. Benchmarking across the trust and with comparable schools locally
8. Analysis of DfE pupil performance data.
9. Key issues for action identified by OFSTED
10. Trust committee meetings
11. Trustee annual staff salary review

The trust has engaged with other educational providers over the last year to share delivery and good practice – these include Cambridge Meridian Academies Trust.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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As a multi academy trust CPET provides the following shared services across the trust:

- ICT
- Finance
- Premises
- Audit
- Educational support services

**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 Cambridge Primary Education Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The board of trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 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 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 an internal audit function and has appointed an internal auditor who is independent of the day to day finance team, to give advice on financial matters and carry out a programme of internal checks. The internal auditor reports on a quarterly basis to the board of trustees, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

In particular the checks carried out in the current period included:

- Income from trading activities
- Payroll
- Procurement
- Month end procedures

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**GOVERNANCE STATEMENT (continued)**

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The internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of their work and, if relevant, described what remedial actions should be taken to rectify the issues.

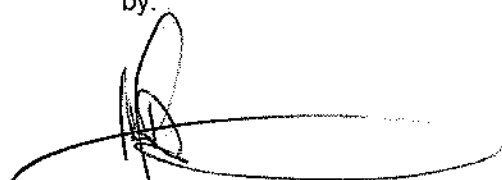
**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Executive Principal 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 audit function;
- the work of the external auditors;
- 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 finance 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 2016 and signed on their behalf, by:



**Mr J Frost**  
Chair of Trustees



**Mrs L C Birch**  
Accounting Officer

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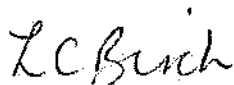
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Cambridge Primary Education Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the 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 2015.

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 EFA.



Mrs L C Birch  
**Accounting Officer**

Date: 12 December 2016

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The trustees of Cambridge Primary Education Trust (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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 2015 to 2016
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 12 December 2016 and signed on its behalf by:



**Mr J Frost**  
**Chair of Trustees**



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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CAMBRIDGE PRIMARY EDUCATION TRUST**

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We have audited the financial statements of Cambridge Primary Education Trust for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the trust's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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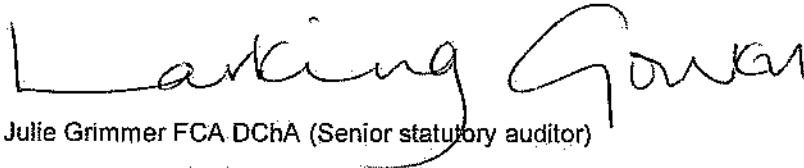
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CAMBRIDGE PRIMARY EDUCATION TRUST**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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.



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

**Larking Gowen**

Chartered Accountants  
Statutory Auditors

Norwich  
Date:

16 December 2016

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE  
PRIMARY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 29 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cambridge Primary Education Trust during the year 1 September 2015 to 31 August 2016 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 Cambridge Primary Education Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Cambridge Primary Education Trust and the EFA 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 Cambridge Primary Education Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF CAMBRIDGE PRIMARY EDUCATION TRUST'S ACCOUNTING  
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Cambridge Primary Education Trust's funding agreement with the Secretary of State for Education dated 1 December 2012, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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 trust's income and expenditure.

**APPROACH (continued)**

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the trust's process for checking its financial systems, controls, transactions and risks.

**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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen

Chartered Accountants  
Statutory Auditors

Norwich

Date: 16 December 2016

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	9,101	-	48,203	57,304	320,285
Charitable activities	3	110,006	4,095,878	-	4,205,884	3,560,238
Other trading activities	4	23,439	-	-	23,439	63,012
Other income	5	58,111	-	-	58,111	132,321
<b>TOTAL INCOME</b>		<b>200,657</b>	<b>4,095,878</b>	<b>48,203</b>	<b>4,344,738</b>	<b>4,075,856</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		84,708	4,071,462	211,818	4,367,988	4,142,918
<b>TOTAL EXPENDITURE</b>	6	<b>84,708</b>	<b>4,071,462</b>	<b>211,818</b>	<b>4,367,988</b>	<b>4,142,918</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		115,949	24,416	(163,615)	(23,250)	(67,062)
Actuarial losses on defined benefit pension schemes	23	-	(609,000)	-	(609,000)	(47,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>115,949</b>	<b>(584,584)</b>	<b>(163,615)</b>	<b>(632,250)</b>	<b>(114,062)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		91,026	(1,032,756)	9,796,456	8,854,726	8,968,788
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>206,975</b>	<b>(1,617,340)</b>	<b>9,632,841</b>	<b>8,222,476</b>	<b>8,854,726</b>

