

**THE CHURCH SCHOOLS OF CAMBRIDGE
(THE OLD SCHOOLS)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

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THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

REFERENCE AND ADMINISTRATIVE DETAILS

The Charity Commissioners granted a Certificate of Incorporation of the Trustees on 14 November 2000.

CHARITY NUMBER	311326	
EX-OFFICIO TRUSTEES	The Rev'd Dr J Bunker The Rev'd Canon Dr J Binns The Rev'd M Beckett The Rev'd S Taylor	Rector of the Parish of Ascension Vicar of Great St Mary's (to Sept. 2017) Vicar of St Paul's Vicar of St Philip's
LAY TRUSTEES APPOINTED BY PCCs	Mrs G Ambrose Mr D Farrer** Mr A MacLellan*, ** Mr M. Pettifer**	Parish of Ascension St Paul's St Philip's St Cuthbert's (appointed Dec. 2017)
LAY TRUSTEES APPOINTED BY THE DIOCESAN BOARD OF EDUCATION	Mr A Read*	
TRUSTEES APPOINTED BY THE UNIVERSITY OF CAMBRIDGE	Dr K Carne*, ** Mrs T Pritchard*	
TRUSTEE APPOINTED BY SOUTH CAMBRIDGE DEANERY SYNOD	The Rev'd Dr R Nicholls	
TRUSTEE APPOINTED BY NORTH CAMBRIDGE DEANERY SYNOD	The Rev'd R Adams (appointed Jan. 2018)	
CO-OPTED TRUSTEES ELECTED BY THE BOARD FOR 5 YEARS	Dr J Ross Mrs C Lowe The Rev'd M Roberts*	
CHAIRMAN OF THE BOARD	Dr K Carne	
MANAGEMENT TEAM	Isobel Rawlinson supported by administrator and project officers	
PRINCIPAL OFFICE	% St Philip's Church Centre 185 Mill Road, Cambridge, CB1 3AN	
AUDITORS	Price Bailey LLP Tennyson House, Cambridge Business Park Cambridge, CB4 0WZ	
BANKERS	CAF Bank Ltd 25 Kings Hill, West Malling Kent, ME19 4TA	
SOLICITORS	Ashtons Legal 77 Newmarket Road, Cambridge, CB5 8EU	
SOLE TRUSTEE	Jesus Lane Sunday School Endowment Fund (charity no. 311311)	

*denotes member of the Executive Committee

**denotes member of the Finance Committee

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

TRUSTEES' REPORT

Structure, governance and management

The Church Schools of Cambridge (The Trust) is a registered charity, number 311326 and was founded in 1703 (known as "The Old Schools") by the Rev'd William Whiston who raised funds from senior figures at the University to start seven schools which provided schooling for 260 poor children in Cambridge. The Church Schools of Cambridge now owns four primary schools in the City of Cambridge – St Luke's, St Paul's, St Philip's and Park Street and has a minority interest in St Bede's Inter-Church School. The main activities of the trust are the provision of buildings and financial support and the appointment of Foundation Governors to its four primary schools. The Trust also funds and manages activities that support the general provision of Religious Education and Collective Worship in schools in the Cambridge area and conducting research into the delivery of spiritually enriching education.

The Trust is managed by Trustees as outlined in the Charity Commission scheme of the 3rd January 2008. The incumbents of the parishes in which our four schools lie are all Trustees *ex officio*. Trustees are appointed for 4 years and may be reappointed.

A meeting of full Trustees is generally held once a term, at these meetings trustees agree strategy, receive project and grant updates and review the financial position. Day to day management of Trust activities is overseen by the Executive Committee of Trustees which, with the Director, implements the agreed strategy, allocates funding and oversees the organisation.

All Trustees give their time freely and once a year disclose all relevant interests, at each meeting any conflict of interest is declared. Where, exceptionally, a Trustee has a material interest in a decision or project, they do not take part in its consideration.

