

**The Robert Carre Trust
(A Company Limited by Guarantee)**

The Trustees Annual Report and Financial Statements

Year ended 31 August 2018

**Company Registration Number:
07671174 (England and Wales)**

The Robert Carre Trust

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The Robert Carre Trust

Reference and administrative details

Members

R Baker
RA Hutton
R Hockmeyer – (appointed 20 April 2018)
Rev P Johnson
S Hopkins – Resigned 7 September 2017

Trustees

R Baker* (appointed as Chairman 5 July 2018)
L Barr (resigned 26 January 2018)
K Bradford*
R Hockmeyer (resigned 19 March 2018)
D Hodgson (appointed 27 April 2018)
NM Law*(Executive Headteacher and Accounting Officer)
M Robertson *
S Hopkins (resigned 4 July 2018)
GD Titmus
V Andrew (appointed 13 September 2018)
M Housley (appointed 13 September 2018)

*Also members of the Finance and Resources Committee

Company Secretary

J Green

Senior Management Teams

Executive Headteacher - N Law
Director of Finance, Administration and Resources- J Green

Carre's Grammar School

Deputy Headteacher – J Holland
Assistant Headteacher – K Jones
Assistant Headteacher – A Wilkinson

The Kesteven and Sleaford High School

Head of School - J Smith
Assistant Headteacher – D Collett
Assistant Headteacher – C Green
Assistant Headteacher – C Tipper
Assistant Headteacher – G White

The Robert Carre Trust

Company Name – The Robert Carre Trust

Principal and Registered Office

Northgate
Sleaford
Lincolnshire
NG34 7DD

Company Registration number 07671174
(England and Wales)

Independent Auditor

Duncan and Toplis Limited
15 Chequergate
Louth
Lincolnshire
LN11 0LJ

Bankers

Lloyds Bank
2 Northgate
Sleaford
Lincolnshire
NG34 7BL

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham NG2 1BJ.

The Robert Carre Trust

Trustees' Report

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

Structure, Governance and Management

Constitution

The Robert Carre Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Charitable Company was entitled Carre's Grammar School Academy Trust and it formed the Multi Academy Trust on 1 September 2015. Carre's Grammar School Academy Trust changed its name to The Robert Carre Trust on 5 September 2015.

The Kesteven and Sleaford High School joined The Robert Carre Trust on 1 September 2015. The Trustees act as the Trustees for the charitable activities of The Robert Carre Trust. The Trustees are the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Robert Carre Trust.

Details of the Trustees who served throughout the year except as noted are included in the Reference and administrative details on page 1.

Members' Liability

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

Trustees' Indemnities

The Trustees are Directors of the Charitable Company for the purposes of the Companies Act 2006.

The Robert Carre Trust have opted in to the Department for Education's Risk Protection Arrangement (RPA) which provides unlimited professional indemnity insurance cover. This is purchased by the Trust. This cover applies to all Trustees of the trust acting in accordance with the role of professional responsibilities of the Multi Academy Trust.

Method of Recruitment and Appointment and Election of Trustees

The Members appoint the majority of the Trustees. Local Governing Body governors include two elected parent governors. The training and induction provided to Trustees will depend on their experience. Where necessary training in educational and financial matters will be provided. All new Trustees are given a tour of the Trust schools and the opportunity to meet with staff and students. Training is specifically tailored to the needs of the Trustee or governor.

Organisational Structure

There is a clear governance and management structure to control the way in which the Robert Carre Trust is run. The structure consists of four levels; the Members, the Trustees, the Local Governors and the Senior Leadership Teams. The management philosophy of the Trust is to delegate responsibility and encourage involvement in decision-making at all levels within the terms of the agreed Scheme of Delegation.

The Trustees are responsible for the strategic direction of Robert Carre Trust. This includes ensuring accountability for the roles and exploring opportunities for increased efficiencies across the Trust in order to drive forward the raising of standards. This includes setting general policy, reviewing Development Plans and capacity levels, adopting an annual plan and budget, monitoring the use of resources and budgets and making strategic decisions about the direction of the trust, capital expenditure and leadership and staff appointments.

The Governors and Senior Leadership Teams control the academies within the trust at an executive level, implementing policies laid down by the Directors and reporting back to them.

The Robert Carre Trust

During the 12 month review the Trustees have held 7 trustee meetings, including training, and additional various committee meetings (the Trust has 4 committees). All Trustees receive copies of all documentation such as policies, reports, procedures and budgets in advance of any meetings. These are all placed in the bespoke Governor's Virtual Office.

The Trust at present does not have any business sponsors; however, the Trust does work closely with the primary Heads from the feeder schools and other academies within the area and the Local Authority.

Arrangements for setting pay and remuneration of key management personnel

The Pay Committee meets twice per annum to determine the pay and remuneration of the academy's key management personnel. This includes any external advisors and benchmarks. There is a rigorous staff performance management process across the Trust.

Trade Union facility time

Number of employees who were relevant union officials during the relevant period	Full Time equivalent employee number
None	None

Percentage of time spent on facility time

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

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	N/A

Paid Trade Union Activities

Time spent on paid trade union activities as a percentage paid of total paid facility time hours	N/A
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Related Parties and other connected Charities and Organisations

The Trust is not part of any formal federation with other schools but does work closely with the primary school Heads from the feeder schools, St George's Academy which is part of the Sleaford Joint Sixth Form, and the Local Authority.

The Robert Carre Trust

Objectives and Activities

Objects and aims

The Carre's Grammar school has a long and proud history of achievement dating back to 1604, and Kesteven and Sleaford School to 1902. Building on these foundations the Robert Carre Trust is focussed on meeting the contemporary needs of current and future students and preparing them for the world of tomorrow. The Trusts aims to provide opportunities at all levels for developing the character of the students in its schools and unlocking their potential through their participation in a wide range of educational experiences. This is provided by committed and professionally focussed staff who desire the attainment of excellence in teaching and learning outcomes. A culture of leadership and sense of community based on clearly expressed core values remains a key focus. The Trusts aims are to build upon the achievements of all the schools in the trust, utilising the current strengths to improve the areas that need developing, whilst recognising the opportunities that can be exploited and potential threats that require mitigation. This enables the Trust to create a learning community in which every individual has the opportunities to attain his/her potential, intellectually, socially and personally, in a mutually supportive environment.