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 08304433**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	14		9,569,567		9,620,386
<b>CURRENT ASSETS</b>					
Debtors	15	143,732		128,892	
Cash at bank and in hand		854,216		772,230	
		<u>997,948</u>		<u>901,122</u>	
<b>CREDITORS: amounts falling due within one year</b>	16	<b>(324,730)</b>		<b>(361,760)</b>	
<b>NET CURRENT ASSETS</b>			<b>673,218</b>		<b>539,362</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>10,242,785</b>		<b>10,159,748</b>
<b>CREDITORS: amounts falling due after more than one year</b>	17		<b>(20,309)</b>		<b>(21,022)</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>10,222,476</b>		<b>10,138,726</b>
Defined benefit pension scheme liability	23		<b>(2,000,000)</b>		<b>(1,284,000)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>8,222,476</b>		<b>8,854,726</b>
<b>FUNDS OF THE TRUST</b>					
Restricted income funds:					
Restricted income funds	18	382,660		251,244	
Restricted fixed asset funds	18	9,632,841		9,796,456	
Restricted income funds excluding pension liability		<u>10,015,501</u>		<u>10,047,700</u>	
Pension reserve		<u>(2,000,000)</u>		<u>(1,284,000)</u>	
Total restricted income funds			<b>8,015,501</b>		<b>8,763,700</b>
Unrestricted income funds	18		<b>206,975</b>		<b>91,026</b>
<b>TOTAL FUNDS</b>			<b>8,222,476</b>		<b>8,854,726</b>

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**BALANCE SHEET (continued)**  
**AS AT 31 AUGUST 2016**

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The financial statements were approved by the trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by



**Mr J Frost**  
**Chair of Trustees**

The notes on pages 23 to 43 form part of these financial statements.

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	20	152,835	(56,601)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(119,052)	(253,022)
Capital grants from DfE/EFA		48,203	297,512
<b>Net cash (used in)/provided by investing activities</b>		<b>(70,849)</b>	<b>44,490</b>
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		-	23,735
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>23,735</b>
<b>Change in cash and cash equivalents in the year</b>		<b>81,986</b>	<b>11,624</b>
Cash and cash equivalents brought forward		772,230	760,606
<b>Cash and cash equivalents carried forward</b>	21	<b>854,216</b>	<b>772,230</b>



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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cambridge Primary Education Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Cambridge Primary Education Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Cambridge Primary Education Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

**1.2 Fund accounting**

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

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

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

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

All income is recognised once the trust 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 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 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.

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the trust's accounting policies.

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

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

**1.4 Expenditure**

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

Charitable activities and governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities. Governance costs include the costs attributable to the trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meeting and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £5,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line (land element at straight line over 125 years)
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**1.7 Operating leases**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.8 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the Bank.

**1.9 Taxation**

The trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.10 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.

**1.11 Cash at Bank and in hand**

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

**1.12 Liabilities and provisions**

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

**1.13 Financial instruments**

The academy trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 Pensions**

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit 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.

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	9,101	-	-	9,101	1,717
Government grants	-	-	48,203	48,203	318,568
<b>Total donations and capital grants</b>	<b>9,101</b>	<b>-</b>	<b>48,203</b>	<b>57,304</b>	<b>320,285</b>

In 2015, of the total income from donations and capital grants, £1,717 was to unrestricted funds and £318,568 was to restricted funds

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**3. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General annual grant (GAG)	-	3,268,294	3,268,294	3,030,832
Other DfE/EFA grants	-	268,821	268,821	124,710
Teaching School	-	287,344	287,344	174,963
	-	3,824,459	3,824,459	3,330,505
<b>Other government grants</b>				
SEN funding	-	84,684	84,684	79,859
Other local authority funding	-	98,875	98,875	48,000
	-	183,559	183,559	127,859
<b>Other funding</b>				
Other income from operations	-	87,860	87,860	53,069
Trip income	110,006	-	110,006	48,804
	110,006	87,860	197,866	101,873
	110,006	4,095,878	4,205,884	3,560,237

In 2015, of the total income from charitable activities, £48,803 was to unrestricted funds and £3,511,434 was to restricted funds.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities	23,439	-	23,439	34,568
Other income	-	-	-	28,444
	23,439	-	23,439	63,012

In 2015, of the total income from other trading activities, £63,012 was to unrestricted funds and £ NIL was to restricted funds.

