

CREATE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

CREATE LEARNING TRUST

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CREATE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M Butcher S Swain C Thompson M Watson C Shepherd (Resigned 1 October 2019)
Trustees	M Butcher S Elliott (Resigned 7 November 2020) F Russell K Jackson J Stevens (Resigned 7 November 2020) B Mawson (Resigned 7 November 2020) K Ingle V Ross (Resigned 1 October 2019) M Lord (Resigned 1 October 2019) E Caddell (Appointed 7 November 2020) R Marsden (Resigned 24 October 2019) R O'Donnell (Appointed 4 Dec 2020) A Shaw (Appointed 4 Dec 2020) S Woodward
Senior Management Team:	
CEO & Accounting Officer CFO Acting Head of School (Little Leigh) Headteacher (Sandiway) Headteacher (Cuddington)	S Woodward J Goodwin T Clarke C Priddey S Mills
Company Registration number	11727632
Principal and registered office	c/o Little Leigh Primary Shutley Lane Northwich Cheshire CW8 4RN
Academies operated Cuddington Primary School Little Leigh Primary School Sandiway Primary School	Location Northwich Northwich Northwich
Independent Auditor	Haines Watts Bridge House Ashley Road Hale Altrincham WA14 2UT
Bankers	Lloyds Bank Plc 8 Foregate Street Chester CH1 1XP

CREATE LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year/period September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust was incorporated on 14 December 2018 with the schools all converting on 1 October 2019. This is the first year of results for the academy trust.

The academy trust operates three primary academies in Northwich Cheshire. Its academies have a combined pupil capacity of 735 and had a roll of 612 in the school census in Autumn 2019.

Structure, governance and management

Constitution

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

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 3.

Members' Liability

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

Trustees' Indemnities

The Trust is a member of the DfE Risk Protection Arrangement which provides cover for Members and Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 11 of the accounts.

Method of recruitment and appointment or election of trustees

The Members of Create Learning Trust are responsible for the appointment of Trustees. There are no ex-officio roles linked to roles in individual academies.

In October 2019, 1 Member and 3 trustees linked to Comberbach Primary School resigned their roles since the school they were associated with did not convert to academy as planned with the other 3 schools. Following their resignations, the Board recognised the need to recruit new Trustees, ideally with skills in finance and human resources. Create Learning Trust instigated a recruitment campaign following the reopening of schools post Covid19 lockdown to recruit new Trustees. Potential Trustees were asked to complete a statement of interest in the role explaining their skills, expertise and personal attributes. Following a review of these, potential Trustees were invited to a virtual interview with the Chair and CEO where the roles and responsibilities were explained further. Following this process three new Trustees are in the process of being appointed and will be provided with relevant information and training regarding the Trust, its individual academies and the role of the Trustee.

Policies procedures adopted for the induction and training of trustees

On appointment, Trustees receive information relating to the Trust and its academies and attend a briefing, visit to individual academies and receive an induction pack on the role and responsibilities of Trustees. During the year Trustees are offered a variety of necessary training.

Organisational structure

The structure of the Trust consists of four levels: The Local Academy Boards (LABs), two sub committees of the Trustee Board (Business, Risk and Audit and The Quality of Education), the Trustee Board and the Members. The aim of the structure is to devolve responsibility and conduct review of information with appropriate skill and rigor. The Chief Executive Officer is the Accounting Officer.

The Trustees are responsible for setting general policy, adopting the trust vision and strategic plan, and setting the budget. They also monitor the performance of individual academies using financial reports, link champion reports from the LABs and test results. The Trustees make major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

CREATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trust's Senior Leadership Team is the Chief Executive Officer, the Trust's CFO, the Headteacher of Sandiway Primary School, the Headteacher of Cuddington Primary School and the Acting Head of School at Little Leigh Primary School. These leaders control the Trust at an executive level and in the case of Headteachers at individual academies, implementing the policies set out by the Trustees and are accountable to them for the performance of each school. The CEO is held accountable by the board for the performance of each school.

Day to day responsibility for the individual academies is devolved to a Local Academy Board (LAB). The Trust's Scheme of Delegation asks each LAB to meet twice a term. Each committee has its own terms of reference detailing the responsibilities discharged to the committee, to the Headteacher and to the academy Senior Leadership Team. The terms of reference and the meeting frequency for each committee are reviewed and approved by the LAB annually. The Trust stipulates the requirements for each LABs financial oversight and the Trust's Financial Handbook details the Trust's Academy's authorised spending limits.

Across the year, one LAB meeting per term is a clerked and minuted meeting and another is a designated developmental session where planning, training and stakeholder involvement in the SDP and SEF takes place. Each LAB has assigned a Link Champion for Finance, Quality of Education, Safeguarding and Health and Safety who provide reports to the subcommittees of the Trust Board on a termly basis. Each LAB also delegates responsibility of Link Champion roles linked to each area of the schools School Development Plan. This ensures that the monitoring and evaluation of development priorities in each school are reviewed and reported with rigor.