Objectives, Strategies and Activities

The principal object and activity of the Charitable Company is the operation of the Robert Carre Trust to provide education for students of different abilities between the ages of 11 and 19. In accordance with the Articles of Association the Charitable Company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Robert Carre Trust aims:

- to develop a vibrant educational community that is a beacon of excellence in teaching and learning, administration and governance;
- to create a distinctive partnership of schools for local people;
- to strengthen the partnership by valuing the individuality of our partner schools;
- to foster a culture where autonomy and accountability go hand in hand;
- to make the schools affiliated to the Robert Carre Trust great places to study and work;
- to share expertise and bring together best practice and the best practitioners;
- to recruit, retain and develop the best staff and future leaders locally; and
- to achieve efficiency savings for mutual benefit in the procurement of goods and services.

Public Benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Staff and students at both schools in the Robert Carre Trust are encouraged to have high expectations. Gifted students are stretched; all students are motivated by the choice of academic subjects on offer. The expectation is for all students to give of their best and to expect to be educated throughout their lives and to develop a vibrant educational community that is a beacon of excellence in teaching and learning, administration and governance.

At the heart of the local community, the Trust encourages diversity, and promotes inclusion within a selective setting, adding real value to learners' educational experiences. It works with local schools and partners in education, health, the arts and business, to extend learning opportunities beyond the classroom, promoting collaboration, innovation and lifelong learning.

The students are encouraged to be caring citizens who respect themselves and others, being consulted and listened to. They take pride in themselves and their school, respecting others' rights to learn free from fear of failure or intimidation. They are contributors to the cultural life of the school and community, participating in and leading the diverse range of extended opportunities made possible by the energy and enthusiasm of staff.

Students are encouraged to see themselves as effective communicators and participators in their own learning. They are users of new technologies, extending their learning beyond the classroom. They should be equally confident as independent or team workers and are able to apply transferable and employability skills in our rapidly changing world.

Students receive quality advice and guidance in order for them to make informed choices. Teaching is inspirational and aspirational and takes account of students' abilities, needs and ambitions in order to promote learning for life and achievement for all.

The Robert Carre Trust

The Trust's make a significant investment in the quality of the staff team in order to secure maximum benefit for the students. The team adds value to the trust and its students through their professional skills and motivation. All colleagues are encouraged to see themselves as lifelong learners, looking for opportunities to improve their practice and supporting others to do the same. All colleagues are encouraged to be professionally confident partners in rigorous and robust self-evaluation where there is a culture of accountability, identifying and removing barriers to learning, and engaging in partnership with parents and carers to maximise learner potential through a variety of approaches and support

The Robert Carre Trust

Strategic Report

Achievements and Performance

Robert Carre Trust Results 2018

A Level

A*-E 99%

A*-C 83%

A*-B 57%

Oxbridge Successes

- | | | |
|----------------------------|-----------|--------------------------------------|
| • Georgia Appleyard (CGS) | Cambridge | Asian and Middle Eastern Studies |
| • Clea Butcher (KSHS) | Oxford | English |
| • Molly Desorgher (KSHS) | Cambridge | Engineering |
| • Megan Hackett (KSHS) | Cambridge | Modern and Medieval Languages |
| • Saffron Jackson (CGS) | Cambridge | Human, Social and Political Sciences |
| • Alexander McGinley (CGS) | Oxford | PPE |

Destination Data

- 82% of students applied for a university place.
- 75% will take up their first choice (Firm). (Of these, 29% were unconditional offers)
- 9% will take up their second choice (Insurance)
- 8% have taken up places through Clearing
- 2% have decided to not take up their university places

GCSE

5A*-C/4+ 97%

5A*-C/4+ including E and M 96%

EBacc – percentage entered 91%

EBacc – average point score 6.02

The Robert Carre Trust

Carre's Grammar School

Carre's Grammar School Results

A Level

Total number of students taking A2s 135

Percentage awarded each grade

	%	Cum %
A*	7.0	7.0
A	21.8	28.8
B	27.9	56.7
C	26.0	82.7
D	10.9	93.6
E	5.3	98.9
U	1.1	100.0

Average Points Per A Level entry (UCAS points)

APS	35.2
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The Robert Carre Trust

GCSE

	All Students (105)	SEN K (14)	FSM 6 (9)	Service (15)
Average Attainment 8 score per student	6.3	5.0	5.5	7.2
Students 5+ grade 5 or above including EM	78.1%	42.9%	88.9%	93.3%
Students 5+ grade 4 or above including EM	95.2%	64.3%	88.9%	100%
Students at grade 4 or above in English only	96.2%	71.4%	88.9%	100%
Students at grade 5 or above in English only	83.8%	42.9%	88.9%	93.3%
Students at grade 4 or above in Maths only	99.0%	92.9%	100%	100%
Students at grade 5 or above in Maths only	91.4%	78.6%	100%	100%
Students 5 or more grades 7+/A+	42.9%	21.4%	11.1%	80%
Entries A+/7+	36.9%	19.7%	13.6%	62.5%
Ebacc – APS NEW for 2018	5.90	4.55	4.91	6.84
Students 5+ grade 1 or above	100%	100%	100%	100%
Students at Grade 4 and above in English and Maths	96.2%	71.4%	88.9%	100%
Students at Grade 5 and above in English and Maths	80.0%	42.9%	88.9%	93.3%

The Robert Carre Trust

Kesteven and Sleaford High School (KSHS)

Kesteven and Sleaford High School Results

A Level

Total number of students taking A2s 71

Percentage awarded each grade

	%	Cum %
A*	10.1	10.1
A	25.0	35.1
B	22.9	58.0
C	25.0	83.0
D	11.8	94.8
E	4.7	99.5
U	0.5	100

Average Points Per entry (UCAS points)

APS	36.38
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The Robert Carre Trust

GCSE

	All Students %	SEN K (14)	SEN E (1)	FSM 6 (7)	Service (17)
Average Attainment 8 score per pupil	6.3	6.3	4.2	6.1	6.2
Students 5+ grade 5 or above including EM	84.4%	85.7%	0%	71.4%	76.5%
Students 5+ grade 4 or above including EM	95.4%	100%	100%	100%	94.1%
Students at grade 4 or above in English only	98.2%	100%	100%	100%	94.1%
Students at grade 5 or above in English only	93.6%	92.9%	100%	85.7%	82.4%
Students at grade 4 or above in Maths only	98.2%	100%	100%	100%	100%
Students at grade 5 or above in Maths only	89.9%	85.7%	0%	71.4%	100%
Students 5 or more grades 7+/A+	43.1%	42.9%	0%	28.6%	35.3%
Entries A+/7+	40.9%	35.3%	0%	36.4%	36.6%
Ebacc (APS) NEW for 2018	6.17	6.23	3.17	5.33	6.17
Students 5+ grade 1 or above	100%	100%	100%	100%	100%
Students at Grade 4 and above in English and Maths	96.43%	100%	100%	100%	94.1%
Students at Grade 5 and above in English and Maths	87.1%%	88.2%	0%	71.4%	82.4%

The Robert Carre Trust

Going Concern

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next few years. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

Financial Review

Throughout the period of the report the Trust has continued to follow its Financial Regulations and Policy Manual. There have been no significant events. The principal sources of funding have been from GAG Funding augmented by some trading activity. Additional cash contributions were made to the Carre's Grammar School Local Government Pension Scheme of £29,000 and of the Kesteven and Sleaford High School Local Government Pension Scheme of £17,000.

