

**St Chad's Academy Trust**

Trustees Report and Financial Statements

For the Year Ended 31 August 2015



**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

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**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details of the Multi Academy Trust, its Members/ Trustees and Advisers**  
**For the Year Ended 31 August 2015**

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<b>Members</b>	The Revd A M Morris C G Randles C R Hopkins
<b>Trustees</b>	The Revd H D Bishop J R L Hill J M Jones The Revd A M Morris Dr A F Primrose C G Randles C Brislen (resigned 10 March 2015)
<b>Chief executive officer, Accounting Officer and Head of School Performance</b>	S Wedgwood
<b>Chief Financial Officer and Head of Operations</b>	H Steel
<b>Company registered number</b>	08526973
<b>Principal and registered office</b>	St. Marys House The Close Lichfield Staffordshire WS13 7LD
<b>Company secretary</b>	C R Hopkins
<b>Independent auditors</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank Plc 22 Conduit Street Lichfield WS13 6JS
<b>Solicitors</b>	Geldards LLP Number One Pride Place Pride Park Derby DE24 8QR

**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2015**

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The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of St Chad's Academy Trust (the Multi Academy Trust) for the period 1 September 2014 to 31 August 2015. The Trustees confirm that the Annual Report and financial statements of the Multi Academy Trust comply with the current statutory requirements, the requirements of the Multi Academy Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

**Structure, governance and management**

**a. Constitution**

St Chad's Academies Trust is a company limited by guarantee with no share capital and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of St Chad's Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Chad's Academies Trust and its main regulator is the DFE. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

St Chad's Academies Trust is a multi-academy trust and operated 4 academies in the period 1 September 2014 to 31 August 2015. There were Birchills Church of England Community Primary Academy, Walsall, Havergal Church of England Primary Academy, Sharesill, Staffordshire, St Matthew's Church of England Primary Academy, Stoke and St John's Church of England Primary Academy, Wednesbury. The trust operates under the aegis of the Church of England Central Education Trust (CECET).

**b. Members' liability**

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

**c. Trustees' indemnities**

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees, directors and officers from claims arising from negligent acts, errors or omissions whilst on Trust business.

The limit of this indemnity is £5m for trustees' liabilities and £2m for libel and slander.

**d. Principal activities**

The principal activities of the St Chad's Academies Trust are to provide an inclusive, balanced and broadly based curriculum and education in line with the principles of the Church of England for children and young people of all abilities. The Trust provides free education for young people aged 4-19 who live mainly within the Diocese of Lichfield.

**e. Method of recruitment and appointment or election of Trustees**

The Articles of Association requires that the Members of the Company shall comprise of:-

- (a) the signatories to the Memorandum, who shall be:
  - (i) the Diocesan Board of Education acting corporately by hand of its Director; and
  - (ii) two individual members of the Diocesan Board of Education nominated by it for the purpose;
- (b) the chairman of the Directors; and
- (c) any person appointed under Article 16.

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time, by written notice delivered to the Office, to remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise. If any of the persons entitled to appoint Members in Article 12:

- (a) in the case of an individual, die or become legally incapacitated;
  - (b) in the case of a corporate entity, cease to exist and are not replaced by a successor institution; or
  - (c) becomes insolvent or makes any arrangement or composition with their creditors generally,
- their right to appoint Members under these Articles shall vest in the remaining Members.

Membership will terminate automatically if:

- (a) a Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- (b) a Member (who is an individual) dies or becomes incapable by reason of illness or injury of managing and administering his or her own affairs; or
- (c) a Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.

The Members with the written consent of the Diocesan Board of Education may agree by passing a Special Resolution in writing to appoint such additional Members as they think fit and may agree by passing a Special Resolution in writing to remove any such additional Members provided that such appointment or removal is in the interests of the Company.

Every person nominated to be a Member of the Company shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the Company of a notice in writing signed by the person or persons entitled to remove him under Articles 13 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

**f. Policies and procedures adopted for the induction and training of Trustees**

Induction for new Trustees is tailored according to their experience and background. Trustees are provided with information about the Multi Academy Trust by the Clerk to Trustees or Company Secretary. New Trustees requiring guidance on the roles of Trustees are provided with training and guidance through internal meetings and discussion with staff and other Trustees.

#### **g. Organisational structure**

The Trust is a multi-academy trust and at 31st August 2015 ran four academies (Birchills Church of England Community Primary Academy, Walsall, Havergal Church of England Primary Academy Shareshill, Staffordshire, St Matthew's Church of England Primary Academy, Stoke and St John's Church of England Primary Academy, Wednesbury. with an aim of expanding the number of academies in the Trust. Growth of the Trust will allow the academies to work collaboratively, sharing resources to improve efficiencies and pool expertise, as well as enable peer to peer support and challenge.