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration for the Chief Executive Officer is decided by the Trust Board on recommendation from the appraisal panel which includes representatives from the Board of Trustees and an external advisor.

The pay and remuneration for academy Headteachers is decided by the Trust Board on recommendation from the appraisal panel which includes the Chief Executive Officer and an external advisor.

The pay and remuneration for the Chief Financial Officer is decided by the Board of Trustees on recommendation from the appraisal panel which includes the Chief Executive Officer and a representative from the Board of Trustees. Decisions surrounding supplementary pay increases, including key management personnel, are made by Trustees.

Trade Union facility time

Relevant union officials:

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0FTE

Percentage of time spent on facility time:

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

Percentage of pay bill spent on facility time:

Provide the total cost of facility time	£0
Provide the total pay bill	£0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time: - total paid facility time hours) x 100	0%

CREATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Related parties and other connected charities and organisations

The member, director, trustees, senior staff and their families are regarded as related parties in accordance with the definitions in the Charities SORP.

Prior to conversion to Academy, all three schools used the company First4Maths to support the development of mathematics in their schools. First4Maths provided CPD for all staff and external moderation for all three schools and 9 further schools in the Cheshire West area as a cluster moderation group during the academic period 1 September 2019 to 31 August 2020. Following rigorous procurement in previous years, we found that no other company could provide the bespoke level of service and substantial support our schools required. It was for this reason, alongside the companies proven track record of excellence, that they were chosen to provide the SLA. In the account period 1 September 2019 to 31 August 2020, the Trust spent £6,043 with First4Maths. It has now come to our attention that this is considered a related party transaction given the fact that one of the academy headteachers is husband to one of First4Maths directors. We are now aware that this should have been reported to the ESFA and that the SLA should have been delivered to the Trust schools at cost. Moving forward, the Trust is now aware that this is something we can no longer engage in and will not spend beyond the limit of £2,500 with First4Maths during the period 1 September 2020 and 31 August 2021.

Objectives and activities

Our Vision

In education, teachers often refer to a moment when they see something 'click' for a child; the exact moment where a concept is understood, an imagination is lit, or an idea is formed.

Create Learning is a network of academies committed to giving children and young people moments like that in their education. We embrace innovation, share best practice and shape opportunities: Creating an environment that sparks and ignites the talents and interests of our children and staff.

Our Values

To achieve this, every member of our community is committed to:

- Working together to provide the best quality of education
- Encouraging innovation, self-belief and confidence
- Acting with a moral purpose and with integrity

Objectives, strategies and activities

The Trust is continuing to work towards its priorities for the year 19/20 through into 20/21 because of the closing of schools considering the Covid-19 pandemic. These are as follows:

Our Pupils

- To ensure high quality teaching and provision is evident in all our academy schools to ensure our children achieve the highest possible standards as well as develop confidence, compassion and broaden horizons.

Our Teams

- To develop highly skilled and strong teams that bring exceptional strength to our academies as well as the wider educational community.

Our Communities

- To ensure our academy schools are central to their communities, provide wide ranging opportunities for pupils to engage in local community activity and maintain strong relationships with all stakeholders.
- To build links with our wider professional community both locally and nationally so that it is far reaching and supports our ambition to be a leader in the world of education.

Our Trust

- Our organisation exemplifies efficiency and the highest possible professional standards. Our growth ambitions are supported by strong financial management, business leadership and governance, giving confidence to potential partners and key decision makers.
- To secure organisational sustainability and compliance for Create Learning Trust by developing and embedding effective systems to ensure Trustees gain the correct knowledge from both an educational and financial perspective to challenge strategic direction.

CREATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on the public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular, the Trustees considered how planned activities will contribute to the aims and objectives they have set.

Strategic report

Achievements and performance

No key performance data has been presented for analysis this year because of the removal of all accountability measures owing to the Covid19 pandemic.

Trustees are confident however that all three schools are performing well against set Key Performance Indicators. Internal scrutiny conducted by Headteachers, senior leaders and subject leaders have shown considerable areas of strength across the curriculum in the academy schools. This has been validated and supported following the external scrutiny conducted by Governance Link Champions and an external leadership partner.

The trust has 3 committed Senior Leaders in Education who support the work of the Local Authority in supporting other local schools in the Cheshire West region.

A Senior Leader from Little Leigh and Cuddington have worked alongside Leading Schools consultancy to support their training courses on curriculum design. This training was conducted in Cheshire West and Chester as well as other bordering Local Authorities. This has resulted in visits to both schools from other primary schools to successful curriculum development and delivery in action.

The Headteacher at Cuddington has been a driving counterpart in the set up of a behaviour triage and support network within the Local Authority. This is a partnership that has developed with the leader from the Education Access Team to support quality first teaching, professional development, the development of pupil specific approaches in order to impact positively on behaviour management in the schools in Northwich. Behaviour triages are conducted every half term for Headteachers in the Northwich area to express concerns and seek advice. Triages offer advice and provide links to extended services. This model is set to expand into the wider Cheshire West region in December 2020.