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**5. OTHER INCOMING RESOURCES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Staff income	48,990	-	48,990	92,247
Sundry income	9,121	-	9,121	40,074
	<u>58,111</u>	<u>-</u>	<u>58,111</u>	<u>132,321</u>

In 2015, of the total other incoming resources, £ 181,125 was to unrestricted funds and £ NIL was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Trust's educational operations:					
Direct costs	2,702,984	-	635,753	3,338,737	3,071,365
Support costs	295,947	365,511	367,793	1,029,251	1,071,553
	<u>2,998,931</u>	<u>365,511</u>	<u>1,003,546</u>	<u>4,367,988</u>	<u>4,142,918</u>

In 2015, of the total expenditure, £3,778,802 was to restricted funds and £364,116 was to unrestricted.



**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**7. SUPPORT COSTS**

	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Payroll and HR	10,080	7,094
Cleaning	50,796	42,103
Energy costs	38,867	42,966
Consumables	2,349	7,989
Maintenance of premises and equipment	86,535	87,378
Health and safety costs	9,898	9,728
Rent and rates	19,442	28,144
Printing, postage and stationery	23,739	26,504
Licences	8,682	548
Telephone	3,851	4,972
Catering	152,505	164,113
Insurance	49,826	36,920
Other support costs	106,863	134,674
Wages and salaries	295,947	314,115
Depreciation	169,871	164,305
	<u>1,029,251</u>	<u>1,071,553</u>

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>2016 £</b>	<i>2015 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	169,871	164,305
Operating lease rentals	7,500	4,375
Auditors' remuneration	5,300	5,150
Auditors' remuneration - non audit	1,965	1,005
	<u>184,636</u>	<u>174,835</u>

**CAMBRIDGE PRIMARY EDUCATION TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,909,772	2,679,627
Operating costs of defined benefit pension schemes	58,000	69,000
	2,967,772	2,748,627
Supply teacher costs	31,159	49,868
	2,998,931	2,798,495

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

	2016 No.	2015 No.
Teachers	62	59
Administration & support	17	17
Management	6	6
	85	82

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

	2016 No.	2015 No.
In the band £90,001 - £100,000	1	1

The above employee participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior management team. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £367,209 (2015: £338,798).

**Wages and salaries cost above can be analysed further as follows:**

	2016 £	2015 £
Wages and salaries	2,337,092	2,222,463
Social security costs	159,621	121,719
Other pension costs	413,059	335,445
	2,909,772	2,679,627

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**10. OTHER FINANCE INCOME**

	2016	2015
	£	£
Interest income on pension scheme assets	32,000	38,000
Interest on pension scheme liabilities	(81,000)	(69,000)
	(49,000)	(31,000)

**11. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,000.

**12. CENTRAL SERVICES**

The trust provided no central services to its academies during the year.

**13. TRUSTEES' REMUNERATION AND EXPENSES**

The Executive Principal, and in the prior year a staff trustee, received remuneration in respect of services they provide undertaking the roles of Executive Principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments from the trust in respect of their role as trustees. The value of trustees' remuneration is set out below. During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

	2016	2016	2015	2015
	Remuneration	Pension Contributions	Remuneration	Pension Contributions
	£'000	£'000	£'000	£'000
L Birch ( Executive Headteacher)	90-95	15-20	90-95	10-15
J Walker (Staff Trustee)	n/a	n/a	20-25	0-5

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**14. TANGIBLE FIXED ASSETS**

	<b>Long term leasehold property £</b>
<b>Cost</b>	
At 1 September 2015	10,068,166
Additions	119,052
At 31 August 2016	10,187,218
<b>Depreciation</b>	
At 1 September 2015	447,780
Charge for the year	169,871
At 31 August 2016	617,651
<b>Net book value</b>	
At 31 August 2016	9,569,567
<i>At 31 August 2015</i>	9,620,386

At the 31 August 2016 the trust had assets under the course of construction which have a cost of £nil (2015 - £7,079). No depreciation has been charged on this asset.