Reserves Policy

Demands on the Trust reserves are expected to vary over the coming years and therefore the policy is that the level of reserves should not fall below £550,000 without special consideration. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

During the year ending 31 August 2018 total expenditure excluding depreciation was £9,330,257. This compares to unrestricted and restricted income of £8,712,329 (excluding non-recurrent capital funding in the fixed assets fund), to give an excess of expenditure over income on revenue funding totalling £617,928.

After adjusting for the effects of capital grants received and depreciation, whose net effect is an accounting charge of £1,056,646, the total deficit for the year amounted to £1,674,574.

At 31 August 2018 the net book value of fixed assets was £16,131,266. The assets were used exclusively for providing education and the associated support services to the students of the Academy. The value of these fixed assets are included in the restricted fixed asset fund which totals £16,139,340 and can only be realised if the assets are disposed of.

The Academy held fund balances at 31 August 2018 of £1,088,313 which comprise £57,558 of restricted funds (i.e. unspent GAG and other grant funding) and £1,030,755 of unrestricted funds (donations and sundry income).

The Local Government Pension Scheme Deficit position improved during the year, principally due to a change in actuarial assumptions and now stands at a deficit of £2,259,000 from £2,758,000 at the previous balance sheet date.

Investment Policy

The Trustees have directed that investments are only to be made with "Blue Chip" institutions. Cash and bank holdings in excess of daily requirements are to be invested to obtain further income for the Trust.

Principal Risks and Uncertainties

The Principal Risks and Uncertainties faced by the school centre around the financial position due to continuing reductions in Government funding and increases in national insurance and pension contributions that are largely outside the Trustees' control. There are further DfE funding reforms being proposed of which the detail is uncertain.

Plans for Future Periods

The Robert Carre Trust will continue striving to improve the levels of performance of its students at all levels and continue its efforts to ensure its students obtain employment, training or a place in higher education once they leave.

In the coming year the Trust will progress its vision of becoming a co-educational school on a new site and will explore options relating to increasing the number of its schools and the potential advantages of amalgamating with another Trust.

The Robert Carre Trust

Funds held as Custodian Trustee on behalf of others [see SORP paragraph 59]

There are no funds held as Custodian Trustees on behalf of others

Auditor

Insofar as the Trustees are aware:

- there is no relevant audit information of which the trusts' auditor is unaware; and
- the Trustees have taken all steps to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

It is proposed that the auditors are reappointed at the AGM convened on 13 December 2018.

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

.....
R Baker
Chair

13 December 2018

The Robert Carre Trust

Governance Statement

Trustees' Statement Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that The Robert Carre 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 Trustees have delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Robert Carre Trust and the Secretary of State for Education. The Executive Headteacher is also responsible for reporting to the Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Trustees have formally met 7 times during the year (including for training). Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible
R Baker	7	7
L Barr	1	2
K Bradford	6	7
R Hockmeyer	4	4
S Hopkins	5	5
NM Law	7	7
M Robertson	6	7
G Titmus	6	7

The Finance and Resources Committee

This committee is a Committee of the Trustees and has met formally 5 times during the year. Attendance during the year at meetings of the Finance and Resources Committee was as follows:

Governor	Meetings attended	Out of a possible
CJ Boyce	3	5
R Baker	5	5
K Bradford	5	5
NM Law	5	5
S Oakden	3	5
M Robertson	5	5

Review of value for money

As accounting officer the Executive Headteacher 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 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:

- Reviewing the curriculum
- Reviewing support services contracts
- Reviewing the "Trading functions" of the Trust

The Robert Carre Trust

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 the Robert Carre trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

The Trustees have assessed the major risks to which the academy is exposed in particular to those risks relating to teaching provision, financial and health and safety. They have introduced systems (e.g. internal financial controls) to mitigate these risks and have also ensured that they have adequate insurance cover. The Trust has a system of internal financial control and this is detailed in the following statement:

The Trustees acknowledge that they have overall responsibility to ensure that the Robert Carre Trust has an effective and efficient system of control both financial and otherwise. They have responsibility for keeping proper accounting records which disclose, with proper accuracy, the financial position of the Trust to enable us to ensure that the financial statements comply with the Companies Act. They also acknowledge our responsibility for correctly safeguarding the assets of the schools in the Trust and for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The school is operating effectively;
- The assets are safeguarded against unauthorised use or disposition;
- That proper records are maintained and information published is reliable; and
- The Trust complies with relevant laws and regulations.

The Register of Interests

Trustees recognise that all Trustees, staff and governors, whether they have significant financial or spending powers on behalf of the Trust, or are in a position to order goods for their department, demonstrate that they do not benefit personally from any decisions they make. At the start of each academic year all staff and governors declare, by signing a statement, any financial interests they have in companies/individuals from which the Trust may purchase goods or services. In addition, the opportunity to declare any new conflicts of interests is at every Members, Trustees and Local Governing Body meeting and all sub-committee meetings as it is a mandatory agenda item.

The disclosures should also include business interests of relatives or business partners, where influence could be exerted over a governor or a member of staff by that person. This does not detract from the duties of Members, Trustees, governors and staff to declare interests whenever they are relevant to matters being discussed. Where an interest has been declared, Members, Trustees, governors and staff should not attend that part of any committee or other meeting.

Connected Organisations, including Related Party Relationships

The Trust is not part of any formal federation with other schools but does work closely with the primary school Heads from the feeder schools, St George's Academy which is part of the Sleaford Joint Sixth Form, and the Local Authority.

Capacity to Handle Risk

The Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees.

The Robert Carre Trust

The Risk and Control Framework

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

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

The Trustees have considered the need for a specific internal audit function and has decided that this function can be carried out by Duncan and Toplis Limited as part of their appointment as the Trust's auditors and accountants.

Financial and Risk Management Objectives and Policies

The Trustees have reviewed the key risks to which the Trust is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trustees following an initial review by the Finance and Resources Committee.