Trust leaders continue to organise collaborative cluster moderation of English and Maths for other local schools through successful partnerships with English and Maths specialists. The collaboration has for many years, impacted positively on the outcomes for pupils in both English and Maths.

Key performance indicators

The Board uses several key performance indicators. These include, but are not limited to, Ofsted outcomes if available, exam results in comparison to Trust data and national averages, attendance percentages and total spend as a percentage of the overall academy budget. In the Year ended 31st August 2020, there were no exam results to report because of the closure of school's Nationally during the Covid19 pandemic.

Going concern

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

Since the Trust has continued to receive GAG funding through the Covid19 Pandemic, the Trust has not seen significant impact upon its financial stability. It is however, being monitored carefully by Headteachers, CFO, CEO and board of Trustees since school reopened fully on 1 September 2020. Hygiene and consumable equipment costs are rising as are staffing costs for the operation of bubbles and restrictions on social distancing. Sickness costs owing to Covid19 related illness and self-isolation are also of concern.

Financial Review

Most of the Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted for particular purposes. Income is also generated through Cuddington and Sandiway Primary Schools before and after school and holiday provision. Little Leigh and Sandiway also generate income in the form of rent from external providers of pre-school provision that operates on site. All three Trust academies also generate income via catering operations.

CREATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The Trust receives devolved formula capital grants and the opportunity to bid for Capital Improvement Funding (CIF) from the ESFA. The Trust was successful in securing 3 CIF bids in 2019-20. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets.

Due to budget restrictions the Trust implemented a redundancy consultation at Cuddington Primary school. This was completed successfully in October 2020

The Trust is an employer in the Cheshire Pension Fund, the Local Government Pension Scheme (LGPS). The LGPS is a funded scheme and the assets are held separately from those of Create Learning Trust. Pension scheme assets are measured at fair value and the liabilities are measured on actuarial basis. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs, gains and losses on settlements and curtailments. They are included as part of the operational costs. Each Academy purchases ill-health liability insurance for LGPS members through Legal and General, the cost of which is offset against employer charge.

The Trust met its obligations in respect of auto-enrolment for all eligible employees under the Pensions Act 2008. There were no in-year retirements and there is no material change to the LGPS membership at any individual academy.

At August 2020 the net book value of the fixed assets was £8,257,000. Movement in tangible assets is shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils in the Trust.

During the year ended 31 August 2020, total revenue expenditure of £2,733,000 was met by recurrent grant funding from the ESFA together with other incoming resources.

During the year ended 31 August 2020, the total surplus for the trust was £7,743,000.

During the year ended 31 August 2020, the total pension deficit for the trust was £1,012,000 which includes the transfer on conversion from the local authority.

During the year ended 31 August 2020, the accounts for Cuddington Primary School are showing a small deficit for the year (£1,000). Fluctuations in pupil numbers and staffing costs are under continual review to mitigate the risk that the small deficit carries.

Reserves policy

It is the policy of the Trust that at no time will the level of total reserves fall below the equivalent of the total Trust payroll for one month.

The level of reserves held at 31 August 2020 total £7,743,000 of which £43,000 were unrestricted and £25,000 were general restricted. Of this, Cuddington had a carry forward of (£1,000), Little Leigh carried forward £45,000 and Sandiway had £24,000 in its accounts.

Investment policy

The Trust aims to manage its cash balances to provide the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. Although the Trust does not consider the investment of funds as a primary activity, because of good stewardship, the Trustees remain open to exploring investment opportunities.

The Trust had no investments at 31 August 2020.

CREATE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Principal risks and uncertainties

The Trust has a risk management policy which clearly outlines the responsibilities of the Board, Local Academy Boards, academy Headteachers and other staff regarding managing risk and the appropriate steps to take to manage risk.

The Board considers the major risks to which the Trust is exposed including those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisational development, operations, safeguarding, HR, ICT, reputation and legal matters.

The Trust holds a comprehensive risk register which is reviewed annually (due for review November 2020) by the Board and more regularly at operational level. A risk rating mechanism in the register focuses Senior Leadership Team and board attention to those areas identified as higher risk so appropriate actions can be taken.

Fundraising

Each Trust academy has an appropriately constituted Parent Teacher Association (PTA). These solicit donations, primarily from parents, for specific projects, through organising Christmas and Summer fairs, school discos, parents' social evenings etc.

The Trust monitors the activities of its PTAs to ensure that both vulnerable people and members of the public are protected against unreasonable intrusion or unreasonably persistent approaches for soliciting money or undue pressure to make donations.

Plans for future periods

The core purpose of the Trust is to achieve continued and consistent high outcomes for children.

The Trust is continuing to work towards its priorities for the year 2019/20 through into 2020/21 because of the closing of schools considering the Covid-19 pandemic. These are as follows:

Our Pupils

- To ensure high quality teaching and provision is evident in all our academy schools to ensure our children achieve the highest possible standards as well as develop confidence, compassion, and broaden horizons.

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- To develop highly skilled and strong teams that bring exceptional strength to our academies as well as the wider educational community.