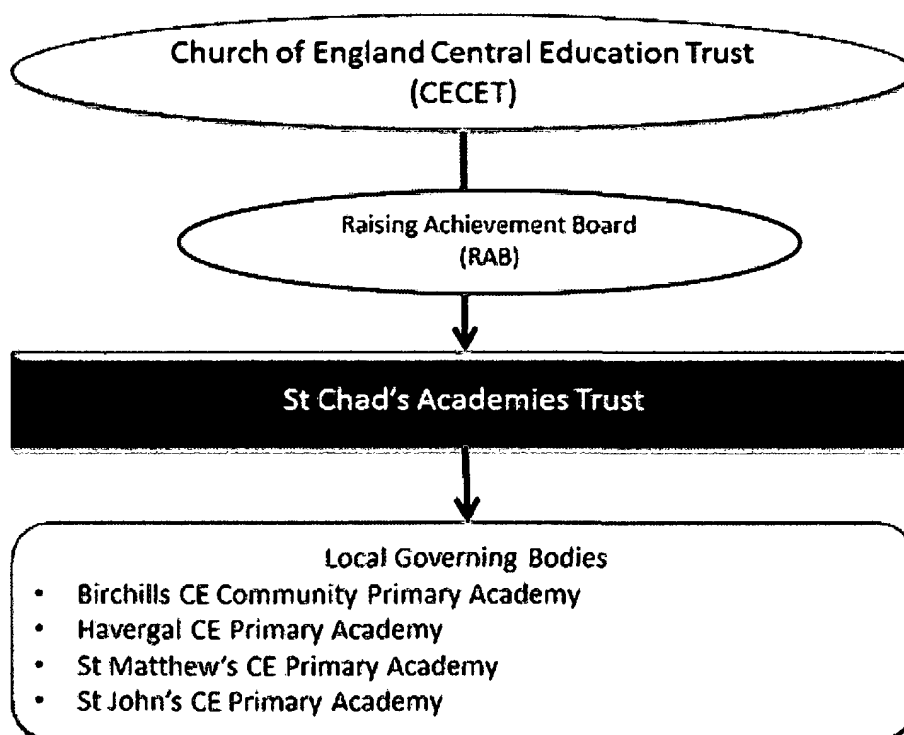
The St Chad's Academies Trust exists within the "Umbrella" structure of the Church of England Central Education Trust (CECET). CECET is a partnership between the Dioceses of Lichfield and Birmingham and the University of Wolverhampton. CECET acts as the Sponsor of the academies within the Trust and provides challenge and support to St Chad's Academies Trust and the academies within it through a "Raising Achievement Board" which monitors the performance of academies within the Trust.

St Chad's Academies Trust is managed by a Board of Directors (also referred to as the Trustees) who meets regularly and provide strategic leadership and vision to the academies. The Board of Directors is made up of representatives of the Diocese of Lichfield.

The Board appoints a Local Governing Body to be an advisory body for each academy. The members of the Local Governing body are referred to as Governors to distinguish them from the Directors of the Trust.

The organizational structure is illustrated below:-

#### **St Chad's Academies Trust Structure**



## **Directors/Trustees**

Our Directors/ Trustees form the Board of the St Chad's Academies Trust (SCAT) and oversee the operation of all academies within the group. The Members use their power of appointment to ensure that the Board has a broad balance of skills and experience to oversee the strategy and performance of SCAT academies and to provide appropriate support and challenge to Local Governing Bodies.

The SCAT Board of Directors meets at least three times a year, and more frequently when necessary, to discharge its duties.

The Directors have put in place a Scheme of Delegation which delegate some responsibilities to Local Governing Bodies and Principals. The Scheme of Delegation states that the management of the academy will be delegated to the Local Governing Body within the overall strategic direction, ethos & mission set by the Directors.

The Chief Executive Officer of the Trust is also the Accounting Officer. The CEO is currently the Head of School Performance for CECET.

## **Local Governing Bodies**

Local Governing Bodies have delegated responsibility for the operational management of the academies, subject to the overarching strategy, policy and vision set by the Directors and school improvement targets set by CECET.

The Directors have determined that each Local Governing Body shall usually comprise of no less than seven and usually no more than 11 Governors:

- at least two parents of registered pupils at the Academy (elected by ballot);
- Incumbent ex officio (or a substitute appointed by the Trust in consultation with the Archdeacon);
- Principal ex officio;
- Up to one member of staff (either teaching or support staff) (elected by ballot);
- Other Governors appointed by the Trust representing local stakeholders and/or business/community interests, and with a range of appropriate expertise in educational and technical matters.

## **h. Connected organisations, including related party relationships**

The Trustees of St Chad's Academies Trust receive no remuneration for their activities as Trustees. The remuneration and pay of the CEO is settled by the Directors of Lichfield Diocesan Academies Services Limited (Company no. 08384751), who are the CEO's employer. Terms and Conditions of Service for the CEO, including remuneration, follow the conventions established by Lichfield Diocesan Board of Finance for diocesan staff.

Remuneration for staff employed at academies within St Chad's Academies Trust follows the national terms and conditions of service for teachers or the terms and conditions of service for support staff that pertained in the relevant Local Authority on the date of the individual Academy's conversion. Remuneration for the Principal is determined following a process of performance management which is undertaken by the Trust.

St Chad's Academies Trust is connected to the Church of England Central Education Trust (CECET) as explained above. The Trust is also connected to Lichfield Diocesan Academies Services Limited, which acts in effect as the "trading arm" of CECET. There is a broader connection to the Lichfield Diocesan Board of Education, which has strategic responsibility for Church of England schools within the Diocese of Lichfield.

## **Objectives and Activities**

### **a. Objects and aims**

The Company's object is:

to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

(i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and

(ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

### **b. Strategies and activities for achieving objectives**

Our educational vision is founded upon our uniqueness in promoting a distinctively Christian approach to education alongside a systematic approach to sustained and continual improvement of the outcomes for children and young people.

The overarching principles adopted by CECET and the St Chad's Academies Trust are that:-

- All schools can improve to become good and outstanding.
- All pupils have the right to the best education that can be provided so that standards continually rise resulting in all children and young people achieving their best.
- All children and young people in our care have an entitlement to spiritual care and guidance. By continuing and developing the historical role of the church in education we will champion the ethos and values enabling children and young people clearly to identify themselves as children of God.
- All staff and governors should have access to support for their spiritual welfare.
- All staff should have access to a well-planned and strong career progression route. This professional development will be tailored to meet the needs of the school and the individual teacher, resulting in a professional body of the highest quality.
- Presence, partnership and participation of schools and their leaders will bring about significant improvement and help to develop system leaders of the future.

The Trust's strategy is to drive academy improvement, encouraging academies to support other individual academies, or groups of academies, within a family network. This strategy embraces senior leaders, governors and teachers. The Trust is committed to high quality continuous professional development for staff, and to ensuring that leaders and staff can become key agents of change. The Trust's aim is to establish vibrant learning communities, where all children and young people are able to achieve their God-given potential.

The CECET "Raising Achievement Board" provides challenge and support to academies on a regular basis. Each academy has an assigned Diocesan Improvement Adviser, whose role is to add capacity to the leadership team in an academy and also to provide ongoing advice, support and challenge to Principals.