Review of Effectiveness

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

- the work of the external auditor;
- the work of the Director of Finance, Administration and Resources within the Trust who has responsibility for the production of the Management and Financial Accounts.

Approved by order the Trustees of the Robert Carre Trust on 13 December 2018 and signed on its behalf by:

.....
R Baker
Chair

.....
NM Law
Accounting Officer

The Robert Carre Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Carre's Grammar School Academy Trust I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

.....
NM Law
Accounting Officer

13 December 2018

The Robert Carre Trust

Statement of Trustees' Responsibilities

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

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the academy and of the incoming resources and application of resources, including the income and expenditure, of the academy for the year. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy 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 academy applies financial and other controls which conform to the requirements both of propriety and good financial management. They are also responsible for ensuring that grants received from the Education and Skills Funding Agency and Department for Education have been applied for the purposes intended.

Insofar as the Trustees are aware:

- there is no relevant audit information of which the academy'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 are responsible for the maintenance and integrity of the corporate and financial information included on the academy's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the Trustees on 13 December 2018 and signed on its behalf by:

.....
R Baker
Chair

THE ROBERT CARRE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROBERT CARRE TRUST**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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 financial statements are authorised for issue.

OTHER INFORMATION

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

THE ROBERT CARRE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROBERT CARRE TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Group and the parent Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Group 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:

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent 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 Group or the parent Trust or to cease operations, or have no realistic alternative but to do so.

THE ROBERT CARRE TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
ROBERT CARRE TRUST**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Nicholas Cudmore FCA (Senior statutory auditor)

for and on behalf of

Duncan and Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate
Louth
Lincolnshire
LN11 0LJ
14 December 2018

THE ROBERT CARRE TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE ROBERT
CARRE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 September 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Robert Carre Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE ROBERT CARRE TRUST'S ACCOUNTING OFFICER AND THE
REPORTING AUDITORS**

The Accounting Officer is responsible, under the requirements of The Robert Carre Trust's funding agreement with the Secretary of State for Education dated 1 September 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE ROBERT CARRE TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE ROBERT
CARRE TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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

Nicholas Cudmore FCA (Senior statutory auditor)

for and on behalf of

Duncan and Toplis Limited

Chartered Accountants and Statutory Auditors

15 Chequergate

Louth

Lincolnshire

LN11 0LJ

14 December 2018

THE ROBERT CARRE TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	9,191	-	96,846	106,037	33,419
Charitable activities:	3					
Funding for the Academy's educational operations		-	7,120,067	-	7,120,067	7,279,294
Other trading activities	4	967,450	605,568	-	1,573,018	1,195,120
Investments	5	10,053	-	-	10,053	8,354
TOTAL INCOME		986,694	7,725,635	96,846	8,809,175	8,516,187
EXPENDITURE ON:						
Academy trust educational operations		888,602	8,441,655	1,153,492	10,483,749	9,499,154
TOTAL EXPENDITURE	8	888,602	8,441,655	1,153,492	10,483,749	9,499,154
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	98,092	(716,020)	(1,056,646)	(1,674,574)	(982,967)
		-	(81,970)	81,970	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		98,092	(797,990)	(974,676)	(1,674,574)	(982,967)
Actuarial gains on defined benefit pension schemes	24	-	880,000	-	880,000	1,554,000
NET MOVEMENT IN FUNDS		98,092	82,010	(974,676)	(794,574)	571,033
RECONCILIATION OF FUNDS:						
Total funds brought forward		932,663	(2,283,452)	17,114,016	15,763,227	15,192,194
TOTAL FUNDS CARRIED FORWARD		1,030,755	(2,201,442)	16,139,340	14,968,653	15,763,227

THE ROBERT CARRE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07671174

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		16,131,266		17,105,063
CURRENT ASSETS					
Debtors	16	148,266		261,926	
Cash at bank and in hand		1,553,179		1,843,228	
			1,701,445		2,105,154
CREDITORS: amounts falling due within one year	17	(605,058)		(684,634)	
NET CURRENT ASSETS			1,096,387		1,420,520
TOTAL ASSETS LESS CURRENT LIABILITIES			17,227,653		18,525,583
CREDITORS: amounts falling due after more than one year	18		-		(4,356)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			17,227,653		18,521,227
Defined benefit pension scheme liability	24		(2,259,000)		(2,758,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			14,968,653		15,763,227
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	57,558		474,548	
Restricted fixed asset funds	19	16,139,340		17,114,016	
Restricted income funds excluding pension liability		16,196,898		17,588,564	
Pension reserve		(2,259,000)		(2,758,000)	
Total restricted income funds			13,937,898		14,830,564
Unrestricted income funds	19		1,030,755		932,663
TOTAL FUNDS			14,968,653		15,763,227

The financial statements on pages 24 to 56 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

R Baker
Chair of Trustees

THE ROBERT CARRE TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07671174

TRUST BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		16,131,266		17,105,063
Investments	15		1		1
			<u>16,131,267</u>		<u>17,105,064</u>
CURRENT ASSETS					
Debtors	16	156,842		323,107	
Cash at bank		1,539,144		1,782,046	
		<u>1,695,986</u>		<u>2,105,153</u>	
CREDITORS: amounts falling due within one year	17	(599,600)		(684,634)	
			<u>1,096,386</u>		<u>1,420,519</u>
NET CURRENT ASSETS			<u>1,096,386</u>		<u>1,420,519</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,227,653</u>		<u>18,525,583</u>
CREDITORS: amounts falling due after more than one year	18		-		(4,356)
			<u>17,227,653</u>		<u>18,521,227</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>17,227,653</u>		<u>18,521,227</u>
Defined benefit pension scheme liability	24		(2,259,000)		(2,758,000)
			<u>14,968,653</u>		<u>15,763,227</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>14,968,653</u>		<u>15,763,227</u>
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds		36,385		413,008	
Restricted fixed asset funds		16,139,340		17,114,016	
		<u>16,175,725</u>		<u>17,527,024</u>	
Restricted funds excluding pension asset		16,175,725		17,527,024	
Pension reserve		(1,878,000)		(2,758,000)	
		<u>14,297,725</u>		<u>14,769,024</u>	
Total restricted funds			14,297,725		14,769,024
Unrestricted funds			670,928		994,203
			<u>14,968,653</u>		<u>15,763,227</u>
TOTAL FUNDS			<u>14,968,653</u>		<u>15,763,227</u>

THE ROBERT CARRE TRUST
(A company limited by guarantee)

TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

R Baker
Chair of Trustees

The notes on pages 29 to 56 form part of these financial statements.