Our Communities

- To ensure our academy schools are central to their communities, provide wide ranging opportunities for pupils to engage in local community activity and maintain strong relationships with all stakeholders.
- To build links with our wider professional community both locally and nationally so that it is far reaching and supports our ambition to be a leader in the world of education.

Our Trust

- Our organisation exemplifies efficiency and the highest possible professional standards. Our growth ambitions are supported by strong financial management, business leadership and governance, giving confidence to potential partners and key decision makers.
- To secure organisational sustainability and compliance for Create Learning Trust by developing and embedding effective systems to ensure Trustees gain the correct knowledge from both an educational and financial perspective to challenge strategic direction.

Funds held as custodian trustee on behalf of others

To 31 August 2020 the Trust did not hold funds as custodian trustee on behalf of others.

CREATE LEARNING TRUST
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

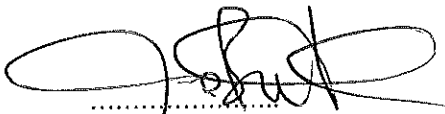
Auditor

In so far as the Trustees are aware:

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

The Trustees' have elected not to reappoint Haines Watts as auditors for 2020/2021.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors on4.12.20...and signed on its behalf by:



.....
M Butcher
Chair of trustees

CREATE LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2020

Scope of responsibility

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

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

In practice, much of the day-to-day financial responsibility was delegated to the Trust's Chief Financial Officer (CFO). For the year ended 31 August 2020 this was outsourced to School Business Services who appointed Miss Becci Denbigh to complete these responsibilities. From 1 September 2020, she was replaced by Mrs Jenni Goodwin who is directly employed by the Trust

Governance

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

Trustee	Meetings attended	Out of a possible
M Butcher (Chair)	4	4
S Woodward (Accounting Officer)	4	4
S Elliott (Vice Chair)	4	4
J Stevens	3	4
K Jackson (approved sabbatical year)		
K Ingle	2	4
F Russell	4	4
B Mawson	4	4
R Marsden (Resigned 24 October 2019)	1	1
Business, Risk and Audit committee attendance		
M Butcher (Chair)	1	1
S Woodward (Accounting Officer)	1	1
S Elliott (Vice Chair)	1	1
J Stevens	1	1
K Jackson (approved sabbatical year)	1	1
K Ingle	1	1
C Priddey (Headteacher)	1	1
S Mills (Headteacher)	1	1
T Clarke (Headteacher)	1	1

CREATE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

In October 2019, 1 Member and 3 trustees linked to Comberbach Primary School resigned their roles since the school they were associated with did not convert to academy as planned with the other 3 schools. Following their resignations, the Board recognised the need to recruit new Trustees, ideally with skills in finance and human resources. Create Learning Trust instigated a recruitment campaign following the reopening of schools post Covid19 lockdown to recruit new Trustees. Potential Trustees were asked to complete a statement of interest in the role explaining their skills, expertise and personal attributes. Following a review of these, potential Trustees were invited to a virtual interview with the Chair and CEO where the roles and responsibilities were explained further. Following this process three new Trustees are in the process of being appointed and will be provided with relevant information and training regarding the Trust, its individual academies and the role of the Trustee.

Governance review

A formal review of Governance has not taken place during the period 1 September to 31 August 2020 owing to the closure of schools during the Covid19 pandemic. The Trust has however, completed the online Academies Financial Management and Governance Review to form an action plan for the year ahead. Governance has been part of the three internal audit reviews and continues to be a priority for the trust during the 2020-21 academic year.

Review of value for money

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

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

- Developing opportunities to share teaching and learning resources and CPD across the Trust along with common leadership approaches to improve educational outcomes for all groups of pupils in the Trust.
- Regularly reviewing and challenging performance, processes and procedures to ensure they focus on raising standards and improving outcomes.
- Forming a procurement schedule of trust wide contracts and services to achieve best value and potentially reduce costs.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Create Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. There is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

CREATE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- monthly review of management accounts by the Chair of the Trust, CFO and CEO, followed by a review by each academy school Headteacher alongside their Finance Link Champion;
- 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.

The Board of Trustees has decided to buy in an internal audit service from Haines Watts. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the academy trust's financial and other systems. In particular, the checks carried out in the current period included:

- Testing of the knowledge and understanding of and adherence to the procedures set out in the Trust's financial management handbook
- Payroll systems and controls
- Expenditure systems and controls
- Income systems and controls
- Fixed assets systems and controls
- Bank systems and controls
- Governance and compliance
- Risk management

On a termly basis, the auditor reports to the board of trustees, through the business, risk and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of effectiveness

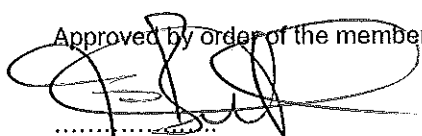
As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

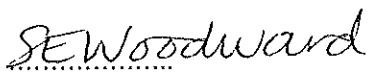
- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

In Spring 2019, following a tendering process, the Board appointed Mitchell Charlesworth as its auditors for the period 2020-2021. The Board will go out to tender for its audit services for the period 2021 – 22 in Spring 2021.