The Trust seeks to support its four primary schools and St Bede's through Head Teachers, Governing bodies, and staff. It also maintains a relationship with the six other Church of England schools within its area of benefit. It has close links to Churches in Cambridge, particularly with those parishes in which the schools are situated. It has strong mutual links with the Diocese of Ely: the Trust's Director is a co-opted member of the Diocesan Board of Education and the Diocesan Director of Education is a Trustee. Through our support for projects, we have operational links to several local organisations including Romsey Mill, GenR8, Cambridge Heritage and Great St Mary's Heritage Centre.

In accordance with the Deed of Retirement and Appointment of New Trustees to the Jesus Lane Sunday School (charity number 311311) dated 13 July 2015, the Trust became the sole trustee of Jesus Lane Sunday School Endowment Fund, a registered charity in England and Wales (charity number 311311), whose charitable objects are to 'assist certain Sunday Schools and the church schools in Cambridgeshire'. Accordingly, in 2016 the endowment funds of the Jesus Lane Sunday School were transferred to the charity and recognised in its consolidated income and in the investments of the managed portfolio held by The Church Schools of Cambridge. The Trustees are making arrangements to ensure the future safe custody of these funds and moving them into their own distinct separately identifiable portfolio.

Risk management

From time to time the trustees have considered the major financial and other risks to which the charity is exposed and have documented these in a risk register. A key risk is the possible impact of changes in school funding and changes in governance arising from the Government's national policy on academies. The trust is actively seeking, together with the schools and the Diocese the best approach for the future.

The main operational risks include structural problems with our four school buildings. This is addressed by regular structural and condition surveys in order to identify immediate and long-term issues and works with the schools with the aim of providing facilities that meet the developing needs of the schools, within the prevailing funding constraints.

Aims and objectives

The vision of the Trust is to, 'grow Christian environments where children can learn and flourish'. It seeks to undertake this vision through three objectives which are listed in the Charity Scheme as:

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

TRUSTEES' REPORT (continued)

1. Develop, maintain and repair the school property of four City schools
2. Provide grants to promote the education of persons under the age of 25 years within the area of benefit
3. Promote education within the area of benefit according to the principles and doctrines of the Church of England by means including Sunday Schools

The Trust seeks to achieve these aims both directly and through supporting other organisations. We consider capital projects to improve our schools, lead activities such as exhibitions and Footprints of Faith (school walking tours), support activities such as the Diocese educational improvement programme, parenting classes and prayer spaces which are led by other organisations. The programme of activities is reviewed annually.

The Trustees have regard to the Charity Commission guidance on Public Benefit. All Trust activities are undertaken in accordance with its charity objectives, therefore ensuring that they deliver public benefit from the work the Trust with its four schools, and its work in partnership with others in the area of benefit.

Achievements and performance

The trustees are pleased with the following activities it has supported during 2017:

1. Development, repair, maintenance and insurance of church schools

The trust supports the upkeep and building works of its four 'core' primary schools by providing 10% toward the cost of capital projects. Projects during 2017 have included a variety of minor works including measures to upgrade fire and security systems and replace fencing, windows and doors to improve the existing school facilities.

2. Grants to promote education

The Trust continues to provide a small annual grant to each of its four primary schools as well as St Bede's which is the only church aided secondary school within the City. This grant is used for additional activities that support the learning needs of the school children.

In addition, the Trust provides grants to Romsey Mill to support their out of school club work; Great St Marys to create RE and schools outreach resources; and has assisted GenR8 to deliver their Inspire programme which aims to give primary school children in and around Cambridge the chance to explore the use of prayer and reflection from a broadly Christian perspective.

The Trust has supported Thirst which is a 'Fresh Expression Church' for families based around the St Philip's School community. We have also provided small grants to Sunday Schools with the support of the Jesus Lane Sunday School Fund.

3. Educational projects

The Trust continues to work closely with the Diocese of Ely Board of Education to encourage improvements at schools within the Diocese and, particularly within Cambridge. The Diocese provides expert guidance and support for Head Teachers and staff to enable them to develop and grow. We have also initiated a programme of leadership coaching for head teachers of the Trust schools.