### **c. Public benefit**

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by St Chad's Academies Trust is the maintenance and development of a high quality education, which is free of charge. It is the Trustees' aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in the areas in which the Trust operates.



In doing this, St Chad's Academies Trust not only offers a broadly based academic education but aims to educate the whole individual and to encourage their spiritual development. A wide-range of extra-curricular activities and educational trips and visits are offered to students.

## **Strategic Report**

### **Achievements and performance**

#### **a. Progress and Attainment**

KPIs for all academies within the St Chad's Academies Trust:

1. Quality of Teaching to be consistently good or better
2. To be judged Good at the first inspection following conversion
3. Outcomes for pupils at KS1 and KS2 to be in line or above national in reading ,writing and mathematics
4. Governance to be judged as Good
5. Attendance to be in line with national

KPI's are integrated into Principal's performance management targets determined by the Raising Achievement Board (Autumn Term). All principals achieved performance targets for 2014/15

#### **2015 results**

	Current Y6 achieving level 4+ in Reading, Writing and Maths	Current Y6 achieving 2+ levels			Current Y6 achieving 3+ levels		
		Reading	Writing	Maths	Reading	Writing	Maths
<b>NATIONAL 2014</b>	65%	94%	96%	93%	35%	35%	35%
<b>BIRCHILLS CE PRIMARY ACADEMY,WALSALL</b>							
Prediction	68%	77%	83%	86%	37%	29%	38%
2015	55%	84%	97%	84%	32%	34%	29%
(2014)	(54%)	(75%)	(77%)	(75%)	(29%)	(28%)	(25%)
<b>ST JOHN'S CE PRIMARY ACADEMY, WEDNESBURY</b>							
Prediction	91%	96%	89%	89%	41%	22%	22%
2015	85%	89%	89%	96%	33%	33%	56%
(2014)	73%	84%	88%	84%	24%	28%	24%
<b>HAVERGAL CE PRIMARY ACADEMY, SHARESHILL</b>							
Prediction	90%	100%	100%	96%	40%	48%	32%
2015	84%	100%	100%	96%	40%	52%	32%
(2014)	(86%)	(90%)	(93%)	(86%)	(7%)	(25%)	(17%)
<b>ST MATTHEW'S CE PRIMARY ACADEMY, ROUGH CLOSE</b>							
Prediction	90%	93%	93%	93%	53%	43%	36%
2015	73%	93%	100%	100%	60%	53%	67%
(2014)	(80%)	(80%)	(100%)	(80%)	(10%)	(20%)	(10%)

**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2015**

Academy Annual Reviews continue. The current position, following CECET reviews is:

Using the pre September 2015 Ofsted framework is as follows;

Academy	Date of review	Overall effectiveness	Achievement	Quality of teaching	Behaviour and safety	Leadership and Management	EYFS
St Matthew's	5/6/14	4	4	4	3	3	4
Havergal	9/7/14	3	3	3	2	3	3
Birchills	22/9/14	3	3	3	2	3	3
St John's	27/2/15	3	3	3	2	3	3

CECET review using the September 2015 Ofsted framework is as follows;

Academy	Date of review	Overall effectiveness	Leadership and Management	Quality of teaching, learning and assessment	Personal Development, behavior and welfare	Pupil Outcomes	EYFS
Havergal	29/9/15	2	2	2	1	2	2
St Matthew's	12/10/15	2	2	2	1	2	2

Second reviews have indicated good progress at Havergal and St Matthew's over an academic year. St Matthew's and Havergal are now judged to be Good by CECET reviewers. Both academies are awaiting Ofsted.

Birchills whilst still judged to be Requires Improvement is facing significant challenges as indicated by the IDACI (deprivation indices). However, Ofsted recognised the improvements in leadership (Good) behavior (Good) and EYFS (Good). From their very low starting points pupils are making good progress but still remain below national threshold.

**Birchills attainment and progress (3 year trend)**

		2015	2014	2013
<b>Reading</b>	4+	62%	71%	66%
	5	24%	21%	23%
	2LP	84%	75%	73%
	3LP	32%	29%	
<b>Writing</b>	4+	71%	65%	69%
	5	10%		3%
	2LP	97%	77%	94%
	3LP	34%	6%	
<b>Maths</b>	4+	67%	67%	69%
	5+	26%	27%	20%
	6	5%		
	2LP	84%	75%	79%
	3LP	29%	25%	

## **Ofsted Inspections**

### Birchills Church of England Community Academy

Inspection date; 15-16 January 2015. Findings as follows;

<b>Overall effectiveness</b>	Previous inspection:	Not previously inspected as an academy	
	This inspection:	<b>Requires improvement</b>	<b>3</b>
Leadership and management	Good		2
Behaviour and safety of pupils	Good		2
Quality of teaching	Requires improvement		3
Achievement of pupils	Requires improvement		3
Early years provision	Good		2

NB Improvements and gains at Birchills despite remaining as Requiring Improvement

## **b. Going concern**

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

## **Financial review**

The majority of the Trust's income is received from the Department for Education via the Education Funding Agency in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objects of the Trust. The GAG received during the period covered by this report and the associated expenditure is shown in the restricted funds in the Statement of Financial Activity.

The Trustees agreed the following key financial performance indicators for 2014-15:-

- Achieving a balanced budget at year-end;  
The Trustees monitor the financial position on a half-termly basis by reviewing financial year-end projections which are supported by management accounts and budget monitoring.
- Benchmarking expenditure against other similar organisations;  
Benchmarking information recently provided by the Department for Education will be reviewed by Trustees on an annual basis to make comparative judgements on a spend per student basis.
- Achieving value for money through effective financial management procedures and procurement initiatives;  
The Trust complies with its Financial Regulations.
- Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure  
Monitoring of cash flow throughout the year has secured sufficient cash balances to cover monthly expenditure.

**a. Principal risks and uncertainties**

The principal risks to the Trust are financial and result from a projected deficit on the Local Government Pension Scheme. In addition, short notice to budgetary allocations and funding formulae from the EFA may have a negative effect on financial planning. There are also the usual risks in respect of fraud, reputational damage and failure to deliver school improvement, but controls and systems are in place to mitigate these risks.