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

Approved by order of the members of the board of trustees on 4/12/20 and signed on its behalf by:


M Butcher
Chair of trustees


S Woodward
Accounting officer

CREATE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2020

As accounting officer of Create Learning Trust, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2019.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Non-financial issues

- The academy did not disclose a related party transaction to the ESFA via the online form as per guidance to be applied from 1 April 2019.

S Woodward
.....

S Woodward
Accounting officer

Date *4/12/20*
.....

CREATE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Create Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2019 to 2020 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 accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:

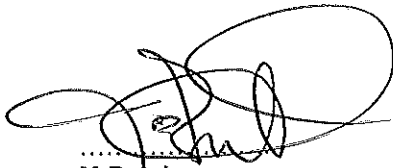
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on^{4.12.20} and signed on its behalf by:



.....
M Butcher
Chair of trustees

CREATE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATE LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the accounts of Create Learning Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 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 2019 to 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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

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

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

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

CREATE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

CREATE LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATE LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Use of our report

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

.....
Candice Beynon

Candice Beynon FCCA (Senior Statutory Auditor)

for and on behalf of

Chartered Accountants

Statutory Auditor

Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date

4/12/2020

CREATE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CREATE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2020

In accordance with the terms of our engagement letter dated 18 June 2019 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Create Learning Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Create Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Create Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Create Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Create Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Create Learning Trust's funding agreement with the Secretary of State for Education dated 26 September 2019 and the Academies Financial Handbook, extant from 1 September 2019, 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 2019 to 2020. 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 period 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 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.

CREATE LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CREATE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

In the course of our work, except for the matter listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Non-financial issues

- The academy did not disclose a related party transaction to the ESFA via the online form as per guidance to be applied from 1 April 2019.

Haines Watts

Haines Watts
Reporting Accountant

Date: *4/12/2020*

CREATE LEARNING TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £'000	Restricted funds: General Fixed asset £'000 £'000		Total 2020 £'000	Total 2019 £
Income and endowments from:						
Donations and capital grants	3	1	17	530	548	-
Donations - transfer from local authority on conversion	25	232	(847)	8,315	7,700	-
Charitable activities:						
- Funding for educational operations	4	-	2,275	-	2,275	-
Other trading activities	5	100	51	-	151	-
Total		<u>333</u>	<u>1,496</u>	<u>8,845</u>	<u>10,674</u>	<u>-</u>
Expenditure on:						
Raising funds	6	75	-	-	75	-
Charitable activities:						
- Educational operations	8	-	2,658	147	2,805	-
Total	6	<u>75</u>	<u>2,658</u>	<u>147</u>	<u>2,880</u>	<u>-</u>
Net income/(expenditure)		258	(1,162)	8,698	7,794	-
Transfers between funds	16	(215)	226	(11)	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	18	-	(51)	-	(51)	-
Net movement in funds		43	(987)	8,687	7,743	-
Reconciliation of funds						
Total funds brought forward		-	-	-	-	-
Total funds carried forward		<u>43</u>	<u>(987)</u>	<u>8,687</u>	<u>7,743</u>	<u>-</u>

CREATE LEARNING TRUST

STATEMENT OF CONSOLIDATED FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		funds	General	Fixed asset	2019
		£'000	£'000	£'000	£'000
Income and endowments from:					
Charitable activities:		—	—	—	—
Total		—	—	—	—
Expenditure on:					
Charitable activities:		—	—	—	—
Total	6	—	—	—	—
Net income		—	—	—	—
Reconciliation of funds					
Total funds brought forward		—	—	—	—
Total funds carried forward		—	—	—	—

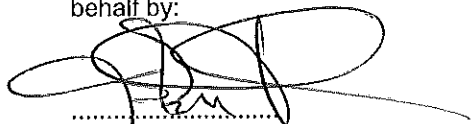
CREATE LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£'000	£'000	£	£
Fixed assets					
Tangible assets	12		8,257		-
Current assets					
Debtors	13	576		-	
Cash at bank and in hand		214		-	
		<u>790</u>		<u>-</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(292)		-	
Net current assets			498		-
Net assets excluding pension liability			8,755		-
Defined benefit pension scheme liability	18		(1,012)		-
Total net assets			<u>7,743</u>		<u>-</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			8,687		-
- Restricted income funds			25		-
- Pension reserve			(1,012)		-
Total restricted funds			<u>7,700</u>		<u>-</u>
Unrestricted income funds	16		43		-
Total funds			<u>7,743</u>		<u>-</u>

The accounts were approved by the trustees and authorised for issue on 4.12.20 and are signed on their behalf by:



Mr Mark Butcher
Chair of trustees

Company Number 11727632

CREATE LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £'000	2019 £	£
Cash flows from operating activities				
Net cash used in operating activities	19		(226)	-
Cash flows from investing activities				
Capital grants from DfE Group		530	-	
Purchase of tangible fixed assets		(90)	-	
Net cash provided by/(used in) investing activities			440	-
Net increase in cash and cash equivalents in the reporting period			214	-
Cash and cash equivalents at beginning of the year			-	-
Cash and cash equivalents at end of the year			214	-

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Create Learning Trust is a company limited by guarantee incorporated in England. The address of its registered office and principal place of business is given on page 3 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable 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 accounts 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 accounts.

