

# **CRAMLINGTON LEARNING VILLAGE**

**(A company limited by guarantee)**

**Annual Report and Financial Statements**

**for the Year Ended 31 August 2021**

# **Cramlington Learning Village**

## **Contents**

Reference and Administrative Details	1
Trustees Report	2 to 13
Governance Statement	14 to 19
Statement of Regularity, Propriety and Compliance	20
Statement of Trustees' Responsibilities	21
Independent Auditor's Report on the Financial Statements to the Members of Cramlington Learning Village	22 to 25
Independent Reporting Accountant's Assurance Report on Regularity to Cramlington Learning Village and the Education and Skills Funding Agency	26 to 27
Statement of Financial Activities for the (including Income and Expenditure Account)	28 to 29
Balance Sheet	30
Statement of Cash Flows	31
Notes to the Financial Statements	32 to 53

# Cramlington Learning Village

## Reference and Administrative Details

<b>Members</b>	J McCartney P Gordon P Clayton I D Hall
<b>Trustees (Directors)</b>	Dr C Davenport, Vice Chair J McCartney P Gordon P Clayton I D Hall, Chair T Buck W Heslop P Wright (resigned 31 August 2021) D A Betham (resigned 20 November 2020) D P Warburton (resigned 11 June 2021) L E Heatley A McMeekin I Wintringham J Bird (appointed 1 September 2021) K Irving (appointed 1 September 2021)
<b>Company Secretary</b>	C Calder
<b>Senior Management Team</b>	W Heslop, Headteacher J Bird, Deputy Headteacher K Brechin, Deputy Headteacher K Irving, Deputy Headteacher D Clark, Deputy Headteacher C Davidge, Business and Finance Manager
<b>Principal and Registered Office</b>	Cramlington Learning Village Highburn Cramlington Northumberland NE23 6BN
<b>Company Name</b>	Cramlington Learning Village
<b>Company Registration Number</b>	07730940
<b>Auditors</b>	MHA Tait Walker Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS
<b>Bankers</b>	Lloyds 32 The Gosforth Centre Gosforth Newcastle upon Tyne NE3 1JZ
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

# **Cramlington Learning Village**

## **Trustees Report for the Year Ended 31 August 2021**

### **GOVERNORS REPORT**

The governors present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy operates an academy for pupils aged 11-18 serving a catchment area in Northumberland. It has a pupil capacity of 2,213 aged 11-18 and had a roll of 2,052 on the school census on 1 October 2020.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy 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. The company was incorporated on 5 August 2011 and converted to Academy status on 1 September 2011. The charitable company is known as Cramlington Learning Village.

The governors are the trustees of Cramlington Learning Village and are also the directors of the charitable company for the purposes of company law. Details of the governors who served during the year, and to date these financial statements are approved, 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.

#### **Governors indemnities**

Companies Act 2006 s236 requires disclosure concerning qualifying third party indemnity provisions. As required in the Academy's Articles of Association indemnity insurance has been taken out with Zurich International plc to cover the liability of governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of trust or breach of duty of which they may be guilty in relation to the Academy. Provided that any such insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the governors in reckless disregard of whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the governors in their capacity as governors.

The Academy's object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy").

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

#### **Method of recruitment and appointment or election of governors**

As set out in the articles and funding agreement, the Academy has the following governors:

#### **Members and governors:**

J McCartney

P Clayton

P Gordon

I D Hall

#### **Headteacher and Accounting Officer:**

W Heslop

#### **Parent Governor**

D Warburton (term of office ended 11/06/2021)

#### **Appointed governors:**

T Buck

L E Heatley

C Davenport

A McMeekin

I Wintringham

#### **Staff governors:**

P Wright (resigned wef 31/08/2021)

D Betham (term of office ended 20/11/2020)

#### **Appointment of additional governors**

The Secretary of State may give a warning notice to the governors where he is satisfied:

- that the standards of performance of pupils at the Academy are unacceptably low, or
- that there has been a serious breakdown in the way the Academy is managed or governed, or
- that the safety of pupils or staff of the Academy is threatened (whether by a breakdown of discipline or otherwise).

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

For the purposes of Article 60 a 'warning notice' is a notice in writing by the Secretary of State to the Academy delivered to the Office setting out:

- the matters referred to in Article 60;
- the action which he requires the governors to take in order to remedy those matters; and
- the year within which that action is to be taken by the governors ('the compliance year').

The Secretary of State may appoint such additional governors as he thinks fit if the Secretary of State has:

- given the governors a warning notice in accordance with Article 60; and
- the governors have failed to comply, or secure compliance, with the notice to the Secretary of State's satisfaction within the compliance year.

The Secretary of State may also appoint such additional governors where following an Inspection by the Chief Inspector in accordance with the Education Act 2005 (an "Inspection") the Academy receives an Ofsted grading (being a grade referred to in The Framework for School Inspection or any modification or replacement of that document for the time being in force) which amounts to a drop, either from one Inspection to the next Inspection or between any two Inspections carried out within a 5 Year period of two Ofsted grades. For the purposes of the foregoing the grade received by Cramlington Learning Village shall be regarded as the grade received by the Academy.

#### **Policies and procedures adopted for the induction and training of governors**

The Secretary of State may also appoint such further governors as he thinks fit if a Special Measures Termination Event (as defined in the Funding Agreement) occurs in respect of the Academy.

Within 5 days of the Secretary of State appointing any additional or further governors in accordance with Articles 62, 62A or 63, any governors appointed under Article 50 and holding office immediately preceding the appointment of such governors, shall resign immediately and the members' power to appoint governors under Article 50 shall remain suspended until the Secretary of State removes one or more of the additional or further governors.

#### **Term of office**

All governors have a four year term of office from the date they were appointed apart from the headteacher.

#### **Recruitment of governors**

##### **Parent governors**

Parent governors are elected by parents of students in the school. When there is a vacancy a letter is sent out to parents asking for nominations. If more nominations are received than vacancies a letter with accompanying statements are distributed to all parents with a response sheet and deadline. Once the response sheets are received the parents with the largest number of nominations are appointed.

##### **Staff governors**

Staff governors are elected by staff members. Teacher governors are elected by the teaching staff. Support staff governors are elected by support staff.

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

#### **Co-opted governors**

Co-opted governors are sought and approached following consultation with the Headteacher and Chair of governors. Governors are sought from the local community and businesses. All co-opted governors are given a 4 year term of office and can be re-elected for a further term by the governing body.

The Academy takes its responsibility to train new governors very seriously and therefore have developed a procedure to follow.

**Policies and procedures adopted for the induction and training of governors The induction includes:**

- Welcome to new governors.
- Meet the Headteacher, staff and students.
- An explanation of the partnership between the Headteacher and the governing body.
- The role and responsibilities of governors.
- Background information on the Academy and current issues.
- An explanation of how the governing body works.
- The governing body also has a service level agreement with Education Personnel Management (EPM) services which includes
- bespoke induction training for new governors.