Due to the end of Contracting Out in April 2016 academies within St Chad's Academies Trust will see an increase in National Insurance costs. The government is introducing a new state pension which will replace the current multi-tier arrangements. Through the end of contracting out employees and employers who pay into a Local Government Pension Scheme (LGPS) or Teachers Pension Scheme (TPS) will no longer benefit from the National Insurance rebate on their contributions. Areas to consider will be; additional budgetary funding for 2016/2017 and planning system requirements; payroll.

In 2016 there will be an actuary review of the pension contribution rates payable by employers. The purpose of the actuary valuation is to ensure strong governance and key strategic planning; ensuring sufficient benefits are built up within the Scheme considering upward cost pressures. The objective is to have sufficient assets to pay benefits as and when they become due. The new valuation rates will be published and implemented by April 2017. This change will have an effect on budget constraints and planning for St Chad's Academies Trust.

Under Financial Reporting Standard 17 ("Retirement Benefits") it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted general fund. This results in reducing the reserves shown in the total funds. However this does not present any current liquidity problem.

The Trust has undertaken a comprehensive assessment of possible risks to the Trust. The potential risks that have been identified are being included in the Trust's Risk Register. The areas covered will include Spirituality, Strategic, Compliance, Regulatory, Standards, Operational, Financial, Safeguarding, Health and Safety, Governance, Reputation, Staffing and ICT. The Risk Register is a standing item on Board meeting agendas to ensure regular review.

The principal risks currently identified are outlined below.

Potential Risk	Mitigating controls
Strategic – Delays in the DfE agreement for continued growth of the Trust	The Trust is part of the CECET Umbrella structure, which has brought additional capacity into the Diocese of Lichfield. The aim is to grow the Trust on a managed basis, in line with its developing capacity. Regular contact with DfE is sought.
Standards – Academies performing consistently below the national average or floor targets resulting in damage to reputation and restricts further Trust growth	Robust performance management targets are set to ensure leadership is focused on results. CECET's monitoring and review processes maintain a clear understanding of performance and drive school improvement plans. Academies are supported by dedicated, appropriately experienced CECET staff.
Operational – Failure to attract and retain key staff. Failure to establish succession planning for academies and the Trust.	Succession strategies are in place and will be developed further for key members of the Trust's senior leadership team and academy principals. The Trust can access expertise in the Diocese of Lichfield's 204 schools and academies. It has close links with consultants and associates that can provide additional resource if necessary.
Compliance – Failure to ensure safeguarding procedures are robust enough to assure that all reasonable action is taken to protect our pupils and staff	Relevant training has been completed; policies and procedures have been updated and will be reviewed every 12 months. Training will be updated in line with current guidance.
Governance – Local Governing Bodies ("LGB") not working in line with the core vision and aspirations of the Trust and not able to deliver effective governance	The Trust has appointed one member of the Local Governing Body (usually a CECET or diocesan officer) to provide a strong link to the Trust in order to facilitate communication and strategic planning. Governor training programs are in place. The Trust has devised a Governor Handbook which clearly sets out expectations and responsibilities.
Compliance – Buildings do not meet Health and Safety requirements or become unfit for purpose	The Trust carries out regular audits of buildings. The Trust can access expertise within the Diocese to ensure that its estates strategy is sound. The Trust will aim to access capital investment as appropriate in line with its estates strategy.
Financial – Pension Fund changes and deficits become a major drain on Trust resources.	The Trust carries out regular reviews, in line with regulatory requirements, and accesses regular advice from its consultants and auditors in order to proactively manage risks.
Financial – Budget constraints	Financial planning and monitoring systems are in place to provide robust financial testing and planning for the future

## **b. Reserves policy**

The Trustees review the reserve levels annually. This review details the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held to provide sufficient working capital to cover delays between spending and the receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal situations the Trustees would aim to maintain reserves of between 5%-10% of GAG as an appropriate cushion.

## **c. Investments policy**

St Chad's Academies Trust has no realisable investments; all cash is held for operational activities. With respect to cash holdings, the Board of Trustees has adopted a low risk strategy. The Academy Trust maintains a current account with its bankers. The Trustees will review the Trust's investments for forthcoming financial years to ensure maximum efficiency for cash balances.

## **Plans for future periods**

### **a. Future developments**

As a Multi Academy Trust, St Chad's Academies Trust aims to develop the number of academies within the Trust.

At the end of the financial year, the Trust was exploring the possibility of sponsoring a Voluntary Controlled Church of England school in Staffordshire that is currently in an Ofsted category.

A Voluntary Controlled Church of England school in Staffordshire which is currently Ofsted rated Good, has elected to join the Trust. Conversations are ongoing with the Regional Schools Commissioner and DFE colleagues.

On 1st September 2015, Bloxwich Church of England Primary School joined the Trust and became All Saints National Academy.

Further work is taking place to develop school improvement strategies, operational support and procedures and to enhance the corporate governance and strategic capacity of the Trust.

### **Funds held as custodian trustee on behalf of others**

The trust holds no funds on behalf of others as a custodian trustee.

## **Disclosure of information to auditors**

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

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

## **Auditors**

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report, incorporating the Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 18 December 2015 and signed on the board's behalf by:



**The Revd H D Bishop**  
Trustee

**Governance Statement**

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**Scope of Responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 St Chad's Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Trustees' Responsibilities Statement. The Board of Trustees has formally met 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
The Revd H D Bishop	2	3
J R L Hill	2	3
J M Jones	3	3
The Revd A M Morris	3	3
Dr A F Primrose	2	3
C G Randles	3	3
C Brislen	2	2

C Brislen resigned as a trustee as of June 2015.

**Governance reviews:**

A formal review of Governance is scheduled for November 2015.

The Board of Trustees has decided to incorporate the functions of an audit committee within their established committee. It provides internal scrutiny, assurance over the suitability of, and compliance with, its financial systems and operational controls. In the corporate structure, the CECET Board sits above the St Chad's Academies Trust Board and is there to provide internal analysis, propriety assurance, compliance monitoring and appropriate support and challenge.