THE ROBERT CARRE TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(171,288)</u>	<u>(382,003)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(179,695)	(9,926)
Capital grants from DfE Group		<u>36,846</u>	<u>29,586</u>
Net cash (used in)/provided by investing activities		<u>(142,849)</u>	<u>19,660</u>
Interest received		<u>10,053</u>	<u>8,354</u>
Net cash provided by financing activities		<u>10,053</u>	<u>8,354</u>
Change in cash and cash equivalents in the year		<u>(304,084)</u>	<u>(353,989)</u>
Cash and cash equivalents brought forward		<u>1,843,228</u>	<u>2,197,217</u>
Cash and cash equivalents carried forward	22	<u><u>1,539,144</u></u>	<u><u>1,843,228</u></u>

THE ROBERT CARRE TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

The Robert Carre Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

1.2 Going concern

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

THE ROBERT CARRE TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

THE ROBERT CARRE TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Basis of consolidation

The financial statements consolidate the accounts of The Robert Carre Trust and all of its subsidiary undertakings ('subsidiaries').

The Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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 other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% on cost
Furniture and fixtures	-	25% on cost
Improvements to property	-	10% on cost

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 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Operating leases

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

THE ROBERT CARRE TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.9 Debtors

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

1.10 Cash at bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

1.13 Taxation

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

THE ROBERT CARRE TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.15 Agency arrangements

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

1.16 Fund accounting

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

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

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

THE ROBERT CARRE TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.18 Non-statutory severance payments

Non-statutory severance payments are recognised in the period in which they are made.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Donations	9,191	-	60,000	69,191	3,834
Capital Grants	-	-	36,846	36,846	29,585
	9,191	-	96,846	106,037	33,419
<i>Total 2017</i>	<i>3,834</i>	<i>-</i>	<i>29,585</i>	<i>33,419</i>	

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FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,857,680	6,857,680	7,035,972
Pupil Premium	-	156,767	156,767	153,053
Other DfE/ESFA Revenue grants	-	540	540	-
	-	7,014,987	7,014,987	7,189,025
Other government grants				
Other government revenue grants	-	28,800	28,800	28,729
SEN 1-1 Funding	-	76,280	76,280	61,540
	-	105,080	105,080	90,269
	-	7,120,067	7,120,067	7,279,294
<i>Total 2017</i>	-	7,279,294	7,279,294	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	461,888	-	461,888	413,666
Sale of goods	-	-	-	207
Lettings income	180,192	-	180,192	188,543
Trading subsidiary, school fund and other income	325,370	605,568	930,938	592,704
	967,450	605,568	1,573,018	1,195,120
<i>Total 2017</i>	803,165	391,955	1,195,120	

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FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	10,053	-	10,053	8,354
<i>Total 2017</i>	8,354	-	8,354	

6. DIRECT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	746,868	746,868	635,813
Technology costs	32,651	32,651	7,954
Examination fees	186,015	186,015	200,710
Staff development	14,200	14,200	13,310
Educational consultancy	36,853	36,853	22,961
Other costs	3,305	3,305	4,160
Wages and salaries	4,439,198	4,439,198	4,518,873
National insurance	434,998	434,998	453,890
Pension cost	849,007	849,007	824,390
Depreciation	1,153,492	1,153,492	403,563
	7,896,587	7,896,587	7,085,624
<i>Total 2017</i>	7,085,624	7,085,624	

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7. SUPPORT COSTS

	Educational operations £	Total 2018 £	Total 2017 £
Technology costs	56,027	56,027	25,539
Maintenance of premises and equipment	134,420	134,420	126,246
Cleaning	47,501	47,501	42,586
Rent and rates	105,178	105,178	91,436
Energy costs	133,884	133,884	115,899
Insurance	63,788	63,788	65,917
Transport	33,137	33,137	26,555
Telephone, postage and stationery	101,291	101,291	103,080
Catering	235,377	235,377	224,352
Other costs	159,698	159,698	184,918
Bank interest and charges	7,323	7,323	4,271
Operating leases - other	26,891	26,891	26,054
Auditors' remuneration	12,203	12,203	16,694
Legal and professional	38,352	38,352	64,902
Wages and salaries	1,021,936	1,021,936	929,741
National insurance	80,022	80,022	73,196
Pension cost	330,134	330,134	292,144
	<u>2,587,162</u>	<u>2,587,162</u>	<u>2,413,530</u>
<i>Total 2017</i>	<u>2,413,530</u>	<u>2,413,530</u>	

During the year ended 31 August 2018, the Trust incurred the following Governance costs:

£50,555 (2017 - £104,557) included within the table above in respect of Funding for the academy trust's educational operations.

£NIL (2017 - £NIL) included within the table above in respect of Provision of boarding activities.

8. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Funding for the academy:					
Direct costs	5,723,203	1,153,492	1,019,892	7,896,587	7,085,624
Support costs	1,432,092	416,101	738,969	2,587,162	2,413,530
	<u>7,155,295</u>	<u>1,569,593</u>	<u>1,758,861</u>	<u>10,483,749</u>	<u>9,499,154</u>
<i>Total 2017</i>	<u>7,092,234</u>	<u>623,985</u>	<u>1,782,935</u>	<u>9,499,154</u>	

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

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charitable group *	1,153,492	403,562
Auditors' remuneration - audit	11,000	11,000
Auditors' remuneration - other services	1,203	5,694
Operating lease rentals	26,891	26,054
	<u>1,192,586</u>	<u>446,310</u>

Depreciation for the year has increased by £655,693 to reflect a unification of useful economic lives of the Properties occupied by the Trust. The alignment of depreciation rates has led to a non-recurring charge in the current year to bring accumulated depreciation into line and representative of cumulative use.

THE ROBERT CARRE TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,432,426	5,428,357
Social security costs	515,020	527,086
Operating costs of defined benefit pension schemes	1,179,141	1,116,534
	7,126,587	7,071,977
Agency staff costs	28,708	8,307
Staff restructuring costs	-	11,950
	7,155,295	7,092,234

Staff restructuring costs comprise:

	2018 £	2017 £
Severance payments	-	11,950
	-	11,950

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

Included in staff restructuring costs are non-statutory severance payments totalling £nil (2017: £11,950). The 2017 total was for one payment made on 30 March 2017.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	95	95
Management	11	11
Administration and support	110	110
	216	216
	216	216

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	82	85
Management	10	10
Administration and support	68	69
	160	164
	160	164

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

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2018	<i>2017</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	4	<i>3</i>
In the band £70,001 - £80,000	0	<i>1</i>
In the band £80,001 - £90,000	1	<i>0</i>
In the band £90,001 - £100,000	0	<i>1</i>
In the band £100,001 - £200,000	1	<i>0</i>

The above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year, pension contributions for the members of staff amounted to £72,873 (2017: £62,389).