During 2017, the Trust led two exhibitions, which were hosted by Cambridge churches and give local primary school children the space to explore all aspects of faith. The Trust also provided Christmas and Easter workshops, in response to school requests. The Trust has created a resource called Footprints of Faith which are self-guided walks around Cambridge city centre to help children learn more about the history of

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

TRUSTEES' REPORT (continue)

Cambridge and the influence of Christian thinkers around the themes of Human Rights, Science and Catholicism. We have continued to support a children's choir "Shout Aloud" and provide bibles to those leaving from Year 6 of our schools.

Monitoring achievement

Trustees periodically review the programme of supported activities and to ensure that these activities met the aims and objects of the Trust and deliver public benefit. We look at emerging education issues in relation to the four schools we own and schools throughout Cambridge. We also seek to develop strategic and operational links with other Christian organisations and related parties.

Financial review

All Trust investments are held primarily in order to provide income to fund the work of the Trust, with the majority forming our permanent endowment. The Trust's financial support to its four primary schools and wider educational activities is therefore reliant on the income it receives from these investments. This is supplemented with income raised from the solar panels installed at its four primary schools and from rental income. The Trust also acts as an agent on behalf of its four schools in managing Devolved Formula Capital (DFC) and Locally Controlled Voluntary Aided Project (LCVAP) the main two sources of state funding towards periodic maintenance and capital building projects.

The Trust's total consolidated income in 2017 was £333,581 (£477,021), excluding investment gains which were £643,612 in 2017 (2016: £677,900).

Reserves policy

The Trust expenditure varies over time according to the need for school repairs, the opportunity for development work through external (primarily government) funds and partner activity linked to the aims and objectives of the Trust. The Trust through regular budget reviews and forward planning activity aims to keep sufficient reserves to maintain the school buildings for which it is responsible, to manage the cash flow requirements of larger capital projects, and to support activities that benefit the children whom we serve. It is the Trustee policy, therefore, to pass surplus income to reserves in years of lower expenditure to enable it to utilise those reserves to fund years of greater development activity.

Each year, Trustees review committed grant and project activity spend it makes to the schools and to other bodies in light of current income, projected expenditure and available resources and Trustees believe its resources are adequate to meet current commitments and potential liabilities.

Plans for the future

The Church Schools of Cambridge has, through its various schools and education support projects, been supporting primary education in Cambridge for over 300 years and plans to continue to do so in keeping with the aims and objectives referred to above.

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

TRUSTEES' REPORT (continue)

Trustees' responsibility in relation to the financial statements

The trustees are responsible for the preparation of the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102), as amended by the SORP update Bulletin issued in February 2016;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees and signed on their behalf by:



A MacLellan
Honorary Treasurer

Date: 31 July 2018

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

Opinion

We have audited the financial statements of The Church Schools of Cambridge (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2017, and of the group's incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of financial statements which 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 parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE TRUSTEES OF THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Price Bailey LLP

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House,
Cambridge Business Park,
Cambridge,
CB4 0WZ

Date: *8 August 2018*

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	Unrestricted £	2017 Restricted £	Endowment £	Total £	2016 £
INCOME						
Donations	2	-	-	-	-	217,307
Charitable activities	3	-	27,734	-	27,734	27,527
Other trading activities	4	47,436	-	-	47,436	59,021
Investment income	5	251,586	6,825	-	258,411	173,166
Total income		299,022	34,559	-	333,581	477,021
EXPENDITURE						
Charitable activities	6	200,427	30,474	-	230,901	317,102
Total expenditure		200,427	30,474	-	230,901	317,102
Net income for the year before investment gains		98,595	4,085	-	102,681	159,919
Net gains on investments	12	113,797	17,422	512,393	643,612	677,900
Net income for the year Being net movement in funds		212,392	21,507	512,393	746,292	837,819
Reconciliation of funds:						
Total funds brought forward		1,706,349	219,839	5,342,103	7,268,291	6,430,472
Total funds carried forward		1,918,741	241,346	5,854,496	8,014,583	7,268,291

All amounts relate to continuing activities of the charity.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 12 to 24.