**Review of Value for Money**

As accounting officer, the Chief Executive 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- joint procurement ventures with Wulfrun Academies Trust and other CECET academies;
- The appointment of preferred supplier in respect of supply teaching agency;
- A reduction in external support contracts and the appointment of dedicated members of staff, which has produced significant savings;
- Ongoing contract reviews including re-evaluation of the HR/payroll/recruitment and internal audit contracts.

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Multi 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 St Chad's Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

The Multi Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. 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 Governing Body and CECET of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Lichfield Diocesan Academies Services Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations
- testing of debtors' systems
- contract testing
- report and returns testing

On a termly basis, the internal auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and provided details of any issues as a result of the internal audit processes. No significant control issues were found during the course of the year.



**Review of Effectiveness**

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

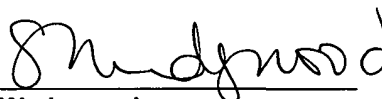
- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Head of Operations and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18 December 2015 and signed on its behalf, by:



**The Revd H D Bishop**  
**Trustee**



**S Wedgwood**  
**Accounting Officer**

**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

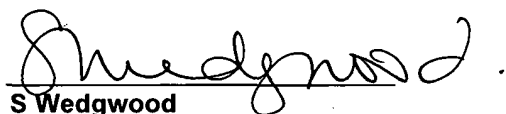
**Statement on Regularity, Propriety and Compliance**

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As accounting officer of St Chad's Academy Trust I have considered my responsibility to notify the Multi Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Multi 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 (2014).

I confirm that I and the Multi Academy Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust's funding agreement and the Academies Financial Handbook (2014).

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



**S Wedgwood**  
**Accounting Officer**

Date: 18 December 2015

**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Responsibilities Statement**  
**For the Year Ended 31 August 2015**

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The Trustees (who act as governors of St Chad's Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2015 and signed on its behalf by:



**The Revd H D Bishop**  
**Trustee**

**Independent Auditors' Report to the Members of St Chad's Academy Trust**

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We have audited the financial statements of St Chad's Academy Trust for the year ended 31 August 2015 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

**Respective responsibilities of Trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable Multi Academy 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.

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

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Multi Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Multi Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Matters on which we are required to report by exception**

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

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



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham  
18 December 2015

**Independent Reporting Accountants' Assurance Report on Regularity to St Chad's Academy Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 6 January 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Chad's Academy Trust during the year 1 September 2014 to 31 August 2015 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 St Chad's Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to St Chad's Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than St Chad's Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of St Chad's Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of St Chad's Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

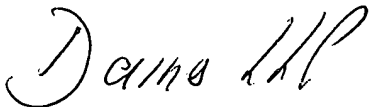
**St Chad's Academy Trust  
(A Company Limited by Guarantee)**

**Independent Reporting Accountants' Assurance Report on Regularity to St Chad's Academy Trust and  
the Education Funding Agency (continued)**

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**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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

18 December 2015

**St Chad's Academy Trust**  
(A Company Limited by Guarantee)

**Statement of Financial Activities**  
(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)  
For the Year Ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income – transfer from local authority on conversion	2	181,773	(279,000)	-	(97,227)	(322,790)
Other voluntary income	2	24,851	-	-	24,851	10,335
Activities for generating funds	3	69,901	-	-	69,901	8,646
Investment income	4	452	-	-	452	106
Incoming resources from charitable activities:						
Funding for the multi academy trust's educational operations	5	-	4,303,592	27,635	4,331,227	2,546,701
<b>Total incoming resources</b>		<b>276,977</b>	<b>4,024,592</b>	<b>27,635</b>	<b>4,329,204</b>	<b>2,242,998</b>
<b>Resources expended</b>						
Charitable activities:						
Multi academy trust's educational operations	7	25,176	4,278,428	15,880	4,319,484	2,250,924
Governance costs	8	-	81,306	-	81,306	21,162
<b>Total resources expended</b>	6	<b>25,176</b>	<b>4,359,734</b>	<b>15,880</b>	<b>4,400,790</b>	<b>2,272,086</b>
<b>Net incoming / (outgoing) resources before transfers</b>		<b>251,801</b>	<b>(335,142)</b>	<b>11,755</b>	<b>(71,586)</b>	<b>(29,088)</b>
Transfers between Funds	16	-	(13,833)	13,833	-	-
<b>Net expenditure for the year</b>		<b>251,801</b>	<b>(348,975)</b>	<b>25,588</b>	<b>(71,586)</b>	<b>(29,088)</b>
Actuarial gains and losses on defined benefit pension schemes		-	(55,000)	-	(55,000)	(139,000)
<b>Net movement in funds for the year</b>		<b>251,801</b>	<b>(403,975)</b>	<b>25,588</b>	<b>(126,586)</b>	<b>(168,088)</b>
Total funds at 1 September 2014		209,855	(492,705)	17,840	(265,010)	(96,922)
<b>Total funds at 31 August 2015</b>		<b>461,656</b>	<b>(896,680)</b>	<b>43,428</b>	<b>(391,596)</b>	<b>(265,010)</b>

All of the multi academy trust's activities derive from continuing operations during the above two financial periods.

The Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The notes on pages 25 to 44 form part of these financial statements.