Documentation supplied will include:

- Governor Induction Policy
- School Improvement Plan
- Governance Handbook
- School Self Evaluation Form (SEF)
- Governor contact details
- Copies of approved governing body minutes
- IDSR
- Dates of governor meetings
- Site map
- Website information

#### **Organisational structure**

The Academy's Headteacher is the Accounting Officer. Her main task is to execute the policies agreed by the Academy in relation to its education functions and to bring forward for approval, proposals for further improving the quality of the educational experience of the Academy's students. The Academy's governing body has delegated the Headteacher extensive powers to make decisions quickly and efficiently in respect of the Headteacher's responsibilities. The Senior Leadership Team consists of:

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

1 Headteacher

4 Deputy Headteachers

1 Business and Finance Manager

8 Assistant Headteachers

The governing body ensures good governance of the Academy and sets policy. It can also question implementation of policy where relevant. The governing body has a Finance & Resources Committee and a Standards & Outcomes Committee with specific duties relating to their function. The Committees have delegated powers so that action can be taken quickly whenever necessary. Further ad hoc committees are set up from time to time to advise the governing body on very specific matters. These have advisory powers only.

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

Arrangements for setting pay and remuneration of key management personnel are consistent with all staff at the Academy. The arrangements are covered by the Department for Education, Teachers Pay and Conditions document 2020, which is publicly available.

#### **Trade union facility time**

##### *Relevant union officials*

Number of employees who were relevant union officials 1

Full-time equivalent employee number 0.55

##### *Percentage of time spent on facility time*

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

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours -



## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

#### **Related parties and co-operation with other organisations**

The Academy is connected with Active Northumberland who manages the Sporting Club at the Academy. An annual fee was paid to Active Northumberland in the current year of £15,900 (2020: £15,900) none of which was outstanding at the year end (2020: £nil).

#### **OBJECTIVES AND ACTIVITIES**

The Academy exists to ensure that standards of education provision at the Academy are high and that the leadership and management of the Academy develop them still further.

The governing body meets termly and has committees supporting the detail of its work.

#### **Objects and aims**

The Academy's object is specifically restricted to the following:

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

#### **Our core principles**

The school continues to use evidence-based practice to evaluate systems and strategies that have had a positive impact on our students - all with a view to firmly embedding these across the school. Our core principles will infuse throughout our culture, pervade our classrooms and become a key part of our everyday language.

**'This is a school built on respect, developing resilient learners, expert readers, knowledge explorers and responsible citizens'**

Developing resilience has been part of our school ethos for a number of years, but as we look to support our students with their mental health and well being, developing this key disposition has become increasingly important post Covid-19 pandemic. Research and evidence from the EEF (Education Endowment Fund: <https://educationendowmentfoundation.org.uk/evidence-summaries/teaching-learning-toolkit/meta-cognition-and-selfregulation/>) emphasise the potential impact on disadvantaged students of developing metacognition and self regulation strategies, therefore our teachers will promote these resilience-building approaches through student reflection and evaluation.

The emphasis on developing expert readers reflects our key priority of developing literacy. Students with good literacy skills are proven to benefit not just in examinations, but across a range of areas when they leave school, including health and wellbeing, employment and finance. To facilitate this for all students, reading must become "every teacher's business" with students regularly engaging with age-appropriate texts and deliberate attention being paid to active vocabulary instruction.

Explicit non-fiction reading lessons are a feature of the curriculum for year 7 and 8 students, with a tried and tested package being used to ensure students make progress. There is a high emphasis on identification and support at key stage 3; where students need support with their reading, a range of strategies will be implemented.

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

The core principle of developing knowledge explorers is reflected in ongoing work on the curriculum which will help students to construct, develop and retain a core body of academic knowledge and skills. Departmental curriculum plans detail how student knowledge will be built up over time, how students' prior knowledge will be teased out and established, how misconceptions have been anticipated and strategies in place to overcome these. Effective forms of assessment are layered throughout plans to help make student progress visible over time.

As a school it has long been our aim to develop our students as responsible citizens, so that they move on to their chosen destinations with the cultural competence and confidence they need to thrive. From their engagement in the residential trip in year 7 through to community week in year 13, our students embrace opportunities to be respectful, responsible members of our community.. Through our classroom teaching, pastoral, enrichment and wellbeing programmes, we aim to raise the aspirations of our students, engender a strong sense of British values and celebrate and embrace the different backgrounds, heritage, language and traditions of all the people living and working in this country.

#### **Bringing the core principles to life through the curriculum**

The curriculum at Cramlington Learning Village is a key lever for bringing the core principles to life for our students, so they are made meaningful and real and have an impact. To this end, the school has produced a statement of intent for the curriculum:

#### **The curriculum intent**

At Cramlington Learning Village, our curriculum has been designed to provide our young people with both the academic knowledge and skills and the broader contextual knowledge that they need to make successful transitions to the next stage of their life. We believe that the curriculum, coupled with high quality enrichment experiences and timely careers guidance helps to broaden horizons, challenge stereotypes and raise aspirations. It also provides a clear pathway to jobs and careers which are not only engaging and rewarding, but relevant in the current global and local labour market.

#### **Core principles of the curriculum:**

The curriculum should:

- help students to construct, develop and retain a core body of academic knowledge and skills;
- coupled with effective well-being and enrichment activities help students to develop broad contextual knowledge which will help them become confident scholars and citizens;
- help to develop reading comprehension and fluency skills so that student's reading age develops apace with their chronological age;
- provide smooth progression routes to help them pursue their academic passions and interests
- be broad, balanced, inclusive and personalised for our students; and
- develop key learner skills and attributes consistent with our core values

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

#### **Public benefit**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the governors consider how planned activities will contribute to the aims and objectives they have set. The Academy has provided a fully comprehensive education to all students in its care. It fully complies with all statutory guidance and seeks to support its wider educational objectives via a strong community role.

#### **STRATEGIC REPORT**

In January 21 the Covid pandemic led to a period of school closure for the majority of our students. Remote learning resources were developed to allow the education of our students to continue during lockdown. Children of key workers and vulnerable students were offered face to face support in school.

#### **Achievements and performance**

As a result of school closure in the pandemic lockdown, examinations were cancelled and grades were awarded by teachers through Teacher Assessed Grades.

#### **GCSE**

The Basics (English & Maths) figure at 4+ was 83.5% (85% in 2020). The Basics figure at 5+ was 61% (65% in 2020). English achieved 91% Grade 4 and above (89% Grade 4 and above in 2020) and 76% Grade 5 and above (76% Grade 5 in 2020). Maths achieved 85% Grade 4 and above (88% Grade 4 and above in 2020) and 65% Grade 5 and above (67% in 2020).

The performance of disadvantaged students remains a key area of work for the school. 62% achieved the Basics 4+ standard (63% in 2020), with 77% achieving a grade 4 or above in English (69% in 2020) and 65% achieving a grade 4 in Maths (68% in 2020). The 4+ Basics gap was -28% (-28% in 2020), the English 4+ gap was -17% (-25% in 2020) and the Maths 4+ gap was -25% (-24% in 2020). The 5+ Basics figure for disadvantaged students was 37% (40% in 2020).

The SEND K cohort (35 students) achieved a 4+ Basics figure of 48% against 33% last year. English grade 4 and above was 63% (54% last year) and Maths was 60% (38% last year). The SEND E cohort (4 students) achieved a 4+ Basics figure of 50% (67% last year). English grade 4 and above was 50% (83% last year) and Maths grade 4 and above was 50% (67% last year).