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	11	16,475	18,210
Investments	12	7,654,757	7,011,145
TOTAL FIXED ASSETS		7,671,232	7,029,355
CURRENT ASSETS			
Debtors	13	101,194	17,842
Cash at bank and in hand		331,715	386,409
TOTAL CURRENT ASSETS		432,909	404,251
LIABILITIES			
Creditors: amounts falling due within one year	14	(89,558)	(165,315)
NET CURRENT ASSETS		343,351	238,936
TOTAL NET ASSETS		8,014,583	7,268,291
THE FUNDS OF THE CHARITY:			
Restricted funds:			
Permanent endowment fund	15	5,854,496	5,342,103
Restricted fund	15	241,346	219,839
Unrestricted funds	15	1,918,741	1,706,349
TOTAL FUNDS		8,014,583	7,268,291

The attached notes on pages 12 to 24 form part of these financial statements.

The financial statements were approved by the Board of Trustees on
and signed on their behalf by:

.....


**THE CHURCH SCHOOLS OF CAMBRIDGE
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**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible fixed assets	11	16,475	18,210
Investments	12	7,654,757	7,011,145
TOTAL FIXED ASSETS		7,671,232	7,029,355
CURRENT ASSETS			
Debtors	13	101,194	17,842
Cash at bank and in hand		331,715	386,409
TOTAL CURRENT ASSETS		432,909	404,251
LIABILITIES			
Creditors: amounts falling due within one year	14	(330,006)	(384,256)
NET CURRENT ASSETS		102,903	19,995
TOTAL NET ASSETS		7,774,135	7,049,350
THE FUNDS OF THE CHARITY:			
Restricted funds:			
Permanent endowment fund	16	5,854,496	5,342,103
Restricted fund	16	898	898
Unrestricted funds	16	1,918,741	1,706,349
TOTAL FUNDS		7,774,135	7,049,350

The attached notes on pages 12 to 24 form part of these financial statements.

The financial statements were approved by the Board of Trustees on 21 May 2018
and signed on their behalf by:


.....
ANDREW MACLELLAN

31 July 2018
.....

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014, as amended by the SORP Update Bulletin issued in February 2016, and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements consolidate the results of the charity and its investment held as a custodian trustee from the date of acquisition on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure for the charity has not been presented because the charity has taken advantage of the exemption afforded.

The Trust constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling, which is the functional currency of the charity.

b) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. As such, they continue to adopt the going concern basis of accounts in the financial statements, which assumes the charity will continue in operational existence for the foreseeable future. The Trustees have given due consideration to the working capital and cash flow requirements of the charity for at least 12 months from the date of signature of the accounts.

c) Fund accounting

Unrestricted income funds comprise of funds which the trustees are free to use for any purpose in the furtherance of the charitable objectives.

The Trust also has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose.

Further details of each fund are disclosed in note 16.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

d) Income

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity, this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by the investment advisor of the dividend yield of the investment portfolio. Income from Government Securities is recognised when it is received. Income accrued and not received on these securities at 31 December is included in the market value of the investments held.

Rental income under operating leases is charged to the profit and loss accounts on a straight-line basis over the terms of the lease.

e) Grants

Grants received for special projects are credited to the Income and Expenditure Account when the charity has been entitled to the monies and can be measured with reasonable accuracy.

Capital grants are recognised when receivable and are not deferred over the life of the assets on which they are expended. Where the restriction is fulfilled by the purchase of fixed assets, the restricted income is released via transfer to the unrestricted funds of the charity.

f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis and relates to the charitable activities. VAT is charged as a cost against the activity for which the expenditure was incurred. The allocation of expenditure between the various activities of the Trust has been re-considered by the Trustees and re-analysed in the current year and for the prior year in order to more accurately reflect the nature of the activities undertaken.

g) Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Trust's activities. These costs have been allocated to expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

h) Depreciation

All assets costing more than £500 are capitalised at their historical cost when purchased.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Mobile classrooms	10% on cost
Leases	2% on cost
Computers	33% on cost

Assets are reviewed for any indications of impairment at each balance sheet date.

School buildings are not included on the balance sheet however details of the insurance values of the school properties are included within note 11.