**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 08526973**

**Balance Sheet**  
**As at 31 August 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	13		<b>43,428</b>		17,840
<b>Current assets</b>					
Debtors	14	<b>320,426</b>		497,288	
Cash at bank and in hand		<b>924,701</b>		182,221	
		<b>1,245,127</b>		679,509	
<b>Creditors: amounts falling due within one year</b>	15	<b>(444,151)</b>		(121,359)	
<b>Net current assets</b>			<b>800,976</b>		558,150
<b>Total assets less current liabilities</b>			<b>844,404</b>		575,990
Defined benefit pension scheme liability	22	<b>(1,236,000)</b>			(841,000)
<b>Net liabilities including pension scheme liability</b>			<b>(391,596)</b>		(265,010)
<b>Funds of the academy</b>					
Restricted funds:					
Restricted funds	16	<b>339,320</b>		348,295	
Restricted fixed asset funds	16	<b>43,428</b>		17,840	
Restricted funds excluding pension liability		<b>382,748</b>		366,135	
Pension reserve		<b>(1,236,000)</b>		(841,000)	
Total restricted funds			<b>(853,252)</b>		(474,865)
Unrestricted funds	16		<b>461,656</b>		209,855
<b>Total deficit</b>			<b>(391,596)</b>		(265,010)

The financial statements were approved by the Trustees, and authorised for issue, on 18 December 2015 and are signed on their behalf, by:



**The Revd H D Bishop**  
**Trustee**

The notes on pages 25 to 44 form part of these financial statements.

**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

**Cash Flow Statement**  
**For the Year Ended 31 August 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Net cash flow from operating activities	18	<b>756,313</b>	88,317
Capital expenditure and financial investment	19	<b>(13,833)</b>	(8,330)
Cash transferred on conversion to the Multi-Academy trust	21	<b>(181,774)</b>	(86,210)
<b>Increase/(Decrease) in cash in the year</b>		<b>560,706</b>	(6,223)

**Reconciliation of Net Cash Flow to Movement in Net Funds**  
**For the Year Ended 31 August 2015**

	<b>2015 £</b>	<b>2014 £</b>
Increase/(Decrease) in cash in the year	<b>560,706</b>	(6,223)
<b>Change in net debt resulting from cash flows</b>	<b>560,706</b>	(6,223)
Cash transferred on conversion to the Multi-Academy trust	<b>181,774</b>	86,210
<b>Movement in net funds in the year</b>	<b>742,480</b>	79,987
Net funds at 1 September 2014	<b>182,221</b>	102,234
<b>Net funds at 31 August 2015</b>	<b>924,701</b>	182,221

The notes on pages 25 to 44 form part of these financial statements.

## **1. Accounting Policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention, in accordance with applicable United Kingdom Accounting Standards, the Charity Commission Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, and the Companies Act 2006. A summary of the principal accounting policies, which has been applied consistently, except where noted is set out below.

### **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 company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

### **1.3 Incoming resources**

All incoming resources are included in the Statement of Financial Activities when the Multi Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants Receivable**

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 year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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**

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

#### **Donated Services and Gifts in Kind**

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

#### **Donations**

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

**1. Accounting Policies (continued)**

**1.4 Resources expended**

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

**Charitable Activities**

Charitable activities are costs incurred in the academy's educational operations.

**Governance Costs**

Governance costs include the costs attributable to the academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

**1.5 Tangible Fixed Assets**

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

The multi academy trust company occupies:

Land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

Having considered the fact that the multi academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the multi academy trust company will not be recognised on the balance sheet of the company.

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

Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line

**1. Accounting Policies (continued)**

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.

**1.6 Operating leases**

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

**1.7 Taxation**

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

**1.8 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-Academy 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 quinquennial valuations using a prospective benefit method. As stated in note 22, the TPS is a multi-employer scheme and the Multi-Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Multi-Academy 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 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**1. Accounting Policies (continued)**

**1.9 Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from St Johns Church of England Primary to an Multi-Academy Trust have been valued at their fair value, being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for St Chad's Academy Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

**1.10 Fund accounting**

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education and the Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

**2. Voluntary income**

	<b>Unrestricted funds 2015 £</b>	<b>Restricted funds 2015 £</b>	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
Transfer from Local Authority on conversion	<b>181,773</b>	<b>(279,000)</b>	<b>(97,227)</b>	(322,790)
Other donations	<b>17,356</b>	-	<b>17,356</b>	10,335
School fund income	<b>7,495</b>	-	<b>7,495</b>	-
Subtotal	<b>24,851</b>	-	<b>24,851</b>	10,335
Voluntary income	<b>206,624</b>	<b>(279,000)</b>	<b>(72,376)</b>	(312,455)

**St Chad's Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2015**

**3. Activities for generating funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Kids club income	8,346	-	8,346	1,158
Other income	37,020	-	37,020	2,888
Insurance receipts	24,535	-	24,535	4,600
	<u>69,901</u>	<u>-</u>	<u>69,901</u>	<u>8,646</u>

**4. Investment Income**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest receivable	452	-	452	106
	<u>452</u>	<u>-</u>	<u>452</u>	<u>106</u>

**5. Funding for Academy's educational operations**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	3,552,046	3,552,046	2,027,929
Start up grants	-	45,000	45,000	135,788
Other DfE/EFA grants	-	496,237	496,237	190,579
Capital Grants	-	27,635	27,635	17,508
	<u>-</u>	<u>4,120,918</u>	<u>4,120,918</u>	<u>2,371,804</u>
<b>Other government grants</b>				
Local authority grants	-	42,447	42,447	26,354
Early years funding	-	113,688	113,688	113,483
	<u>-</u>	<u>156,135</u>	<u>156,135</u>	<u>139,837</u>
<b>Other funding</b>				
Other income	-	3,176	3,176	600
Catering Income	-	50,998	50,998	34,460
	<u>-</u>	<u>54,174</u>	<u>54,174</u>	<u>35,060</u>
	<u>-</u>	<u>4,331,227</u>	<u>4,331,227</u>	<u>2,546,701</u>

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**6. Resources expended**

	<b>Staff costs</b>	<b>Non Pay Premises</b>	<b>Expenditure Other costs</b>	<b>Total</b>	<b>Total</b>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Direct costs	2,478,897	-	870,281	3,349,178	1,728,738
Support costs	473,793	240,660	255,853	970,306	522,186
<b>Charitable activities</b>	<b>2,952,690</b>	<b>240,660</b>	<b>1,126,134</b>	<b>4,319,484</b>	<b>2,250,924</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>81,306</b>	<b>81,306</b>	<b>21,162</b>
	<b>2,952,690</b>	<b>240,660</b>	<b>1,207,440</b>	<b>4,400,790</b>	<b>2,272,086</b>



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**7. Charitable activities**