#### **Post 16**

The Average Point Score (APS) Per Entry for A Level increased to 40.91 (B+) (compared with 39.26 (B) in 2020). The Average Point Score per Entry for Vocational qualifications remained high at 40.63 (Distinction) (compared with 40.91 (Distinction in 2020).

The Disadvantaged cohort was smaller this year with only 6 students as opposed to 13 in 2020 but they performed better in terms of the Average Point Score per Entry. A Level Average Point Score Entry increased in 2021 to 45.56 (A) compared to 40.59 in 2020.

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

#### **Financial review**

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2021 total expenditure, including depreciation, of £12,738,265 (2020: £12,266,038) was more than covered by recurrent grant funding from the ESFA together with other incoming resources and reserves brought forward. The excess of expenditure over income for the year was £674,464 (2020: £982,666 excess of expenditure over income) before other recognised gains/losses. Excluding the restricted fixed asset funds movement this is a surplus of £123,446 (2020: deficit of £175,671) before the actuarial gain and fund transfers. This includes a net FRS102 cost of £566,000 (2020: £372,000) which relates to the pension deficit. The closing funds excluding the fixed asset fund and the pension deficit are therefore £1,154,119 (2020: £602,354).

At 31 August 2021, the net book value of fixed assets was £38,843,873 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy. The fixed asset register has been reviewed in full and items no longer in use have been removed.

#### Financial and risk management objectives and policies

The Academy aims to minimise exposure to fluctuations in the value of the financial instruments. A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability of another entity. The exposure to credit risk and bad debts are minimal as there is only a relatively low level of exposure to debtors at any one time.

The Academy does have an on-going liability in respect of defined benefit pension schemes relating to a number of their employees. More information can be found regarding this in note 23 of the financial statements.

In managing the risk relating to the liability of the defined benefit pension schemes, the Academy includes employer contributions in budgets and cash flow forecasts at the contribution rate set out at the triennial review of each scheme. Sensitivity analysis is undertaken to estimate any adverse changes in contribution rates.

#### Reserves policy

The governors review the reserve levels of the Academy on a half termly basis when examining the management accounts at the Finance and Resources Committee meetings. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be £500,000. The reason for this is to provide a 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. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £719,087 (net of school fund £68,569). In future years the level of free reserves (per financial forecasts) are expected to be maintained around the target level of £500,000.

The Academy held fund balances at 31 August 2021 of £32,950,072 comprising of (£6,681,457) of restricted general reserve deficit (including a pension reserve deficit of £7,048,000), £38,843,873 of restricted fixed asset funds and £787,656 unrestricted funds.

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

#### Investment policy

The objectives of this policy are to ensure that the Academy:

- maintains sufficient cash balances in its current account to meet its day to day commitments;
- invests surplus cash to earn an acceptable rate of return without undue risk;
- considers spreading risk between differing types of investment and institutions to reduce credit risk.

The Academy will operate an interest bearing account with a bank approved by the governing body (Lloyds) and maintain sufficient balances to ensure there are adequate liquid funds to cover all immediate and forthcoming financial commitments, including maintaining a sufficient contingency for unexpected payments.

Monies surplus to the working requirements shall be invested in term deposits not exceeding six months with Lloyds. This is only agreed when the cash flow patterns have been established and reported upon.

#### Key performance indicators

The average number of FTEs (including the Senior Leadership Team) employed by the Academy during the year ended 31 August 2021 was as follows:

116 Teachers

69 Administration and support. 6 Management

The unrestricted fund figure is £787,656 (2020: £591,256).

The restricted general fund figure is £366,543 (2020: £11,098) (excluding the pension deficit).

Total free reserves are £719,087 (net of school fund £68,569) (2020: £558,541 (net of school fund £43,813)).

The OFSTED report in February 2017 rated the school as Good. In November 2020, safeguarding was deemed effective in a Section 8 inspection by Ofsted.

Pupil recruitment in September 2020 was 350 in Year 7 against a PAN of 350.

#### **Going concern**

The trust had total funds of £32,950,072 as at 31 August 2021 (decrease of £551,464 from 31 August 2020) and a year-end cash balance of £1,897,753 (2020: £1,440,606).

As a result of the Covid-19 pandemic, the three-year forecasts have been updated to factor in the expected level of income and expenditure to confirm that the trust has sufficient funds and cash for the organisation to continue for at least 12 months from the date these financial statements are signed. The forecasted expenditure is expected to return to levels seen prior to the pandemic.

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

At the time of approving the financial statements, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Plans for future periods**

The Academy continues to embrace the notion of continuous improvement through its School Improvement Plan. Over the course of the next twelve months this will take the form of:

- Continuing to actively manage the implications of Covid, effectively supporting staff and reconnecting students.
- Ensuring high quality leadership at all levels across the organisation in order to deliver positive progress 8 across all elements at Key Stage 4 and positive value added at post 16 in academic and vocational subjects;
- Ensuring the school is prepared for curriculum and assessment changes within the new Ofsted framework
- Ensuring a clear focus on literacy across the school with a focus on reading, vocabulary and oracy
- Ensuring good levels of behaviour and safety across the school in lessons and at social times are maintained
- Ensuring teaching over time and at all Key stages - triangulated by lesson observations, book scrutinies and evaluation of progress data is highly effective such that all groups of students, in particular disadvantaged, SEND and high attaining students make progress.
- The academy has aspirations to convert to a multi-academy trust in the future.

#### **Principal risks and uncertainties**

The principal risks facing the school are as follows:

- failing to maintain the current Ofsted grade of 'Good';
- cyber attack;
- succession planning;
- drop in pupil numbers; and
- increase in LGPS deficit contributions.
- ongoing implications of the Covid pandemic

The strategies for managing these risks can be found in the risk register which is discussed regularly at the Finance and Resources Committee meetings.

#### **Risk management**

A review identifying the major risks to which the Academy is exposed, as identified by the governors, is undertaken regularly, and systems or procedures established to manage those risks.

The Academy's policy is to adopt best practice in the identification, evaluation and effective control of risks to ensure they are managed to an acceptable level. It is acknowledged that some risks will always exist and will never be eliminated.

## **Cramlington Learning Village**

### **Trustees Report for the Year Ended 31 August 2021 (continued)**

The governing body is responsible for making a statement on risk management in the annual accounts of the Academy. In order to be able to make the required statement with reasonable confidence, the governors ensure that:

- the identification, assessment and mitigation of risk is linked to the achievement of the Academy's vision and strategic goals as set out in the Academy's Improvement Plan;
- the process covers all areas of risk e.g. governance and management, operational, financial, reputational and external factors and is focused primarily on major risks;
- the process produces a risk exposure profile that reflects the governors views as to levels of acceptable risk;
- the principal results of risk identification are reviewed, evaluated and managed; and
- the risk management is on-going and embedded in management and operational procedures.

The implications of Covid have been considered and managed by the senior leadership team and trustees through the development and monitoring of a covid specific risk assessment. Risk assessments have been shared with trade unions and made available to parents via the school website.

#### **Auditor**

Insofar as the trustees are aware:

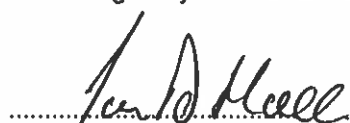
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### **Reappointment of auditor**

During the year MHA Tait Walker were appointed as auditors replacing RSM UK Audit LLP.