**15. DEBTORS**

	<b>2016 £</b>	<b>2015 £</b>
Trade debtors	84,006	37,256
VAT repayable	36,694	52,987
Prepayments and accrued income	23,032	38,649
	143,732	128,892

**16. CREDITORS: Amounts falling due within one year**

	<b>2016 £</b>	<b>2015 £</b>
Other loans	3,426	2,713
Trade creditors	22,259	6,743
Other taxation and social security	47,419	35,475
Other creditors	119,931	126,563
Accruals and deferred income	131,695	190,266
	324,730	361,760

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

	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	91,086	72,975
Resources deferred during the year	98,432	91,086
Amounts released from previous years	(91,086)	(72,975)
	98,432	91,086
Deferred income at 31 August 2016	98,432	91,086

At the balance sheet dates the trust was holding funds received in advance in respect of Universal Infant Free School Meals, rates and teaching school income.

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

	2016 £	2015 £
Other loans	20,309	21,022

Included in other loans are two 0% Salix loans. One is for a boiler replacement and the other for roof repairs. At 31 August 2016 the total outstanding is £23,735 (2015: £23,735), of which £3,426 (2015: £2,713) is included in creditors falling due within one year. One loan is repayable over seven years and the other over five years.

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**18. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Unrestricted funds	91,026	200,657	(84,708)	-	-	206,975
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	3,268,744	(3,125,744)	(143,000)	-	-
Revenue surplus on conversion	216,172	-	-	-	-	216,172
Other restricted funds	-	539,290	(433,900)	-	-	105,390
Teaching School	35,072	287,844	(261,818)	-	-	61,098
Pension reserve	(1,284,000)	-	(250,000)	143,000	(609,000)	(2,000,000)
	<u>(1,032,756)</u>	<u>4,095,878</u>	<u>(4,071,462)</u>	<u>-</u>	<u>(609,000)</u>	<u>(1,617,340)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Fund	9,620,386	-	(169,871)	119,052	-	9,569,567
Other capital income	176,070	48,203	(41,947)	(119,052)	-	63,274
	<u>9,796,456</u>	<u>48,203</u>	<u>(211,818)</u>	<u>-</u>	<u>-</u>	<u>9,632,841</u>
Total restricted funds	<u>8,763,700</u>	<u>4,144,081</u>	<u>(4,283,280)</u>	<u>-</u>	<u>(609,000)</u>	<u>8,015,501</u>
Total of funds	<u><u>8,854,726</u></u>	<u><u>4,344,738</u></u>	<u><u>(4,367,988)</u></u>	<u><u>-</u></u>	<u><u>(609,000)</u></u>	<u><u>8,222,476</u></u>

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

The General Annual Grant (GAG), revenue surplus on conversion, start up grant and other restricted general funds are for the operational activities of the academies and teaching school.

The pension reserve fund represents the trust's defined benefit pension scheme liability.

The restricted fixed asset funds represent the fixed assets held by the trust and unspent capital funding received to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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**18. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Hatton Park Primary School	82,921	61,079
Histon and Impington Infant School	94,343	109,847
Histon and Impington Junior School	351,273	136,272
Teaching School	61,098	35,072
Total before fixed asset fund and pension reserve	<u>589,635</u>	<u>342,270</u>
Restricted fixed asset fund	9,632,841	9,796,456
Pension reserve	(2,000,000)	(1,284,000)
Total	<u><u>8,222,476</u></u>	<u><u>8,854,726</u></u>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £	Total 2015 £
Hatton Park Primary School	638,884	59,936	23,828	212,630	935,278	944,105
Histon & Impington Infant School	895,018	106,713	44,020	253,147	1,298,898	1,206,989
Histon & Impington Junior School	1,218,082	130,894	44,430	570,535	1,963,941	1,827,519
	<u>2,751,984</u>	<u>297,543</u>	<u>112,278</u>	<u>1,036,312</u>	<u>4,198,117</u>	<u>3,978,613</u>