	<b>Total funds 2015 £</b>	<b>Total funds 2014 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	2,045,033	1,188,605
National insurance	138,673	82,569
Pension cost	295,191	154,502
Depreciation	15,880	7,036
Pension income	33,000	25,000
Educational supplies	156,731	103,164
Staff development	30,532	14,230
Educational consultancy	332,448	130,079
Other direct costs	285,627	22,115
Supply teacher insurance	16,063	1,438
	<u>3,349,178</u>	<u>1,728,738</u>
<b>Support costs - educational operations</b>		
Wages and salaries	384,447	230,588
National insurance	14,382	8,635
Pension cost	74,963	41,673
Staff development	19,253	-
Travel and subsistence	2,792	2,016
Other direct costs	33,916	3,557
Maintenance of premises	114,001	60,937
Maintenance of equipment	48,975	48,093
Cleaning	29,693	11,008
Rates	(876)	23,647
Water rates	8,214	3,951
Energy	54,532	39,450
Insurance	33,461	2,260
Catering costs	113,244	32,115
Other occupancy costs	39,309	14,256
	<u>970,306</u>	<u>522,186</u>
	<u><u>4,319,484</u></u>	<u><u>2,250,924</u></u>

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**8. Governance costs**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	12,225	12,225	10,550
Legal and professional fees	-	69,081	69,081	10,612
	<u>-</u>	<u>81,306</u>	<u>81,306</u>	<u>21,162</u>

**9. Net incoming / (outgoing) resources**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charity	15,880	7,036
Auditors' remuneration	12,225	10,550
	<u>28,105</u>	<u>17,586</u>

**10. Staff**

**a. Staff costs**

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	2,369,879	1,381,803
Social security costs	153,056	91,204
Pension costs (Note 22)	370,154	196,175
	<u>2,893,089</u>	<u>1,669,182</u>
Supply teacher costs	59,601	37,391
	<u>2,952,690</u>	<u>1,706,573</u>

**b. Staff numbers**

The average number of persons employed by the Multi Academy Trust during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	43	32
Administration	65	35
	<u>108</u>	<u>67</u>

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**10. Staff (continued)**

**c. Higher paid staff**

The number of employees whose emoluments fell within the following bands was:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<u><u>1</u></u>	<u><u>1</u></u>

The above employee participated in the Teachers' Pension Scheme.

**11. Central services**

The Multi Academy Trust has provided the following central services to its academies during the year:

- Payroll services
- Financial services
- Education services

The Multi Academy Trust charges for these services on the following basis:

5% of General Annual Grant

The actual amounts charged during the year were as follows:

	<b>2015</b>
	<b>£</b>
Havergal Church of England Primary School	<b>35,438</b>
Birchills Church of England Community School	<b>85,906</b>
St Matthew's Church of England Primary School	<b>12,189</b>
St John's Church of England Primary School	<b>35,469</b>
Total	<u><u><b>169,002</b></u></u>

**12. Trustees' and officers' insurance**

In accordance with normal commercial practice the Multi Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity elements form the overall cost of the academy trusts insurance.

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**13. Tangible fixed assets**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2014	-	24,876	24,876
Additions	19,673	21,795	41,468
At 31 August 2015	19,673	46,671	66,344
<b>Depreciation</b>			
At 1 September 2014	-	7,036	7,036
Charge for the year	2,604	13,276	15,880
At 31 August 2015	2,604	20,312	22,916
<b>Net book value</b>			
At 31 August 2015	17,069	26,359	43,428
At 31 August 2014	-	17,840	17,840

**14. Debtors**

	<b>2015 £</b>	<b>2014 £</b>
Other debtors	122,664	375,152
VAT recoverable	50,557	41,645
Prepayments and accrued income	147,205	80,491
	<b>320,426</b>	<b>497,288</b>

**15. Creditors:**  
**Amounts falling due within one year**

	<b>2015 £</b>	<b>2014 £</b>
Trade creditors	114,425	83,448
Other creditors	14,562	-
Accruals and deferred income	315,164	37,911
	<b>444,151</b>	<b>121,359</b>

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**15. Creditors:**  
**Amounts falling due within one year (continued)**

	£
<b>Deferred income</b>	
Deferred income at 1 September 2014	25,727
Resources deferred during the year	84,523
Amounts released from previous years	(25,727)
	<u>84,523</u>
Deferred income at 31 August 2015	<u>84,523</u>

At the balance sheet date the Multi Academy Trust was holding funds received in advance for the following:

Free school meals funding  
Devolved formula capital  
Rates relief

**16. Statement of funds**

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds	209,855	276,977	(25,176)	-	-	461,656
<b>Restricted funds</b>						
General Annual Grant (GAG)	348,295	3,542,563	(3,537,705)	(13,833)	-	339,320
Other DfE/EFA grants	-	540,728	(540,728)	-	-	-
Other government grants	-	169,303	(169,303)	-	-	-
Other restricted funds	-	50,998	(50,998)	-	-	-
Pension reserve	(841,000)	(279,000)	(61,000)	-	(55,000)	(1,236,000)
	<u>(492,705)</u>	<u>4,024,592</u>	<u>(4,359,734)</u>	<u>(13,833)</u>	<u>(55,000)</u>	<u>(896,680)</u>
<b>Restricted fixed asset funds</b>						
DfE/EFA Capital Grants	17,840	27,635	(15,880)	13,833	-	43,428
Total restricted funds	<u>(474,865)</u>	<u>4,052,227</u>	<u>(4,375,614)</u>	<u>-</u>	<u>(55,000)</u>	<u>(853,252)</u>
Total of funds	<u><u>(265,010)</u></u>	<u><u>4,329,204</u></u>	<u><u>(4,400,790)</u></u>	<u><u>-</u></u>	<u><u>(55,000)</u></u>	<u><u>(391,596)</u></u>

**16. Statement of funds (continued)**

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

**Restricted general funds**

This fund represents grants and other income received for the Academy's operational activities and development.