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

The trustees report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 6 December 2021 and signed on its behalf by:



I D Hall  
Trustee



J Bird  
Trustee

# **Cramlington Learning Village**

## **Governance Statement**

### **Scope of responsibility**

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

The governing body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Cramlington Learning Village and the Secretary of State for Education. The Headteacher is also responsible for reporting to the governing body any material weaknesses or breakdowns in internal control.

### **Governance**

The governing body has met formally 7 times during the year. The Finance and Resources Committee have met 6 times over the course of the academic year. In total there have been 13 formal meetings.

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. Attendance during the year at meetings of the governing body was as follows

	<b>Meetings attended</b>	<b>Out of possible</b>
J McCartney	7	7
P Gordon	6	7
P Clayton	6	7
I D Hall (Chair reappointed 05/10/2020)	7	7
T Buck	7	7
W Heslop (Accounting Officer)	6	6
P Wright	3	7
C Davenport (Vice Chair appointed 05/10/2020)	6	7
D A Betham	1	3
D P Warburton	2	4
L E Heatley	6	7
A McMeekin	7	7
I Wintringham	5	7



## **Cramlington Learning Village**

### **Governance Statement (continued)**

**Governors have an accurate and precise view of the school based upon:**

- a detailed review of the school's IDSR
- a regular review of a detailed pastoral report covering attendance, persistent absence, exclusions and behaviour
- 3 reviews during the academic year of student performance by year group and by non-disadvantaged, disadvantaged, SEND and High, Medium and Low Prior Attainment cohorts
- Governor Portfolio roles and reporting on school visits in relation to Modern Foreign Languages, Safeguarding and Looked After Children, Pupil Premium, SEND, 6th Form, Careers, Humanities and Reading and Literacy
- a Headteacher's report that focuses on the key issues that need to be addressed
- whole school reviews by the school's SIP
- performance management of the Headteacher and staff; and
- detailed monthly budget reports on the financial position of the school and year end projections of both spending and projected level of reserves.

#### **Governance reviews**

Governors are clear about their roles and a governor's handbook is updated annually to provide important reference information.

The current governance committee structure introduced in 2016 continues to be fit for purpose. The committee structure consists of the full governing body, a Finance and Resources Committee and a Standards and Outcomes Committee.

During the year ended 31 August 2021 the governance structure has allowed governors to hold senior management rigorously to account in relation to school finances, student achievement, the quality of teaching and student safety, with committee minutes appropriately reflecting the degree of challenge by governors to issues under consideration.

In the past year the governing body commissioned Education Personnel Management to complete both an analysis of our governors' skills audit and a self evaluation report of governance arrangements.

The outcomes of this review helped to inform areas of development for the governing body which included Finance and Funding and Self Evaluation and Setting Targets.

#### **Standard and Outcomes Committee**

This Committee reviews, monitors and evaluates the curriculum offer; reviews and takes account of pupil progress and attainment; promotes the care, well being and personal development of all students; ensures the requirements of children with special needs and disabilities are met; establishes and oversees the operation of the school's Appraisal Policy and performance management arrangements.

At the heart of the governor monitoring arrangements is the role of Portfolio governors with their focus on school improvement priorities, reporting to meetings of the Standards & Outcomes Committee, to which all governors are invited.

## **Cramlington Learning Village**

### **Governance Statement (continued)**

#### **Finance and Resources Committee**

This is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the Academy's finances. This includes proper planning, monitoring and probity and to make appropriate comments and recommendations on such matters to the governing body on a regular basis. It has incorporated the previous Audit Committee terms of reference. Major issues will be referred to the full governing body for ratification.

Attendance at meetings of the Finance and Resources Committee in the year was as follows:

<b>Governors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J McCartney (Chair of Committee)	6	6
P Clayton	6	6
I D Hall	6	6
W Heslop (Accounting Officer)	6	6
D P Warburton	3	5
A McMeekin	6	6

#### **Review of value for money**

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

The Accounting Officer considers how the 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 available. The Accounting Officer for the Academy has delivered improved value for money during the year by:

##### **• Better purchasing**

Contracts and services are competitively priced, continually reviewed, appraised and renegotiated to provide best value and value for money. The quality of goods and services meet the needs of the Academy as they are measured against alternative providers. These include:

- cost review of suppliers; and
- development and implementation of preferred supplier records.

##### **• Benchmarking**

The Academy has benchmarked specific areas of income and expenditure against similar identified indicators, metrics and other Academies to highlight areas of potential savings.

# **Cramlington Learning Village**

## **Governance Statement (continued)**

### **• Options appraisal**

The Academy has explored various options to assist decision making prior to purchasing goods and services. Cost benefit analysis exercises have been undertaken to identify alternative costs and benefits over the longer term e.g. Replacement of the Management Information System, continuing the LED lighting scheme. Appropriate tendering procedures have been employed to gain maximum benefit including the public sector procurement framework agreements.

### **• Economies of scale**

The Academy has driven contract negotiations and has continued to be part of a collaboration on cleaning contracts which is regional wide to reduce and share administration and procurement costs.

### **• Future improvements**

The Academy continues to work collaboratively with local businesses to improve community facilities through the shared use of sports facilities for hire and access by the local community. The Academy continues to work collaboratively with other establishments to offer grounds maintenance services, support and guidance and financial services where applicable.

Examples of the Academy achieving value for money include:

- the continued provision of chromebooks to students;
- meeting with suppliers of high value payments throughout the year to ensure repair and maintenance works are being organised in the most cost effective manner;
- interviewing potential firms and organisations, and obtaining quotations prior to a change of year end auditor;
- using a single supplier form where appropriate and reviewing relevant agreements;
- finance team maintaining a spreadsheet of the most ordered stationery items and their recommended suppliers. This is checked each month to ensure that the listed suppliers remain the best value, or the list is amended;
- finance working with staff organising supply cover to ensure that cover costs are not overcharged;
- assessment and review of appropriate systems and licensing agreements which enable remote education to be delivered to students during the Covid-19 pandemic;
- efficient procurement processes including local suppliers and contractors delivering a programme of summer works which facilitate the continuous improvement of learning environments for students in school;
- providing a cost effective summer school programme which delivered a high quality educational experience for a large number of students;

### **Financial governance and oversight**

Sound systems of financial control are in place and include regular internal assurance reviews, clearly defined segregation of duties and approved finance regulations. Governors have challenged decisions within the Academy on the cost and effectiveness of spending proposals in order to achieve value for money.

# **Cramlington Learning Village**

## **Governance Statement (continued)**

### **Reviewing controls and managing risks**

There are a number of levels of internal control within the Academy creating an environment where risks are managed effectively, budgetary control and monitoring is efficient and effective. The Academy has an investment policy which maximises return where applicable and the insurance is managed through regular review and competitive arrangements.

### **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 on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cramlington Learning Village for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Finance and Resources 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; and
- identification and management of risks through the Finance and Resources Committee.

## **Cramlington Learning Village**

### **Governance Statement (continued)**

#### **Review of effectiveness**

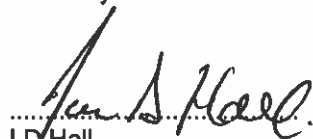
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the findings of the internal scrutiny testing;
- the work of the external auditor;
- the work of the Senior Leadership Team within the Academy who have responsibility for the development and maintenance of the internal control framework.