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

i) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price (the bid price). The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

j) Debtors

Sundry debtors are recognised at the settlement amount due. Accrued income is included at the best estimate of the amounts receivable at the balance sheet date.

k) Cash at bank and in hand

Cash at bank and cash 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.

l) Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

m) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. Fixed assets are measured at their fair value, being the original cost of the assets. Investments are valued at market value which is based on the bid price at the year end. All other transactions are valued at cost.

n) Pensions

Employees of the charity are entitled to join a defined contribution 'money purchase' scheme. The charity contribution is restricted to the contributions disclosed in note 9.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

2 Donations

	2017 £	2016 £
Jesus Lane Sunday School Income	-	217,307
	<u>-</u>	<u>217,307</u>
	<u>-</u>	<u>217,307</u>

Donations of £nil (2016: £217,307) were received in relation to restricted funds. The donations in 2016 relate to the transfer of the Jesus Lane Sunday School Endowment Fund to The Church Schools of Cambridge as it's Sole Trustee.

3 Income from Charitable Activities

	2017 £	2016 £
DFC Grant income	27,734	27,527
	<u>27,734</u>	<u>27,527</u>
	<u>27,734</u>	<u>27,527</u>

Income from charitable activities of £27,734 was received in 2017 in relation to restricted funds (2016: £27,527 in relation to restricted funds.)

4 Income from Other Trading Activities

	2017 £	2016 £
Solar Panel income	5,989	5,701
Rental income	41,000	38,320
Other Property income	-	15,000
Other	447	-
	<u>47,436</u>	<u>59,021</u>
	<u>47,436</u>	<u>59,021</u>

All income from other trading activities in both the current and previous year relate to unrestricted funds.

5 Investment income

	2017 £	2016 £
Bank interest	547	292
Income from listed investment	257,864	172,874
	<u>258,411</u>	<u>173,166</u>
	<u>258,411</u>	<u>173,166</u>

Investment income relates to £251,586 of unrestricted funds (2016: £173,166) and £6,825 of restricted funds (2016: £nil).

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Expenditure on charitable activities

Current year:	Grants £	Direct costs £	Support costs £	2017 Total £
Grants to promote education:				
Grants to schools	31,760	2,430	4,576	38,767
Grants to service delivery charities	60,980	4,666	8,787	74,433
Sunday School grants	2,740	210	395	3,344
In house educational projects	-	20,589	22,929	43,518
Development, repair, maintenance and Insurance of church schools	-	61,667	9,172	70,839
Total expenditure for charitable activities	95,480	89,562	45,859	230,901
Prior year:	Grants £	Direct costs £	Support costs £	2016 Total £
Grants to promote education:				
Grants to schools	23,556	835	1,529	25,920
Grants to service delivery charities	160,900	5,701	10,444	177,045
Sunday School grants	-	-	-	-
In house educational projects	-	50,355	19,954	70,309
Development, repair, maintenance and Insurance of church schools	-	35,846	7,982	43,828
Total expenditure for charitable activities	184,456	92,737	39,909	317,102

Expenditure in the current year relates to £200,427 of unrestricted funds (2016: £289,575) and £30,474 (2016: £27,527) of restricted funds.

Included within grants to schools are the following: St Luke's £5,136 (2016: £5,148), Park Street £4,104 (4,080), St Philips £6,696 (2016: £6,456), St Paul's £5,184 (2016: £5,172). Also in 2017 was a special amount of £10,640 paid to St Philips.

Amounts greater than £10,000 included within grants to service delivery charities are the following: Ely Diocesan Schools Fund £33,500 (2016: £20,000), Romsey Mill £10,000 (2016: £36,000), Thirst £nil (2016: £10,000), YMCA £nil (2016: £10,000), Great St Mary's £14,119 (2016: £16,779).

Development, repair, maintenance and insurance of church schools includes the DFC funds paid to the schools and the Trust's 10% contribution to both LCVAP and DFC funding. The LCVAP contribution during the year was £11,710 (2016: £7,461) and the DFC contribution during the year was £5,956 (2016: £1,883).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

7 Analysis of support costs

	Charitable activities £	Governance costs £	2017 Total
Current year:			
Wages and salaries	32,169	-	32,169
Audit, accountancy and legal fees	5,133	4,680	9,813
Secretary honorarium and administration fees	3,877	-	3,877
Staff training	-	-	-
	<u>41,179</u>	<u>4,680</u>	<u>45,859</u>
Total support costs	<u>41,179</u>	<u>4,680</u>	<u>45,859</u>
	Charitable activities £	Governance costs £	2016 Total £
Prior year:			
Wages and salaries	19,670	-	19,670
Audit, accountancy and legal fees	910	4,680	5,590
Secretary honorarium and administration fees	14,649	-	14,649
Staff training	-	-	-
	<u>35,229</u>	<u>4,680</u>	<u>39,909</u>
Total support costs	<u>35,229</u>	<u>4,680</u>	<u>39,909</u>

All support costs and governance costs are allocated to charitable activities based upon staff time spent on each activity.