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £766,777 (2017: £686,088).

11. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	<i>2017</i>
		£	<i>£</i>
N Law - Headteacher	Remuneration	100,000-105,000	<i>95,000-100,000</i>
	Pension contributions paid	15,000-20,000	<i>15,000-20,000</i>

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

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to 0 Trustees).

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

13. TRUSTEES' AND OFFICERS' INSURANCE

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 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.

14. TANGIBLE FIXED ASSETS

Group	Long leasehold property £	Improve- ments to property £	Improve- ments to property £	Computer equipment £	Total £
Cost					
At 1 September 2017	17,712,378	222,935	666,969	408,033	19,010,315
Additions	-	23,632	135,995	20,068	179,695
Reclassification	(285,565)	-	285,565	-	-
At 31 August 2018	<u>17,426,813</u>	<u>246,567</u>	<u>1,088,529</u>	<u>428,101</u>	<u>19,190,010</u>
Depreciation					
At 1 September 2017	1,062,769	183,839	335,347	323,297	1,905,252
Charge for the year	962,732	32,288	108,315	50,157	1,153,492
At 31 August 2018	<u>2,025,501</u>	<u>216,127</u>	<u>443,662</u>	<u>373,454</u>	<u>3,058,744</u>
Net book value					
At 31 August 2018	<u>15,401,312</u>	<u>30,440</u>	<u>644,867</u>	<u>54,647</u>	<u>16,131,266</u>
At 31 August 2017	<u>16,649,609</u>	<u>39,096</u>	<u>331,622</u>	<u>84,736</u>	<u>17,105,063</u>

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

Trust	Long leasehold property £	Improve- ments to property £	Improve- ments to property £	Computer equipment £	Total £
Cost					
At 1 September 2017	17,712,378	222,935	666,969	408,033	19,010,315
Additions	-	23,632	135,995	20,068	179,695
Reclassification	(285,565)	-	285,565	-	-
At 31 August 2018	<u>17,426,813</u>	<u>246,567</u>	<u>1,088,529</u>	<u>428,101</u>	<u>19,190,010</u>
Depreciation					
At 1 September 2017	1,062,769	183,839	335,347	323,297	1,905,252
Charge for the year	962,732	32,288	108,315	50,157	1,153,492
At 31 August 2018	<u>2,025,501</u>	<u>216,127</u>	<u>443,662</u>	<u>373,454</u>	<u>3,058,744</u>
Net book value					
At 31 August 2018	<u>15,401,312</u>	<u>30,440</u>	<u>644,867</u>	<u>54,647</u>	<u>16,131,266</u>
<i>At 31 August 2017</i>	<u>16,649,609</u>	<u>39,096</u>	<u>331,622</u>	<u>84,736</u>	<u>17,105,063</u>
Occupancy arrangements:					

The premises occupied by Carres Grammar School are occupied under a 125-year lease from The Official Custodian for Charities on behalf of The Foundation of Carre's Grammar School, for peppercorn rent. The lease was inceptioned on 1 August 2011.

The premises occupied by Kesteven and Sleaford High School are occupied under a 125-year lease from Lincolnshire County Council, again for peppercorn rent. The lease was inceptioned on 5 December 2011.

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

15. FIXED ASSET INVESTMENTS

Trust	Shares in group undertakings £
Market value	
At 1 September 2017 and 31 August 2018	1
Historical cost	1

Valuation

The investment relates to shares held in Carre's Grammar School Trading Limited. This company undertakes certain revenue-generating activities on behalf of, and gift aids its profits to, the Trust. The subsidiary's activity is ancillary to the objectives of the Trust and comprises lettings and catering sales to third parties and other schools, along with extra-curricular events and similar fundraising activities.

The investment is carried at cost because the subsidiary gift aids any annual profits to the academy and has no separable market value.

16. DEBTORS

	Group		Trust	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	7,462	115,463	880	34,123
Amounts owed by group undertakings	-	-	15,158	146,655
VAT recoverable	41,280	34,437	41,280	34,437
Other debtors	-	2,667	-	2,667
Prepayments and accrued income	99,524	109,359	99,524	105,225
	148,266	261,926	156,842	323,107

17. CREDITORS: Amounts falling due within one year

	Group		Trust	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	119,941	155,195	119,941	155,195
Other taxation and social security	129,138	130,613	127,078	130,613
Other creditors	133,096	138,332	133,096	138,332
Accruals and deferred income	222,883	260,494	219,485	260,494
	605,058	684,634	599,600	684,634

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

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

	Group		Trust	
	2018 £	2017 £	2018 £	2017 £
Deferred income				
Deferred income at 1 September 2017	155,685	73,123	155,685	73,123
Resources deferred during the year	132,658	155,685	129,260	155,685
Amounts released from previous years	(155,685)	(73,123)	(155,685)	(73,123)
Deferred income at 31 August 2018	132,658	155,685	129,260	155,685

Deferred income relates to revenue grants, music tuition income and school trip income received in advance.

Other creditors includes a loan of £4,300 (2017 - £9,669) from Salix which is payable in 10 equal instalments over 5 years, based on a 93% annual saving from the energy efficient lighting purchased.

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

	Group		Trust	
	2018 £	2017 £	2018 £	2017 £
Other creditors	-	4,356	-	4,356
	-	4,356	-	4,356

Other creditors includes a loan of £nil (2017 - £4,356) from Salix which is payable in 10 equal instalments over 5 years, based on a 93% annual saving from the energy efficient lighting purchased.