In 2020-21 following a thorough tender process the provider of external audit services moved from RSM UK Audit LLP to MHA Tait Walker.

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

Approved by order of the members of the Governing Body on 6 December 2021 and signed on its behalf by:

  
.....  
I D Hall  
Trustee

  
.....  
J Bird  
Trustee

## **Cramlington Learning Village**

### **Statement of Regularity, Propriety and Compliance**

As Accounting Officer of Cramlington Learning Village I have considered my responsibility to notify the academy trust Governing Body and the Education and 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 2020.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Governing Body and ESFA.



.....  
J Bird  
Accounting officer

6 December 2021

## **Cramlington Learning Village**

### **Statement of Trustees' Responsibilities**

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

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


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


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

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

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

Approved by order of the members of the Board on 6 December 2021 and signed on its behalf by:

  
I D Hall  
Trustee

  
J Bird  
Trustee

## **Cramlington Learning Village**

### **Independent Auditor's Report on the Financial Statements to the Members of Cramlington Learning Village**

#### **Opinion**

We have audited the financial statements of Cramlington Learning Village (the 'Academy') for the year ended 31 August 2021, which comprise the Statement of Financial Activities for the (including Income and Expenditure Account), Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information (covers the Reference and Administrative Details, the Trustees Report and the Governance Statement)**

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.



## **Cramlington Learning Village**

### **Independent Auditor's Report on the Financial Statements to the Members of Cramlington Learning Village (continued)**

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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees Report.

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

#### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 21], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Cramlington Learning Village**

### **Independent Auditor's Report on the Financial Statements to the Members of Cramlington Learning Village (continued)**

#### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries of management and those charged with governance around any actual or potential litigation and claims;
- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- challenging assumptions and judgements made by management in their significant accounting estimates;
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reading correspondence with regulators including the OFSTED;
- reading Health and Safety and other relevant reports;
- reviewing minutes of those charged with governance;
- reviewing internal assurance reports; and
- reviewing financial statement disclosures and testing to support documentation.

We identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the Charities Act 2011 and UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Cramlington Learning Village**

### **Independent Auditor's Report on the Financial Statements to the Members of Cramlington Learning Village (continued)**

#### **Use of our report**

This report is made solely to the Academy's trustees, 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 trustees 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Brian Laidlaw BA CA (Senior Statutory Auditor)  
For and on behalf of MHA Tait Walker,  
Statutory Auditor  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date:..17..December.2021

MHA Tait Walker is a trading name of Tait Walker LLP.

## **Cramlington Learning Village**

### **Independent Reporting Accountant's Assurance Report on Regularity to Cramlington Learning Village and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 29 May 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cramlington Learning Village during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2020, 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 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Review of Governing Body and committee minutes;
- Review of available Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;

## **Cramlington Learning Village**

### **Independent Reporting Accountant's Assurance Report on Regularity to Cramlington Learning Village and the Education and Skills Funding Agency (continued)**

- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions;
- Review of potential and actual bad debts;
- Review an instance of gifts/hospitality to ensure in line with policy;
- Consideration of governance issues.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

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



.....  
MHA Tait Walker  
Chartered Accountants  
Bulman House  
Regent Centre  
Gosforth  
Newcastle upon Tyne  
NE3 3LS

Date: 17 December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

## Cramlington Learning Village

### Statement of Financial Activities for the Year Ended 31 August 2021 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2021 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	140,330	39,390	179,720
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	11,546,449	-	11,546,449
Other trading activities	4	337,450	-	-	337,450
Investments	5	182	-	-	182
<b>Total</b>		<b>337,632</b>	<b>11,686,779</b>	<b>39,390</b>	<b>12,063,801</b>
<b>Expenditure on:</b>					
Raising funds	6	141,232	-	-	141,232
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	11,759,733	837,300	12,597,033
<b>Total</b>		<b>141,232</b>	<b>11,759,733</b>	<b>837,300</b>	<b>12,738,265</b>
Net income/(expenditure)		196,400	(72,954)	(797,910)	(674,464)
Transfers between funds		-	(137,601)	137,601	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	123,000	-	123,000
Net movement in funds/(deficit)		196,400	(87,555)	(660,309)	(551,464)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2020		591,256	(6,593,902)	39,504,182	33,501,536
Total funds/(deficit) carried forward at 31 August 2021		<b>787,656</b>	<b>(6,681,457)</b>	<b>38,843,873</b>	<b>32,950,072</b>

## Cramlington Learning Village

### Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	161,585	9,072	170,657
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	10,743,688	-	10,743,688
Other trading activities	4	367,081	-	-	367,081
Investments	5	1,946	-	-	1,946
<b>Total</b>		<b>369,027</b>	<b>10,905,273</b>	<b>9,072</b>	<b>11,283,372</b>
<b>Expenditure on:</b>					
Raising funds	6	413,119	-	-	413,119
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	11,036,852	816,067	11,852,919
<b>Total</b>		<b>413,119</b>	<b>11,036,852</b>	<b>816,067</b>	<b>12,266,038</b>
<b>Net expenditure</b>		<b>(44,092)</b>	<b>(131,579)</b>	<b>(806,995)</b>	<b>(982,666)</b>
Transfers between funds		-	(310,794)	310,794	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(1,831,000)	-	(1,831,000)
<b>Net movement in deficit</b>		<b>(44,092)</b>	<b>(2,273,373)</b>	<b>(496,201)</b>	<b>(2,813,666)</b>
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2019		635,348	(4,320,529)	40,000,383	36,315,202
<b>Total funds/(deficit) carried forward at 31 August 2020</b>		<b>591,256</b>	<b>(6,593,902)</b>	<b>39,504,182</b>	<b>33,501,536</b>

# Cramlington Learning Village


(Registration number: 07730940)

## Balance Sheet

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	38,843,873	39,504,182
<b>Current assets</b>			
Debtors	12	367,586	350,529
Current asset investments	13	200,000	-
Cash at bank and in hand		<u>1,897,753</u>	<u>1,440,606</u>
		2,465,339	1,791,135
Creditors: Amounts falling due within one year	14	<u>(1,178,868)</u>	<u>(1,158,814)</u>
Net current assets		<u>1,286,471</u>	<u>632,321</u>
Total assets less current liabilities		40,130,344	40,136,503
Creditors: Amounts falling due after more than one year	15	<u>(132,272)</u>	<u>(29,967)</u>
Net assets excluding pension liability		39,998,072	40,106,536
Pension scheme liability	25	<u>(7,048,000)</u>	<u>(6,605,000)</u>
Net assets including pension liability		<u>32,950,072</u>	<u>33,501,536</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted income fund	16	366,543	11,098
Restricted fixed asset fund	16	38,843,873	39,504,182
Restricted pension fund	16	<u>(7,048,000)</u>	<u>(6,605,000)</u>
		32,162,416	32,910,280
<b>Unrestricted funds</b>			
Unrestricted income fund	16	<u>787,656</u>	<u>591,256</u>
Total funds		<u>32,950,072</u>	<u>33,501,536</u>

The financial statements on pages 28 to 53 were approved by the trustees, and authorised for issue on 6 December 2021 and signed on their behalf by:

  
 I D Hall  
 Trustee

  
 J Bird  
 Trustee



## **Cramlington Learning Village**

### **Statement of Cash Flows**

	<b>Note</b>	<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	670,105	(120,490)
<b>Cash flows from investing activities</b>	21	(337,419)	65,367
<b>Cash flows from financing activities</b>	20	<u>124,461</u>	<u>28,340</u>
<b>Change in cash and cash equivalents in the year</b>		457,147	(26,783)
<b>Cash and cash equivalents at 1 September</b>		<u>1,440,606</u>	<u>1,467,389</u>
<b>Cash and cash equivalents at 31 August</b>	22	<u>1,897,753</u>	<u>1,440,606</u>

# **Cramlington Learning Village**

## **Notes to the Financial Statements for the Year Ended 31 August 2021**

### **1 Accounting policies**

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

#### **Basis of preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP 2019 (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

These financial statements are prepared in sterling which is the functional currency of the entity.