8 Analysis of staff costs and key management personnel

	2017 £	2016 £
Wages and salaries	50,505	36,938
Social security costs	309	-
Pension costs	1,020	360
	<u>51,834</u>	<u>37,298</u>

No employees had emoluments in excess of £60,000 (2016: none).

The Trustees received no remuneration or reimbursement of expenses during the year (2016: none).

The Charity took out Trustee indemnity insurance during the year as part of a policy that cost £993 (2016: £930).

The Charity considers that the key management personnel to be all members of staff and therefore their total remuneration is as stated above.

The average monthly head count was 4 (2016: 4) and analysis of the staff employees in the year were:

	2017 Actual Number	2016 Actual Number
Office and administration	<u>4</u>	<u>4</u>

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

9 Pension costs

The association operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the association in an independently administered fund. Contributions payable by the association amounted to £1,020 (2016: £360). No contributions (2016: £nil) were payable to the fund at the balance sheet date.

10 Net income

Net income is stated after charging:

	2017 £	2016 £
Depreciation	1,735	642
Auditors' remuneration:		
- for audit services	4,680	4,990
- for accountancy services	1,210	600
	<u> </u>	<u> </u>

11 Tangible fixed assets

Group and Charity

	Computer equipment £	Mobile classrooms £	Park Street Lease £	Total £
COST OR VALUATION				
As at 1 January 2017	3,276	35,724	32,113	71,113
Additions	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2017	3,276	35,724	32,113	71,113
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
As at 1 January 2017	-	35,724	17,179	52,903
Charge for the year	1,092	-	643	1,735
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2017	1,092	35,724	17,822	54,638
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
As at 31 December 2017	2,184	-	14,291	16,475
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
As at 31 December 2016	3,276	-	14,934	18,210
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Tangible fixed assets do not include the value of school buildings as it is not known and on the basis that it is immaterial to the Trust.

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

12 Investments

Group and Charity

	Market value 1 January 2017	Additions/ Income	Disposals/ Expenses	Net Unrealised Gains/ (Losses)	Total
Permanent endowment fund					
Central board of finance investment fund	4,156,792	1,324,063	(52,532)	423,794	5,852,117
Central board of finance property fund	162,228	-	(166,241)	4,013	-
Central board of finance accumulation	1,020,704	-	(1,105,290)	84,586	-
Central board of finance deposit fund	2,229	-	-	-	2,229
Miss Alice Bradwell's deposit fund	150	-	-	-	150
	<u>5,342,103</u>	<u>1,324,063</u>	<u>(1,324,063)</u>	<u>512,393</u>	<u>5,854,496</u>
General funds					
Central board of finance fixed interest securities fund	109,733	-	(108,784)	(949)	-
Central board of finance investment fund	1,206,221	147,436	(38,652)	115,371	1,430,376
Central board of finance deposit fund	132,309	-	-	175	132,484
	<u>1,448,263</u>	<u>147,436</u>	<u>(147,436)</u>	<u>114,597</u>	<u>1,562,860</u>
Restricted fund investments					
Central board of finance deposit fund	1,038	-	-	-	1,038
Central board of finance investment fund	177,627	-	-	16,622	194,249
Central board of finance deposit fund	42,114	-	-	-	42,114
	<u>220,779</u>	<u>-</u>	<u>-</u>	<u>16,622</u>	<u>237,401</u>
Total Investments	<u>7,011,145</u>	<u>1,471,499</u>	<u>(1,471,499)</u>	<u>643,612</u>	<u>7,654,757</u>

The historical cost of investments at 31 December 2017 was £4,378,725 (2016: £4,378,725).
All investments are held primarily for the purpose of providing an investment return.