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Cuddington Primary School, Little Leigh Primary School and Sandiway Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 25.

1.4 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

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

Donations

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

Other income

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

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 accounts until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.5 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 are 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.

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

1.6 Tangible fixed assets and depreciation

Assets costing £1,000 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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Land and buildings	50 years
Computer equipment	4 years
Fixtures, fittings & equipment	5 years
Motor vehicles	4 years

No depreciation is provided on land or on assets under construction.

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.

1.7 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.

1.8 Leased assets

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

1.9 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. Prepayments are not financial instruments.

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

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions 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 and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit method. The 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 are 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 net income or expenditure 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.

1.12 Fund accounting

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

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

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

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £
Capital grants	-	530	530	-
Other donations	1	17	18	-
	<u>1</u>	<u>547</u>	<u>548</u>	<u>-</u>

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,057	2,057	-
Other DfE group grants	-	170	170	-
	<u>-</u>	<u>2,227</u>	<u>2,227</u>	<u>-</u>
Other government grants				
Local authority grants	-	34	34	-
Job retention scheme income	-	9	9	-
Coronavirus related income	-	5	5	-
	<u>-</u>	<u>48</u>	<u>48</u>	<u>-</u>
Total funding	<u>-</u>	<u>2,275</u>	<u>2,275</u>	<u>-</u>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

4 Funding for the academy trust's educational operations

The academy trust received £34,000 from the local authority in the year, being £34,000 SEN funding,

The academy trust is due to receive £5,000 coronavirus related income post year end.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £
Hire of facilities	27	-	27	-
Catering income	-	47	47	-
Enrichment club	39	-	39	-
Parental contributions	24	-	24	-
Other income	10	4	14	-
	<u>100</u>	<u>51</u>	<u>151</u>	<u>-</u>

6 Expenditure

	Staff costs £'000	Non-pay expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £
Expenditure on raising funds					
- Direct costs	40	-	35	75	-
Academy's educational operations					
- Direct costs	1,712	132	119	1,963	-
- Allocated support costs	516	136	190	842	-
	<u>2,268</u>	<u>268</u>	<u>344</u>	<u>2,880</u>	<u>-</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £
Fees payable to auditor for:		
- Audit	12	-
- Other services	6	-
Depreciation of tangible fixed assets	147	-
Net interest on defined benefit pension liability	15	-
	<u>180</u>	<u>-</u>

7 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Central services

The academy trust recharges for these services in full to the individual schools in the academy trust in proportion to their GAG grants from the ESFA.

The amounts charged during the year were as follows:

	2020	2019
	£'000	£
Cuddington Primary School	82	-
Little Leigh Primary School	57	-
Sandiway Primary School	74	-
	<u>213</u>	<u>-</u>

8 Charitable activities

	2020	2019
	£'000	£
All from restricted funds:		
Direct costs		
Educational operations	1,963	-
Support costs		
Educational operations	842	-
	<u>2,805</u>	<u>-</u>

Analysis of costs

	2020	2019
	£'000	£
Direct costs		
Teaching and educational support staff costs	1,712	-
Staff development	18	-
Depreciation	132	-
Technology costs	19	-
Educational supplies and services	66	-
Educational consultancy	15	-
Other direct costs	1	-
	<u>1,963</u>	<u>-</u>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8 Charitable activities

Support costs	2020	2019
	£'000	£
Support staff costs	516	-
Depreciation	15	-
Technology costs	16	-
Maintenance of premises and equipment	31	-
Cleaning	20	-
Energy costs	33	-
Rent, rates and other occupancy costs	23	-
Insurance	10	-
Security and transport	4	-
Catering	46	-
Interest on defined benefit pension scheme	15	-
Legal costs	63	-
Other support costs	34	-
Governance costs	16	-
	<u>842</u>	<u>-</u>

9 Staff

Staff costs

Staff costs during the year were:

	2020	2019
	£'000	£'000
Wages and salaries	1,648	-
Social security costs	134	-
Pension costs	486	-
	<u>2,268</u>	<u>-</u>
Staff costs - employees	2,268	-
Staff development and other staff costs	18	-
	<u>2,286</u>	<u>-</u>

Staff numbers

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

	2020	2019
	Number	Number
Teachers	25	-
Administration and support	59	-
Management	8	-
	<u>92</u>	<u>-</u>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Staff

Higher paid staff

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

	2020 Number	2019 Number
£60,001 - £70,000	3	-

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £302,000 (2019: £nil).

10 Trustees' remuneration and expenses

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

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

S Woodward (Principal)

Remuneration £60,001 - £65,000 (2019: £nil)

Employer's pension contributions £10,001 - £15,000 (2019: £nil)

During the year ended 31 August 2020, no travel and subsistence expenses were reimbursed or paid directly to trustees.