#### **Going concern**

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

#### **Income**

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

#### **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## **Cramlington Learning Village**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), Where the receipt is probable and it can be measured reliably.

##### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### **Investment income**

Interest receivable is included in the statement of financial activities on an accruals basis.

##### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

##### **Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

# **Cramlington Learning Village**

## **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

### **1 Accounting policies (continued)**

#### **Expenditure**

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

All resources expended are inclusive of irrecoverable VAT.

#### **Expenditure on raising funds**

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

#### **Charitable activities**

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

#### **Tangible fixed assets**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land	N/A
Leasehold property	2% straight line
Computer equipment	50% straight line
Leasehold property improvements	10% straight line

# **Cramlington Learning Village**

## **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

### **1 Accounting policies (continued)**

#### **Liabilities**

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

#### **Provisions**

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### **Leased assets**

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

#### **Investments**

Current asset investments are included in the Balance Sheet at fair value. Fair value gains and losses are recognised in the Statement of Financial Activities.

#### **Financial Instruments**

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

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

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

## **Cramlington Learning Village**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **1 Accounting policies (continued)**

##### **Taxation**

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

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

##### **Pension benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

# **Cramlington Learning Village**

## **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

### **1 Accounting policies (continued)**

#### **Fund accounting**

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

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

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

#### **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.

#### **Local Government Pension Scheme**

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 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

#### **Depreciation**

The academy trust has made an estimate of the useful lives of the tangible fixed assets. The estimation requires the company to consider how long the asset is likely to be useful and charge the cost of the tangible fixed asset over its life to the Statement of Financial Activities. The charge for the current year was £837,300 (2020 - £816,067).

# Cramlington Learning Village

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 1 Accounting policies (continued)

#### Critical areas of judgement

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### Assessing indicator of impairment.

In assessing whether there have been any indicators of impairment of assets the trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairment identified during the current financial year.

#### Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Capital grants	-	-	39,390	39,390	48,566
Other donations	-	140,330	-	140,330	122,091
	-	140,330	39,390	179,720	170,657
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
Total 2020	-	161,585	9,072	170,657	



## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
<b>DfE/ESFA revenue grants</b>					
General Annual Grant GAG	-	10,230,069	-	10,230,069	9,611,045
Other ESFA Group grants	-	1,012,047	-	1,012,047	1,032,118
	-	11,242,116	-	11,242,116	10,643,163
<b>Other government grants</b>					
Local authority grants	-	110,780	-	110,780	100,525
	-	110,780	-	110,780	100,525
<b>COVID-19 additional funding (DfE/ESFA)</b>					
Catch-up Premium	-	137,840	-	137,840	-
	-	137,840	-	137,840	-
<b>COVID-19 additional funding (non-DfE/ESFA)</b>					
Coronavirus Job Retention Scheme grant	-	12,123	-	12,123	-
Other Coronavirus funding	-	43,590	-	43,590	-
	-	55,713	-	55,713	-
<b>Total grants</b>	-	11,546,449	-	11,546,449	10,743,688
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
<b>Total 2020</b>	-	10,743,688	-	10,743,688	

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 3 Funding for the Academy Trust's educational operations (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding."

The funding received for coronavirus exceptional support covers £43,590 of cleaning and catering costs. These costs are included in note 6 below as appropriate.

The academy furloughed its catering staff under the government's CJRS. The funding received of £12,123 relates to staff costs in respect of 10 staff which are included within note 8 below as appropriate.

	2021 £	2020 £
<b>Other DfE/ESFA Grants</b>		
Rates reclaim	56,179	67,415
Pupil Premium and Service Premium	388,638	369,510
Other	36,170	45,568
Teachers' Pay Grant	531,060	533,992
COVID-19 Exceptional costs	-	15,633
	<u>1,012,047</u>	<u>1,032,118</u>

#### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Hire of facilities	22,648	-	-	22,648	6,299
Catering income	171,569	-	-	171,569	202,679
Recharges and reimbursements	6,437	-	-	6,437	-
Other sales	69,111	-	-	69,111	25,918
Staff recharge	33,500	-	-	33,500	22,999
Music services	1,044	-	-	1,044	8,334
School fund	33,141	-	-	33,141	100,852
	<u>337,450</u>	<u>-</u>	<u>-</u>	<u>337,450</u>	<u>367,081</u>
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
Total 2020	<u>367,081</u>	<u>-</u>	<u>-</u>	<u>367,081</u>	

# Cramlington Learning Village

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2021 £	Total 2020 £
Short term deposits	182	-	-	182	1,946
	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2020 £	
Total 2020	1,946	-	-	1,946	

### 6 Expenditure

	Non Pay Expenditure			Total 2021 £	Total 2020 £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds	-	-	141,232	141,232	413,119
<b>Academy's educational operations</b>					
Direct costs	7,860,148	837,300	837,257	9,534,705	8,410,908
Allocated support costs	2,067,521	609,168	385,639	3,062,328	3,442,011
	<u>9,927,669</u>	<u>1,446,468</u>	<u>1,364,128</u>	<u>12,738,265</u>	<u>12,266,038</u>
	Non Pay Expenditure			Total 2020 £	
	Staff costs £	Premises £	Other costs £		
Total 2020	<u>9,198,593</u>	<u>1,361,859</u>	<u>1,705,586</u>	<u>12,266,038</u>	

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Operating lease rentals	88,138	95,239
Depreciation	837,300	816,067
Fees payable to auditor - audit	9,000	12,000
Fees payable to auditor - other audit services	<u>2,500</u>	<u>5,500</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 7 Charitable activities

	2021 £	2020 £
Direct costs - educational operations	9,534,705	8,410,908
Support costs - educational operations	<u>3,062,328</u>	<u>3,442,011</u>
	<u>12,597,033</u>	<u>11,852,919</u>
	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Analysis of support costs</b>		
Support staff costs	2,067,521	2,379,922
Technology costs	15,489	790
Premises costs	609,168	545,792
Other support costs	358,650	498,797
Governance costs	<u>11,500</u>	<u>16,710</u>
Total support costs	<u>3,062,328</u>	<u>3,442,011</u>

#### 8 Staff

##### Staff costs

	2021 £	2020 £
<b>Staff costs during the year were:</b>		
Wages and salaries	6,928,933	6,742,598
Social security costs	702,496	662,787
Operating costs of defined benefit pension schemes	<u>2,013,169</u>	<u>1,568,991</u>
	9,644,598	8,974,376
Supply staff costs	283,071	212,613
Staff restructuring costs	<u>-</u>	<u>11,604</u>
	<u>9,927,669</u>	<u>9,198,593</u>
	<b>2021 £</b>	<b>2020 £</b>
<b>Staff restructuring costs comprise:</b>		
Redundancy payments	<u>-</u>	<u>11,604</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 8 Staff (continued)

##### Staff numbers

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

	2021 No.	2020 No.
<b>Charitable Activities</b>		
Teachers	127	125
Administration and support	77	78
Management	6	6
	<u>210</u>	<u>209</u>

##### Higher paid staff

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

	2021 No.	2020 No.
£60,001 - £70,000	5	4
£70,001 - £80,000	3	-
£110,001 - £120,000	-	1
£120,001 - £130,000	<u>1</u>	<u>-</u>

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £551,762 (2020 - £578,443).