13 Debtors

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Rental income debtor	41,000	-	41,000	-
Accrued income and other debtors	60,194	17,842	60,194	17,842
	<u>101,194</u>	<u>17,842</u>	<u>101,194</u>	<u>17,842</u>

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

14 Creditors: Amounts falling due within one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Taxation and social security	2,003	1,642	2,002	1,642
Other creditors	84,206	159,973	84,206	159,973
Accruals	3,350	3,700	3,350	3,700
Amounts owed to Jesus Lane	-	-	240,448	218,941
	<u>89,559</u>	<u>165,315</u>	<u>330,006</u>	<u>384,256</u>

15a Funds analysis – Current year

Group	Balance as at 1 Jan 2017 £	Income £	Expenditure £	Trf / gains/ (losses) £	Balance as at 31 Dec 2017 £
Restricted funds					
DFC funds	-	27,734	(27,734)	-	-
Permanent endowment fund					
Old Schools of Cambridge	5,341,953	-	-	512,393	5,854,346
Alice Bradwell Endowment	150	-	-	-	150
	<u>5,342,103</u>	<u>27,734</u>	<u>(27,734)</u>	<u>512,393</u>	<u>5,854,496</u>
Miss L Eraut fund	898	-	-	-	898
Jesus Lane fund	218,941	6,825	(2,740)	17,422	240,448
	<u>219,839</u>	<u>6,825</u>	<u>(2,740)</u>	<u>17,422</u>	<u>241,346</u>
Unrestricted funds					
General fund	1,691,349	299,022	(200,427)	113,797	1,903,741
Designated funds:					
Provision for future capital spend	15,000	-	-	-	15,000
Total funds	<u>7,268,291</u>	<u>333,581</u>	<u>(230,901)</u>	<u>643,611</u>	<u>8,014,583</u>

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

15a Funds analysis – Current year (continued)

Charity	Balance as at 1 Jan 2017 £	Income £	Expenditure £	Gains/ (losses) £	Balance as at 31 Dec 2017 £
Restricted funds					
DFC funds	-	27,734	(27,734)	-	-
Permanent endowment fund					
Old Schools of Cambridge	5,341,953	-	-	512,393	5,854,346
Alice Bradwell Endowment	150	-	-	-	150
	<u>5,342,103</u>	<u>27,734</u>	<u>(27,734)</u>	<u>512,393</u>	<u>5,854,496</u>
Miss L Eraut fund	898	-	-	-	898
	<u>898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>898</u>
Unrestricted funds					
General fund	1,691,349	299,022	(200,427)	113,797	1,903,741
Designated funds:					
Provision for future capital spend	15,000	-	-	-	15,000
Total funds	<u>7,049,350</u>	<u>326,756</u>	<u>(228,161)</u>	<u>626,190</u>	<u>7,774,135</u>

15b Funds analysis – Prior year

Group	Balance as at 1 Jan 2016 £	Income £	Expenditure £	(losses) £	Gains/ 31 Dec 2016 £
Restricted funds					
DFC funds	-	27,527	(27,527)	-	-
Permanent endowment fund					
Old Schools of Cambridge	4,796,146	-	-	545,807	5,341,953
Alice Bradwell Endowment	150	-	-	-	150
	<u>4,796,296</u>	<u>27,527</u>	<u>(27,527)</u>	<u>545,807</u>	<u>5,342,103</u>
Miss L Eraut fund	898	-	-	-	898
Jesus Lane fund	-	217,307	-	1,634	218,941
	<u>898</u>	<u>217,307</u>	<u>-</u>	<u>1,634</u>	<u>219,839</u>
Unrestricted funds					
General fund	1,618,278	232,187	(289,575)	130,459	1,691,349
Designated funds:					
Provision for future capital spend	15,000	-	-	-	15,000
Total funds	<u>6,430,472</u>	<u>477,021</u>	<u>(317,102)</u>	<u>677,900</u>	<u>7,268,291</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

15b Funds analysis – Prior year (continued)