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**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	9,569,567	9,569,567	9,620,386
Current assets	528,279	382,660	87,009	997,948	901,122
Creditors due within one year	(321,304)	-	(3,426)	(324,730)	(361,760)
Creditors due in more than one year	-	-	(20,309)	(20,309)	(21,022)
Provisions for liabilities and charges	-	(2,000,000)	-	(2,000,000)	(1,284,000)
	<u>206,975</u>	<u>(1,617,340)</u>	<u>9,632,841</u>	<u>8,222,476</u>	<u>8,854,726</u>

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

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(23,250)	(67,062)
<b>Adjustment for:</b>		
Depreciation charges	169,871	164,305
Increase in debtors	(14,840)	(31,575)
(Decrease)/increase in creditors	(37,743)	75,243
Capital grants from DfE and other capital income	(48,203)	(297,512)
Defined benefit pension scheme cost less contributions payable	58,000	69,000
Defined benefit pension scheme finance cost	49,000	31,000
<b>Net cash provided by/(used in) operating activities</b>	<u>152,835</u>	<u>(56,601)</u>

**21. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	854,216	772,230
<b>Total</b>	<u>854,216</u>	<u>772,230</u>



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**22. CAPITAL COMMITMENTS**

At 31 August 2016 the trust had capital commitments as follows:

	2016	2015
	£	£
Contracted for but not provided in these financial statements	-	132,140

**23. PENSION COMMITMENTS**

The trust'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 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 2013.

Contributions amounting to £51,212 were payable to the schemes at 31 August 2016 (2015: £42,376) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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**23. PENSION COMMITMENTS (continued)**

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £270,000 (2015: £194,000).

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](http://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 2016 was £178,000 (2015: £178,000), of which employer's contributions totalled £143,000 (2015: £141,000) and employees' contributions totalled £35,000 (2015: £37,000). The agreed contribution rates for future years are 19.1% for employers and tiered % 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 at the balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Expected return on scheme assets at 31 August	2.00 %	3.70 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %

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

	2016	2015
Retiring today		
Males	22.5	22.5
Females	24.5	24.5
Retiring in 20 years		
Males	24.4	24.4
Females	26.9	26.9

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**23. PENSION COMMITMENTS (continued)**

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	836,000	580,000
Bonds	167,000	117,000
Property	78,000	63,000
Cash	33,000	23,000
	<u>1,114,000</u>	<u>783,000</u>

The actual return on scheme assets was £169,000 (2015 - £9,000).

The amounts recognised in the statement of financial activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(201,000)	(210,000)
Net interest cost	(49,000)	(31,000)
	<u>(250,000)</u>	<u>(241,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	2,067,000	1,748,000
Current service cost	201,000	210,000
Interest cost	81,000	69,000
Contributions by employees	35,000	37,000
Actuarial losses	746,000	18,000
Benefits paid	(16,000)	(15,000)
	<u>3,114,000</u>	<u>2,067,000</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2016	2015
	£	£
Opening fair value of scheme assets	783,000	611,000
Return on plan assets (excluding net interest on the net defined pension liability)	32,000	38,000
Actuarial gains and (losses)	137,000	(29,000)
Contributions by employer	143,000	141,000
Contributions by employees	35,000	37,000
Benefits paid	(16,000)	(15,000)
	1,114,000	783,000

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£	£
<b>Amounts payable:</b>		
Within 1 year	7,500	7,500
Between 1 and 5 years	1,875	9,375
	9,375	16,875

**25. RELATED PARTY TRANSACTIONS**

Owing to the nature of the trust's operations 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

Cambridge Meridian Academies Trust (CMAT) is related to the trust because it has the right under the trust's articles of association to appoint a trustee of the trust. During the period CMAT provided accounting and ICT support to the trust. The charge for the period was £50,649 (2015: £74,556). Sales to CMAT from the trust were £525 (2015: £nil). The higher charge in 2015 was due to a one off specific charge to complete an agreed project on behalf of CPET.

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**26. 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.

**27. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the academy trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.