#### 9 Related party transactions - trustees' remuneration and expenses

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

##### W Heslop (Headteacher):

Remuneration: £120,000 - £125,000 (2020 - £115,000 - £120,000)  
Employer's pension contributions: £Nil (2020 - £Nil)

##### D A Betham (Trustee):

Remuneration: £5,000 - £10,000 (2020 - £Nil)  
Employer's pension contributions: £0 - £5,000 (2020 - £Nil)

##### P Wright (Trustee):

Remuneration: £45,000 - £50,000 (2020 - £Nil)  
Employer's pension contributions: £10,000 - £15,000 (2020 - £Nil)

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 9 Related party transactions - trustees' remuneration and expenses (continued)

Other related party transactions involving the trustees are set out in note 26.

#### 10 Trustees' and officers' insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect governors 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 and the cost for the year ended 31 August 2021 was £1,000 (2020 - £1,000).

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

#### 11 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Leasehold improvements £	Total £
<b>Cost</b>				
At 1 September 2020	44,136,654	144,503	1,464,522	45,745,679
Additions	-	56,391	120,600	176,991
At 31 August 2021	44,136,654	200,894	1,585,122	45,922,670
<b>Depreciation</b>				
At 1 September 2020	5,827,782	112,860	300,855	6,241,497
Charge for the year	647,532	41,120	148,648	837,300
At 31 August 2021	6,475,314	153,980	449,503	7,078,797
<b>Net book value</b>				
At 31 August 2021	37,661,340	46,914	1,135,619	38,843,873
At 31 August 2020	38,308,872	31,643	1,163,667	39,504,182

#### 12 Debtors

	2021 £	2020 £
Trade debtors	5,089	5,000
VAT recoverable	28,399	81,769
Prepayments	238,346	228,217
Accrued grant and other income	95,752	35,543
	<u>367,586</u>	<u>350,529</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 13 Current asset investments

	2021 £	2020 £
Fixed term deposits	<u>200,000</u>	<u>-</u>

#### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	946,790	886,043
Loans	30,279	8,123
Other creditors	2,060	3,048
Accruals	126,202	185,286
Deferred income	<u>73,537</u>	<u>76,314</u>
	<u>1,178,868</u>	<u>1,158,814</u>

	2021 £	2020 £
<b>Deferred income</b>		
Deferred income at 1 September 2020	76,314	122,465
Resources deferred in the period	73,537	37,882
Amounts released from previous periods	<u>(76,314)</u>	<u>(84,033)</u>
Deferred income at 31 August 2021	<u>73,537</u>	<u>76,314</u>

At the balance sheet date the academy trust was holding funds recieved in advance for: Year 7 literacy; bursary income and deferred spots club invoices.

#### 15 Creditors: amounts falling due after one year

	2021 £	2020 £
Other loans	<u>132,272</u>	<u>29,967</u>

Inlcuded within creditors: amounts falling due in more than one year is £18,955 (2020 - £11,125) of creditors due in more than five years, repayable by instalments.

Loans of £1,250 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £1,250 from March 2017.

Loans of £700 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £700 from March 2017.

Loans of £20,079 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £1,545 from March 2020.

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 15 Creditors: amounts falling due after one year (continued)

Loans of £7,938 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £567 from September 2020.

Loans of £132,585 from Salix Finance Ltd which is provided on the following terms: Salix Energy Efficiency loan - Interest free loan repayable through GAG in 6-monthly installments of £12,053 from March 2021.

#### 16 Funds

	Balance at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2021 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	11,098	10,230,069	(9,737,023)	(137,601)	366,543
Other DfE/ESFA grants	-	1,012,047	(1,012,047)	-	-
Other government grants	-	110,780	(110,780)	-	-
Other restricted funds	-	140,330	(140,330)	-	-
COVID-19	-	193,553	(193,553)	-	-
	<u>11,098</u>	<u>11,686,779</u>	<u>(11,193,733)</u>	<u>(137,601)</u>	<u>366,543</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	38,374,003	-	(647,532)	-	37,726,471
DfE group capital grants	800,934	39,390	(189,768)	-	650,556
Capital expenditure from GAG	323,485	-	-	137,601	461,086
Capital expenditure from unrestricted funds	<u>5,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,760</u>
	39,504,182	39,390	(837,300)	137,601	38,843,873
<b>Restricted pension funds</b>					
Pension reserve	<u>(6,605,000)</u>	<u>-</u>	<u>(566,000)</u>	<u>123,000</u>	<u>(7,048,000)</u>
Total restricted funds	32,910,280	11,726,169	(12,597,033)	123,000	32,162,416
<b>Unrestricted funds</b>					
General funds	<u>591,256</u>	<u>337,632</u>	<u>(141,232)</u>	<u>-</u>	<u>787,656</u>
Total funds	<u>33,501,536</u>	<u>12,063,801</u>	<u>(12,738,265)</u>	<u>123,000</u>	<u>32,950,072</u>



# Cramlington Learning Village

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 16 Funds (continued)

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

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2020 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	81,471	9,611,045	(9,370,624)	(310,794)	11,098
Other DfE/ESFA grants	-	1,071,612	(1,071,612)	-	-
Other government grants	-	100,525	(100,525)	-	-
Other restricted funds	-	122,091	(122,091)	-	-
	<u>81,471</u>	<u>10,905,273</u>	<u>(10,664,852)</u>	<u>(310,794)</u>	<u>11,098</u>
<b>Restricted fixed asset funds</b>					
Inherited funds	39,021,535	-	(647,532)	-	38,374,003
DfE group capital grants	927,548	9,072	(135,686)	-	800,934
Capital expenditure from GAG	31,963	-	(19,272)	310,794	323,485
Capital expenditure from unrestricted funds	<u>19,337</u>	<u>-</u>	<u>(13,577)</u>	<u>-</u>	<u>5,760</u>
	40,000,383	9,072	(816,067)	310,794	39,504,182
<b>Restricted pension funds</b>					
Pension reserve	<u>(4,402,000)</u>	<u>-</u>	<u>(372,000)</u>	<u>(1,831,000)</u>	<u>(6,605,000)</u>
Total restricted funds	35,679,854	10,914,345	(11,852,919)	(1,831,000)	32,910,280
<b>Unrestricted funds</b>					
General funds	<u>635,348</u>	<u>369,027</u>	<u>(413,119)</u>	<u>-</u>	<u>591,256</u>
Total funds	<u>36,315,202</u>	<u>11,283,372</u>	<u>(12,266,038)</u>	<u>(1,831,000)</u>	<u>33,501,536</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 16 Funds (continued)

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

##### General Annual Grant

General Annual Grant must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2021.