Charity

	Balance as at 1 Jan 2016 £	Income £	Expenditure £	Gains/ (losses) £	Balance as at 31 Dec 2016 £
Restricted funds					
DFC funds	-	27,527	(27,527)	-	-
Permanent endowment fund					
Old Schools of Cambridge	4,796,146	-	-	545,807	5,341,953
Alice Bradwell Endowment	150	-	-	-	150
	<u>4,796,296</u>	<u>27,527</u>	<u>(27,527)</u>	<u>545,807</u>	<u>5,342,103</u>
Miss L Eraut fund	898	-	-	-	898
	<u>898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>898</u>
Unrestricted funds					
General fund	1,618,278	232,187	(289,575)	130,459	1,691,349
Designated funds:					
Provision for future capital spend	15,000	-	-	-	15,000
Total funds	<u>6,430,472</u>	<u>259,714</u>	<u>(317,102)</u>	<u>676,266</u>	<u>7,049,350</u>

Unrestricted funds

General funds represents the free funds of the charity which are not designated for particular purposes.

16a Net assets by funds – Current year

Group

Current year:	Tangible Fixed assets £	Investments £	Net current Assets £	2017 Total £
Restricted funds:				
Permanent endowment fund:				
Old Schools of Cambridge	-	5,854,346	-	5,854,346
Alice Bradwell Endowment fund	-	150	-	150
Miss L Eraut fund	-	1,038	(140)	898
Jesus Lane fund	-	236,363	4,085	240,448
Unrestricted funds	<u>16,475</u>	<u>1,562,860</u>	<u>339,406</u>	<u>1,918,741</u>
Total Funds	<u>16,475</u>	<u>7,654,757</u>	<u>343,351</u>	<u>8,014,583</u>

**THE CHURCH SCHOOLS OF CAMBRIDGE
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

16a Net assets by funds – Current year

Charity

	Tangible Fixed assets £	Investments £	Net current Assets £	2017 Total £
Restricted funds:				
Permanent endowment fund:				
Old Schools of Cambridge	-	5,854,346	-	5,854,346
Alice Bradwell Endowment fund	-	150	-	150
Miss L. Eraut fund	-	1,038	(140)	898
Unrestricted funds	16,475	1,562,860	339,406	1,918,741
Total Funds	<u>16,475</u>	<u>7,418,394</u>	<u>339,266</u>	<u>7,774,135</u>

16b Net assets by funds – Prior year

Group

	Tangible Fixed assets £	Investments £	Net current Assets £	2016 Total £
Restricted funds:				
Permanent endowment fund:				
Old Schools of Cambridge	-	5,341,953	-	5,341,953
Alice Bradwell Endowment fund	-	150	-	150
Miss L. Eraut fund	-	1,038	(140)	898
Jesus Lane fund	-	218,941	-	218,941
Unrestricted funds	18,210	1,449,063	239,076	1,706,349
Total Funds	<u>18,210</u>	<u>7,011,145</u>	<u>238,936</u>	<u>7,268,291</u>

Charity

	Tangible Fixed assets £	Investments £	Net current Assets £	2016 Total £
Restricted funds:				
Permanent endowment fund:				
Old Schools of Cambridge	-	5,341,953	-	5,341,953
Alice Bradwell Endowment fund	-	150	-	150
Miss L. Eraut fund	-	1,038	(140)	898
Unrestricted funds	18,210	1,448,263	239,876	1,706,349
Total Funds	<u>18,210</u>	<u>6,791,404</u>	<u>239,736</u>	<u>7,049,350</u>

THE CHURCH SCHOOLS OF CAMBRIDGE (THE OLD SCHOOLS)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

17 **Subsidiary**

The Charity is a sole trustee of Jesus Lane Sunday School Endowment Fund, a registered charity in England and Wales (charity number 311311). During the year ended 31 December 2017 there was income of £6,825 (2016: £nil), expenditure of £2,740 (2016: £nil) and an investment gain of £17,422 (2016: £1,634). The fund balance at the year end was £240,448. (2016:£218,941).

At the year end the charity owed Jesus Lane Sunday School Endowment Fund £240,448 (2016: £218,941) and this is included within creditors.

18 **Related party transactions**

There were no related party transactions that require disclosure during the year.