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

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General incl profits from trading subsidiary	932,663	986,694	(888,602)	-	-	1,030,755
Restricted funds						
General Annual Grant (GAG)	-	6,857,680	(7,251,737)	77	-	(393,980)
Donated income - Kesteven & Sleaford High School Selective Academy	256,829	-	-	(6,587)	-	250,242
Other DfE/ESFA grants	88,147	262,387	(262,387)	(55,460)	-	32,687
Government grants	14,575	-	-	-	-	14,575
School Fund	114,997	605,568	(546,531)	(20,000)	-	154,034
Pension reserve	(2,758,000)	-	(381,000)	-	880,000	(2,259,000)
	<u>(2,283,452)</u>	<u>7,725,635</u>	<u>(8,441,655)</u>	<u>(81,970)</u>	<u>880,000</u>	<u>(2,201,442)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	64,566	36,846	(52,883)	(17,433)	-	31,096
Capital expenditure from GAG	7,729,753	-	(242,014)	72,816	-	7,560,555
Donated income - Kesteven & Sleaford High School Selective Academy	9,319,697	60,000	(858,595)	26,587	-	8,547,689
	<u>17,114,016</u>	<u>96,846</u>	<u>(1,153,492)</u>	<u>81,970</u>	<u>-</u>	<u>16,139,340</u>
Total restricted funds	<u>14,830,564</u>	<u>7,822,481</u>	<u>(9,595,147)</u>	<u>-</u>	<u>880,000</u>	<u>13,937,898</u>
Total of funds	<u>15,763,227</u>	<u>8,809,175</u>	<u>(10,483,749)</u>	<u>-</u>	<u>880,000</u>	<u>14,968,653</u>

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

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

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

Local Government Grants includes funding provided for pupils with Statements of Special Educational Needs and is used by the academy to assist with the pupils education.

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

Devolved capital funding is that provided for academies to use as it sees fit in areas such as improvements to buildings or facilities, or the repair or refurbishment of such.

Other capital grants are provided to the academy based on specific bids for individual projects.

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

The pension reserve arises from the actuarial measurement of the Academy's share of the Local Government Pension Scheme. This deficit is recorded as a provision. The actuarial cost of employing staff during the year is initially reflected in the normal running costs of the school in the restricted pension fund. The amount included in resources expended represents the pension cost for the year charged to income and expenditure that arises from actuarial calculations of service cost rather than employer contributions paid, and amounts to £381,000. Actuarial gains and losses that arise from changes in assumptions by the actuary or wider influences are shown in the restricted pension fund, the movement this year being a net £880,000 actuarial decrease in the net pension fund deficit.

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Carre's Grammar School	840,246	978,624
Kesteven & Sleaford High School Selective Academy	248,067	428,587
Total before fixed asset fund and pension reserve	1,088,313	1,407,211
Restricted fixed asset fund	16,139,340	17,114,016
Pension reserve	(2,259,000)	(2,758,000)
Total	14,968,653	15,763,227

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

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Carre's Grammar School	2,877,282	784,701	382,270	668,619	4,712,872	4,474,150
Kesteven & Sleaford High School Selective Academy	2,531,000	723,555	359,093	636,809	4,250,457	4,211,526
Carres Grammar School Trading Limited	140,921	97,836	5,505	122,666	366,928	409,915
	<u>5,549,203</u>	<u>1,606,092</u>	<u>746,868</u>	<u>1,428,094</u>	<u>9,330,257</u>	<u>9,095,591</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General incl profits from trading subsidiary	922,872	815,353	(805,562)	-	-	932,663
Restricted funds						
General Annual Grant (GAG)	133,974	7,035,973	(7,180,653)	10,706	-	-
Donated income - Kesteven & Sleaford High School Selective Academy	355,513	-	(98,684)	-	-	256,829
Other DfE/ESFA grants	91,575	243,322	(246,750)	-	-	88,147
Government grants	19,863	-	(5,288)	-	-	14,575
School Fund	178,697	391,954	(455,654)	-	-	114,997
Pension reserve	(4,009,000)	-	(303,000)	-	1,554,000	(2,758,000)
	<u>(3,229,378)</u>	<u>7,671,249</u>	<u>(8,290,029)</u>	<u>10,706</u>	<u>1,554,000</u>	<u>(2,283,452)</u>

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

19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	110,440	29,585	(54,827)	(20,632)	-	64,566
Capital expenditure from GAG	7,973,908	-	(254,081)	9,926	-	7,729,753
Donated income - Kesteven & Sleaford High School Selective Academy	9,414,352	-	(94,655)	-	-	9,319,697
	<u>17,498,700</u>	<u>29,585</u>	<u>(403,563)</u>	<u>(10,706)</u>	<u>-</u>	<u>17,114,016</u>
Total restricted funds	<u>14,269,322</u>	<u>7,700,834</u>	<u>(8,693,592)</u>	<u>-</u>	<u>1,554,000</u>	<u>14,830,564</u>
Total of funds	<u>15,192,194</u>	<u>8,516,187</u>	<u>(9,499,154)</u>	<u>-</u>	<u>1,554,000</u>	<u>15,763,227</u>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General incl profits from trading subsidiary	922,872	815,353	(805,562)	-	-	932,663
	-	986,694	(888,602)	-	-	98,092
	<u>922,872</u>	<u>1,802,047</u>	<u>(1,694,164)</u>	<u>-</u>	<u>-</u>	<u>1,030,755</u>
Restricted funds						
General Annual Grant (GAG)	133,974	13,893,653	(14,432,390)	10,783	-	(393,980)
Donated income - Kesteven & Sleaford High School Selective Academy	355,513	-	(98,684)	(6,587)	-	250,242
Other DfE/ESFA grants	91,575	505,709	(509,137)	(55,460)	-	32,687
Government grants	19,863	-	(5,288)	-	-	14,575
School Fund	178,697	997,522	(1,002,185)	(20,000)	-	154,034
Pension reserve	(4,009,000)	-	(684,000)	-	2,434,000	(2,259,000)
	<u>(3,229,378)</u>	<u>15,396,884</u>	<u>(16,731,684)</u>	<u>(71,264)</u>	<u>2,434,000</u>	<u>(2,201,442)</u>

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19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	110,440	66,431	(107,710)	(38,065)	-	31,096
Capital expenditure from GAG	7,973,908	-	(496,095)	82,742	-	7,560,555
Donated income - Kesteven & Sleaford High School Selective Academy	9,414,352	60,000	(953,250)	26,587	-	8,547,689
	<u>17,498,700</u>	<u>126,431</u>	<u>(1,557,055)</u>	<u>71,264</u>	<u>-</u>	<u>16,139,340</u>
	<u>14,269,322</u>	<u>15,523,315</u>	<u>(18,288,739)</u>	<u>-</u>	<u>2,434,000</u>	<u>13,937,898</u>
Total of funds	<u><u>15,192,194</u></u>	<u><u>17,325,362</u></u>	<u><u>(19,982,903)</u></u>	<u><u>-</u></u>	<u><u>2,434,000</u></u>	<u><u>14,968,653</u></u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	16,131,266	16,131,266
Current assets	1,010,348	683,023	8,074	1,701,445
Creditors due within one year	20,407	(625,465)	-	(605,058)
Provisions for liabilities and charges	-	(2,259,000)	-	(2,259,000)
	<u>1,030,755</u>	<u>(2,201,442)</u>	<u>16,139,340</u>	<u>14,968,653</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	17,105,063	17,105,063
Current assets	932,663	1,163,538	8,953	2,105,154
Creditors due within one year	-	(684,634)	-	(684,634)
Creditors due in more than one year	-	(4,356)	-	(4,356)
Provisions for liabilities and charges	-	(2,758,000)	-	(2,758,000)
	<u>932,663</u>	<u>(2,283,452)</u>	<u>17,114,016</u>	<u>15,763,227</u>