11 Insurance for trustees and officers

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

	Leasehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2019	-	-	-	-	-	-
Transfer on conversion	8,292	-	15	5	2	8,314
Additions	-	81	5	4	-	90
At 31 August 2020	8,292	81	20	9	2	8,404
Depreciation						
At 1 September 2019	-	-	-	-	-	-
Charge for the year	137	-	7	1	2	147
At 31 August 2020	137	-	7	1	2	147
Net book value						
At 31 August 2020	8,155	81	13	8	-	8,257
At 31 August 2019	-	-	-	-	-	-

The net book value of land and buildings comprises:

	2020 £'000	2019 £'000
Long leaseholds (over 50 years)	8,155	-

13 Debtors

	2020 £'000	2019 £
Trade debtors	2	-
VAT recoverable	10	-
Other debtors	14	-
Prepayments and accrued income	550	-
	576	-

14 Creditors: amounts falling due within one year

	2020 £'000	2019 £
Trade creditors	56	-
Other taxation and social security	36	-
Other creditors	46	-
Accruals and deferred income	154	-
	292	-

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Deferred income

	2020 £'000	2019 £
Deferred income is included within:		
Creditors due within one year	58	-
Deferred income at 1 September 2019	-	-
Resources deferred in the year	58	-
Deferred income at 31 August 2020	58	-

At 31 August 2020 the academy trust had received Universal Infant School Meal Funding of £49,000 in respect of the year ended 31 August 2021. The academy trust had also various other sources of income totalling £9,000 which have been deferred until next year.

16 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	2,057	(2,283)	226	-
Other DfE / ESFA grants	-	170	(145)	-	25
Other government grants	-	48	(48)	-	-
Other restricted funds	-	68	(68)	-	-
Pension reserve	-	(847)	(114)	(51)	(1,012)
	-	1,496	(2,658)	175	(987)
Restricted fixed asset funds					
Inherited on conversion	-	8,315	(146)	-	8,169
DfE group capital grants	-	530	(1)	(11)	518
	-	8,845	(147)	(11)	8,687
Total restricted funds	-	10,341	(2,805)	164	7,700
Unrestricted funds					
General funds	-	333	(75)	(215)	43
Total funds	-	10,674	(2,880)	(51)	7,743

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

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

Restricted general funds are those resources that have been designated by the grant provider in meeting the objects of the academy. The £25,000 balance carried forward at 31 August 2020 on the other DfE/ESFA restricted funds represents unspent PE and sports grants.

Included in restricted fixed assets funds are £430,000 of accrued CIF funding that will not be spent until 2020/21.

The transfer of £11,000 from fixed asset fund to general funds represents devolved formula capital grant used to pay for expenditure on repairs rather than additions to fixed assets.

The transfer of £215,000 from Unrestricted funds to general funds is to prevent the fund from going into deficit.

Restricted fixed asset funds are funds related to long term assets of the trust used in delivering the objectives of the academy trust. This year fixed assets with an estimated fair value totalling £8,315,000 were transferred to the academy trust from the local authority. The other £100,000 in this fund are assets acquired by the academy trust and financed from capital grants received.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objects and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amounts of GAG that they could carry forward at 31 August 2020.

Cuddington Primary School has a deficit in funds of £1,000. Fluctuations in pupil numbers and staffing costs are under continual review to return the funds to a surplus.

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

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds	—	—	—	—	—
Total restricted funds	-	-	-	-	-
Unrestricted funds	—	—	—	—	—
Total funds	-	-	-	-	-

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16 Funds

Total funds analysis by academy

	2020 £'000	2019 £'000
Fund balances at 31 August 2020 were allocated as follows:		
Cuddington Primary School	(1)	-
Little Leigh Primary School	45	-
Sandiway Primary School	24	-
	<u>68</u>	<u>-</u>
Total before fixed assets fund and pension reserve	68	-
Restricted fixed asset fund	8,687	-
Pension reserve	(1,012)	-
	<u>7,743</u>	<u>-</u>
Total funds	<u>7,743</u>	<u>-</u>

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2020 £'000	Total 2019 £'000
Cuddington Primary School	705	181	25	128	1,039	-
Little Leigh Primary School	413	82	21	79	595	-
Sandiway Primary School	594	140	37	108	879	-
Central services	-	153	-	67	220	-
	<u>1,712</u>	<u>556</u>	<u>83</u>	<u>382</u>	<u>2,733</u>	<u>-</u>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

17 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	8,257	8,257
Current assets	43	317	430	790
Creditors falling due within one year	-	(292)	-	(292)
Defined benefit pension liability	-	(1,012)	-	(1,012)
Total net assets	43	(987)	8,687	7,743

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Total net assets	-	-	-	-

18 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 Cheshire West and Chester Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £45,000 were payable to the schemes at 31 August 2020 (2019: £nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

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% employer administration charge)
- 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. The 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 the TPS in the period amounted to £237,000 (2019: £nil).