##### Other DfE/ESFA Grants

Other DfE/ESFA grants comprise pupil premium targeted at disadvantaged pupils, rates relief income, year 7 catch up funding and teachers' pay grant.

##### Other government grants

Other government grants include special education needs funding and other local authority funding.

##### Other restricted funds

Other restricted funds include restricted donations in relation to Chromebooks.

##### Pension reserve

The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund including contributions to the LGPS, hence the pension liability has been aligned with these funds.

##### Inherited assets

Inherited funds include the leasehold premises and other assets transferred on conversion. Depreciation will be charged to the fund over the life of the related assets.

##### Capital expenditure from GAG and unrestricted funds

This represents the total capital expenditure from the GAG and unrestricted funds. Depreciation will be charged to the fund over the life of the related assets.

##### Unrestricted funds

Included within unrestricted funds carried forward at 31 August 2021 is a balance in respect of school funds amounting to £68,569 (2020: £43,813).

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2021 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	38,843,873	38,843,873
Current assets	787,656	1,677,683	-	2,465,339
Current liabilities	-	(1,178,868)	-	(1,178,868)
Creditors over 1 year	-	(132,272)	-	(132,272)
Pension scheme liability	-	(7,048,000)	-	(7,048,000)
Total net assets	<u>787,656</u>	<u>(6,681,457)</u>	<u>38,843,873</u>	<u>32,950,072</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 17 Analysis of net assets between funds (continued)

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

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	39,504,182	39,504,182
Current assets	591,256	1,161,789	38,090	1,791,135
Current liabilities	-	(1,150,691)	(8,123)	(1,158,814)
Creditors over 1 year	-	-	(29,967)	(29,967)
Pension scheme liability	-	(6,605,000)	-	(6,605,000)
Total net assets	<u>591,256</u>	<u>(6,593,902)</u>	<u>39,504,182</u>	<u>33,501,536</u>

#### 18 Long-term commitments, including operating leases

##### Operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts due within one year	134,392	115,600
Amounts due between one and five years	<u>146,035</u>	<u>24,749</u>
	<u>280,427</u>	<u>140,349</u>

#### 19 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2021	2020
	£	£
Net expenditure	(674,464)	(982,666)
Depreciation	6	837,300
Capital grants from DfE and other capital income	(39,390)	(48,566)
Interest receivable	5	(182)
Defined benefit pension scheme cost less contributions payable	25	457,000
Defined benefit pension scheme finance cost	25	109,000
(Increase)/decrease in debtors	(17,057)	138,793
Decrease in creditors	<u>(2,102)</u>	<u>(414,172)</u>
Net cash provided by/(used in) Operating Activities	<u>670,105</u>	<u>(120,490)</u>

#### 20 Cash flows from financing activities

	2021	2020
	£	£
Repayments of borrowing	(20,176)	(5,444)
Cash inflows from new borrowing	<u>144,637</u>	<u>33,784</u>
Net cash provided by financing activities	<u>124,461</u>	<u>28,340</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 21 Cash flows from investing activities

	2021 £	2020 £
Dividends, interest and rents from investments	182	1,946
Purchase of tangible fixed assets	(176,991)	(559,210)
(Increase)/decrease in fixed term deposits	(200,000)	-
Capital grants from DfE/EFA	39,390	622,631
Net cash (used in)/provided by investing activities	(337,419)	65,367

#### 22 Analysis of cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,897,753	1,440,606
Total cash and cash equivalents	1,897,753	1,440,606

#### 23 Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash	1,440,606	357,147	1,797,753
Loans falling due within one year	(8,123)	(22,156)	(30,279)
Loans falling due after more than one year	(29,967)	(102,305)	(132,272)
Total	1,402,516	232,686	1,635,202

#### 24 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.

#### 25 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

## **Cramlington Learning Village**

### **Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)**

#### **25 Pension and similar obligations (continued)**

##### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £1,191,442 (2020: £958,991).

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

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

##### **Local government pension scheme**

###### **Tyne & Wear Pension Fund**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2021 was £459,000 (2020 - £407,000), of which employer's contributions totalled £363,000 (2020 - £319,000) and employees' contributions totalled £96,000 (2020 - £88,000). The agreed contribution rates for future years are 16.3 per cent for employers and 6.1 - 12.5 per cent for employees.

# Cramlington Learning Village

## Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

### 25 Pension and similar obligations (continued)

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

	2021	2020
	%	%
Rate of increase in salaries	4.10	3.80
Rate of increase for pensions in payment/inflation	2.60	2.30
Discount rate for scheme liabilities	1.70	1.70
Inflation assumptions (CPI)	<u>2.60</u>	<u>2.30</u>

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

	2021	2020
<b>Retiring today</b>		
Males retiring today	21.90	21.80
Females retiring today	25.10	25.00
<b>Retiring in 20 years</b>		
Males retiring in 20 years	23.60	23.50
Females retiring in 20 years	<u>26.90</u>	<u>26.80</u>

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

	2021	2020
	£	£
Equities	3,805,000	2,891,000
Corporate bonds	1,375,000	1,238,000
Government bonds	144,000	130,000
Property	547,000	497,000
Cash and other liquid assets	274,000	103,000
Other	<u>698,000</u>	<u>546,000</u>
Total market value of assets	<u>6,843,000</u>	<u>5,405,000</u>

The actual return on scheme assets was £1,113,000 (2020 - £143,000).

#### Amounts recognised in the statement of financial activities

	2021	2020
	£	£
Current service cost	820,000	610,000
Interest income	(95,000)	(97,000)
Interest cost	<u>204,000</u>	<u>178,000</u>
Total amount recognised in the SOFA	<u>929,000</u>	<u>691,000</u>

## Cramlington Learning Village

### Notes to the Financial Statements for the Year Ended 31 August 2021 (continued)

#### 25 Pension and similar obligations (continued)

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

	2021 £	2020 £
At start of period	12,010,000	9,354,000
Current service cost	820,000	610,000
Interest cost	204,000	178,000
Employee contributions	96,000	88,000
Actuarial (gain)/loss	895,000	1,877,000
Benefits paid	(134,000)	(97,000)
At 31 August	<u>13,891,000</u>	<u>12,010,000</u>

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

	2021 £	2020 £
At start of period	5,405,000	4,952,000
Interest income	95,000	97,000
Actuarial gain/(loss)	1,018,000	46,000
Employer contributions	363,000	319,000
Employee contributions	96,000	88,000
Benefits paid	(134,000)	(97,000)
At 31 August	<u>6,843,000</u>	<u>5,405,000</u>

#### 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 the trustees have an interest.

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.

#### 27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2021 the academy trust received £19,098 and disbursed £22,737 from the fund. An amount of £23,944 is included in other creditors relating to undistributed funds that is repayable to ESFA.

Comparatives for the accounting period ending 31 August 2020 are £22,829 received, £20,959 disbursed and £27,583 included in other creditors.