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

	Group	
	2018	2017
	£	£
Net expenditure for the year (as per Statement of Financial Activities)	(1,674,574)	(982,967)
Adjustment for:		
Depreciation charges	1,153,492	403,562
Bank interest	(10,053)	(8,354)
Increase/(decrease) in debtors	79,218	(22,426)
Decrease/(increase) in creditors	(63,525)	(45,233)
Capital grants from DfE and other capital income	(36,846)	(29,585)
Defined benefit pension scheme cost less contributions payable	309,000	218,000
Defined benefit pension scheme finance cost	72,000	85,000
Net cash used in operating activities	(171,288)	(382,003)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group	
	2018	2017
	£	£
Cash at bank	1,539,144	1,843,228
Total	1,539,144	1,843,228

23. CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government grant was received, the Academy is required to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of state sums determined by reference to:

- (a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) the extent to which the expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

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24. PENSION COMMITMENTS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £104,266 were payable to the schemes at 31 August 2018 (2017 - £108,072) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £601,086 (2017 - £602,380).

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24. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £378,000 (2017 - £386,000), of which employer's contributions totalled £290,000 (2017 - £303,000) and employees' contributions totalled £88,000 (2017 - £83,000). The agreed contribution rates for future years are 17.25 - 17.55% for employers and 5.5 - 9.9% for employees.

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

The LGPS is in deficit. In order to finance the academy's share of the deficit, the academy trust has entered into an agreement to make additional lump sum contributions in addition to the normal funding levels for future years. The agreed additional contributions are 2017/18 £45,000, 2018/19 £46,000 and 2019/20 £48,000.

Principal actuarial assumptions:

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	2.70 %	<i>2.80 %</i>
Rate of increase for pensions in payment / inflation	2.30 %	<i>2.40 %</i>

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

	2018	<i>2017</i>
Retiring today		
Males	22.1	<i>22.1</i>
Females	24.4	<i>24.4</i>
Retiring in 20 years		
Males	24.1	<i>24.1</i>
Females	26.6	<i>26.6</i>

	At 31 August	<i>At 31 August</i>
	2018	<i>2017</i>
	£	<i>£</i>
Sensitivity analysis		
Salary increase rate +0.5%	168,000	<i>180,000</i>
Discount rate -0.5%	899,000	<i>867,000</i>
Pension increase rate +0.5%	719,000	<i>671,000</i>

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NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	3,500,000	<i>3,218,000</i>
Property	527,000	<i>372,000</i>
Cash and other liquid assets	48,000	<i>41,000</i>
Bonds	719,000	<i>495,000</i>
Total market value of assets	<u>4,794,000</u>	<i><u>4,126,000</u></i>

The actual return on scheme assets was £108,000 (2017 - £77,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(599,000)	<i>(521,000)</i>
Net interest cost	(72,000)	<i>(85,000)</i>
Total	<u>(671,000)</u>	<i><u>(606,000)</u></i>
Actual return on scheme assets	<u>108,000</u>	<i><u>77,000</u></i>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	6,884,000	<i>7,593,000</i>
Current service cost	599,000	<i>521,000</i>
Interest cost	180,000	<i>162,000</i>
Employee contributions	88,000	<i>83,000</i>
Actuarial gains	(650,000)	<i>(1,430,000)</i>
Benefits paid	(48,000)	<i>(45,000)</i>
Closing defined benefit obligation	<u>7,053,000</u>	<i><u>6,884,000</u></i>

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24. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	4,126,000	3,584,000
Interest income	108,000	77,000
Actuarial gains	230,000	124,000
Employer contributions	290,000	303,000
Employee contributions	88,000	83,000
Benefits paid	(48,000)	(45,000)
	4,794,000	4,126,000
	4,794,000	4,126,000

25. OPERATING LEASE COMMITMENTS

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

	2018	2017
	£	£
Group		
Amounts payable:		
Within 1 year	38,522	57,267
Between 1 and 5 years	57,267	59,220
	95,789	91,384
	95,789	91,384

At 31 August 2018 the Trust had annual commitments under non-cancellable operating leases as follows:

Trust		
Amounts payable:		
Within 1 year	38,522	32,164
Between 1 and 5 years	57,267	59,220
	95,789	91,384
	95,789	91,384

26. MEMBERS' LIABILITY

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

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27. RELATED PARTY TRANSACTIONS

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

The Academy occupies the leasehold buildings at a peppercorn rent under the terms of a 125 year lease that commenced on 1 August 2011. The landlords are an excepted charity The Foundation of Carre's Grammar School, and 4 of the trustees of this charity are also members of The Robert Carre Trust. The excepted charity is a related party by virtue of 4 of its trustees also being trustees of the charitable company. A rent of £1,252 (2017: £1,248) was paid to the Foundation of Carre's Grammar School in the year. No amount was outstanding at either year end.

During the year the Academy bought goods from Hockmeyer Motors Limited, a company in which R Hockmeyer is a director, of £nil (2017: £770). No amount was outstanding at either year end.

During the year the Academy bought goods from Turnbull and Company Ltd, a company in which S Hopkins' wife is a director of £nil (2017: £2,298). No amount was outstanding at either year end.

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2018 the trust received £37,714 and disbursed £33,102 from the fund. An amount of £2,727 is included in other creditors relating to undistributed funds that is repayable to ESFA.

29. CONTROLLING PARTY

The members of the Trust, as a body, have ultimate control of the Academy. There is no individual controlling party or entity.

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NOTES TO THE FINANCIAL STATEMENTS
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30. PRINCIPAL SUBSIDIARIES

Carre's Grammar School Trading Limited

Subsidiary name	Carre's Grammar School Trading Limited
Company registration number	09526753 (England and Wales)
Basis of control	100%
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 20,617
Total liabilities as at 31 August 2018	£ 20,616
Total equity as at 31 August 2018	£ 1
Turnover for the year ended 31 August 2018	£ 441,914
Expenditure for the year ended 31 August 2018	£ 441,914
Result for the year ended 31 August 2018	£ -