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

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.5% to 28.8% for employers and 5.5% to 6.5% for employees. The estimated value of employer contributions for the forthcoming year is £166,000.

As described in note 25 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

Total contributions made	2020 £'000	2019 £
Employer's contributions	140	-
Employees' contributions	31	-
Total contributions	<u>171</u>	<u>-</u>

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	2.9	0
Rate of increase for pensions in payment/inflation	2.2	0
Discount rate for scheme liabilities	<u>1.7</u>	<u>0</u>

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

	2020 Years	2019 Years
Retiring today		
- Males	21.2	0
- Females	23.6	0
Retiring in 20 years		
- Males	21.9	0
- Females	<u>25.0</u>	<u>0</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2020 £'000	2019 £'000
0.5% decrease in real discount rate	237	0
0.5% increase in the salary increase rate	27	0
0.5% increase in the pension increase rate	<u>205</u>	<u>0</u>

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

	2020 Fair value £'000	2019 Fair value £
Equities	428	-
Bonds	379	-
Property	94	-
Other assets	<u>48</u>	<u>-</u>
Total market value of assets	<u>949</u>	<u>-</u>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Pension and similar obligations

The actual return on scheme assets was £46,000 (2019: £-).

Amount recognised in the Statement of Financial Activities	2020 £'000	2019 £
Current service cost	239	-
Interest income	(15)	-
Interest cost	30	-
	<hr/>	<hr/>
Total operating charge	254	-
	<hr/>	<hr/>
Changes in the present value of defined benefit obligations	2020 £'000	2019 £
Transferred in on existing academies joining the academy trust	1,579	-
Current service cost	239	-
Interest cost	30	-
Employee contributions	31	-
Actuarial loss	82	-
	<hr/>	<hr/>
At 31 August 2020	1,961	-
	<hr/>	<hr/>
Changes in the fair value of the academy trust's share of scheme assets	2020 £'000	2019 £
Transferred in on existing academies joining the academy trust	732	-
Interest income	15	-
Actuarial gain	31	-
Employer contributions	140	-
Employee contributions	31	-
	<hr/>	<hr/>
At 31 August 2020	949	-
	<hr/>	<hr/>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £
Net income for the reporting period (as per the statement of financial activities)	7,795	-
Adjusted for:		
Net surplus on conversion to academy	(7,700)	-
Capital grants from DfE and other capital income	(530)	-
Defined benefit pension costs less contributions payable	99	-
Defined benefit pension scheme finance cost	15	-
Depreciation of tangible fixed assets	147	-
(Increase) in debtors	(576)	-
Increase in creditors	292	-
Stocks, debtors and creditors transferred on conversion	232	-
Net cash used in operating activities	<u>(226)</u>	<u>-</u>

20 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	-	214	214
	<u>-</u>	<u>214</u>	<u>214</u>

21 Commitments under operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £
Amounts due within one year	2	-
Amounts due in two and five years	4	-
	<u>6</u>	<u>-</u>

22 Capital commitments

	2020 £'000	2019 £
Expenditure contracted for but not provided in the accounts	462	-
	<u>462</u>	<u>-</u>

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

23 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 trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

The academy trust obtained training services from First4Maths Ltd totalling £6,310. The wife of Mr Priddey, the headteacher at Sandiway Primary school, is a director of that company. The services were not provided to the trust at cost. In entering into the transactions the trust has not complied with the requirements of the Academies Financial Handbook 2019 in reporting them to the ESFA using the online form.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

25 Conversion to an academy

On 1 October 2019 Cuddington Primary School, Little Leigh Primary School and Sandiway Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Create Learning Trust from Cheshire West and Chester Borough Council for £nil consideration.

The transfers have been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Cuddington Primary School	Northwich	1 October 2019
Little Leigh Primary School	Northwich	1 October 2019
Sandiway Primary School	Northwich	1 October 2019

CREATE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

25 Conversion to an academy

Net assets transferred

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total £'000
Cuddington Primary School				
Leasehold land and buildings	-	-	2,751	2,751
Other fixed assets	-	-	12	12
Surplus on local authority funds	112	-		112
LGPS pension deficit	0	(406)		(406)
	<u>112</u>	<u>(406)</u>	<u>2,763</u>	<u>2,469</u>
Little Leigh Primary School				
Leasehold land and buildings	-	-	2,574	2,574
Other fixed assets	-	-	7	7
Surplus on local authority funds	37	-		37
LGPS pension deficit	-	(111)		(111)
	<u>37</u>	<u>(111)</u>	<u>2,581</u>	<u>2,507</u>
Sandiway Primary School				
Leasehold land and buildings	-	-	2,967	2,967
Other fixed assets	-	-	4	4
Surplus on local authority funds	83	-		83
LGPS pension deficit	-	(330)		(330)
	<u>83</u>	<u>(330)</u>	<u>2,971</u>	<u>2,724</u>
Totals	<u>232</u>	<u>(847)</u>	<u>8,315</u>	<u>7,700</u>

The leasehold land and buildings were all transferred to the Academy Trust under lease agreements with a term of 125 years and a peppercorn rent.