**Pension reserve**

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

**Restricted fixed asset funds**

This fund represents grants received from the DfE and EFA to carry out works of a capital nature.

Under the funding agreement with the Secretary of State, the Mutli-Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

**Analysis of academies by fund balance**

Fund balances at 31 August 2015 were allocated as follows:

	<b>Total £</b>
Birchills Church of England Primary School	<b>302,699</b>
Havergal Church of England Primary School	<b>249,086</b>
St Matthews Church of England Primary School	<b>10,717</b>
St Johns Church of England Primary School	<b>238,474</b>
	<hr/>
Total before fixed asset fund and pension reserve	<b>800,976</b>
Restricted fixed asset fund	<b>43,428</b>
Pension reserve	<b>(1,236,000)</b>
	<hr/>
Total	<b>(391,596)</b>
	<hr/>

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2015**

**16. 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 £
Birchills Church of England Primary Community School	1,210,372	260,721	69,245	509,877	2,050,215
Havergal Church of England Primary School	484,669	86,320	38,955	131,766	741,710
St Matthews Church of England Primary School	317,520	47,267	18,823	109,867	493,477
St Johns Church of England Primary School	466,336	79,484	29,708	262,468	837,996
Central Services	-	-	-	261,512	261,512
	<u>2,478,897</u>	<u>473,792</u>	<u>156,731</u>	<u>1,275,490</u>	<u>4,384,910</u>

**Summary of funds**

	Brought Forward £	Incoming Resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	209,855	276,977	(25,176)	-	-	461,656
Restricted funds	(492,705)	4,024,592	(4,359,734)	(13,833)	(55,000)	(896,680)
Restricted fixed asset funds	17,840	27,635	(15,880)	13,833	-	43,428
	<u>(265,010)</u>	<u>4,329,204</u>	<u>(4,400,790)</u>	<u>-</u>	<u>(55,000)</u>	<u>(391,596)</u>

**17. Analysis of Net Assets between Funds**

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	43,428	43,428	17,840
Current assets	424,545	805,512	15,070	1,245,127	679,510
Creditors due within one year	37,111	(466,192)	(15,070)	(444,151)	(121,360)
Provisions for liabilities and charges	-	(1,236,000)	-	(1,236,000)	(841,000)
	<u>461,656</u>	<u>(896,680)</u>	<u>43,428</u>	<u>(391,596)</u>	<u>(265,010)</u>

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**18. Net cash flow from operations**

	2015 £	2014 £
Net incoming resources before revaluations	(71,586)	(29,088)
Non cash gift from the Local Authority	279,000	409,000
Depreciation of tangible fixed assets	15,880	7,036
Capital grants from DfE	(27,635)	-
Decrease/(increase) in debtors	176,862	(317,841)
Increase/(decrease) in creditors	322,792	(13,790)
FRS 17 adjustments	61,000	33,000
<b>Net cash inflow from operations</b>	<b>756,313</b>	<b>88,317</b>

**19. Analysis of cash flows for headings netted in cash flow statement**

	2015 £	2014 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(41,468)	(8,330)
Capital grants from DfE	27,635	-
<b>Net cash outflow capital expenditure</b>	<b>(13,833)</b>	<b>(8,330)</b>

**20. Analysis of changes in net funds**

	1 September 2014 £	Cash flow £	Acquisition £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	182,221	560,706	181,774	-	924,701
<b>Net funds</b>	<b>182,221</b>	<b>560,706</b>	<b>181,774</b>	<b>-</b>	<b>924,701</b>



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**21. Conversion to an academy trust**

On 1 December 2014 St Johns Church of England Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academy Trust from Sandwell Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Restricted fixed asset funds £</b>	<b>Total funds £</b>
Budget surplus on LA funds	<b>181,773</b>	-	-	<b>181,773</b>
LGPS pension deficit	-	<b>(279,000)</b>	-	<b>(279,000)</b>
Net assets/(liabilities)	<b>181,773</b>	<b>(279,000)</b>	-	<b>(97,227)</b>

The above includes £181,773 that were transferred as cash.

## **22. Pension commitments**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

### **Teachers' Pension Scheme**

#### **Introduction**

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

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

#### **Valuation of the Teachers' Pension Scheme**

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £299,359 (2014: £183,138), of which

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**22. Pension commitments (continued)**

employer's contributions totalled £186,059 (2014: £113,631) and employees' contributions totalled £113,300 (2014 : £69,507).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Multi Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Multi Academy 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 2015 was £211,000, of which employer's contributions totalled £161,000 and employees' contributions totalled £50,000. The agreed contribution rates for future years are 19.9% for employers and 5.5 to 12.5% 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 amounts recognised in the Balance Sheet are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Fair value of scheme assets	<b>605,000</b>	379,000
Present value of unfunded obligations	<b>(1,841,000)</b>	(1,220,000)
Net liability	<b>(1,236,000)</b>	(841,000)

The amounts recognised in the Statement of Financial Activities are as follows:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Current service cost	<b>(189,000)</b>	(91,000)
Interest on obligation	<b>(57,000)</b>	(31,000)
Expected return on scheme assets	<b>24,000</b>	6,000
Total	<b>(222,000)</b>	(116,000)

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**22. Pension commitments (continued)**

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

	2015 £	2014 £
Opening defined benefit obligation	1,220,000	325,000
Current service cost	189,000	91,000
Interest cost	57,000	31,000
Contributions by scheme participants	50,000	30,000
Actuarial Losses	46,000	147,000
Liabilities assumed in a business combination	279,000	596,000
	<u>1,841,000</u>	<u>1,220,000</u>
Closing defined benefit obligation	<u>1,841,000</u>	<u>1,220,000</u>

Movements in the fair value of the Multi Academy Trust's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	379,000	65,000
Expected return on assets	24,000	6,000
Actuarial gains and (losses)	(9,000)	8,000
Contributions by employer	161,000	83,000
Contributions by employees	50,000	30,000
Assets acquired in a business combination	-	187,000
	<u>605,000</u>	<u>379,000</u>
	<u>605,000</u>	<u>379,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £194,000 (2014 - £139,000).

The Multi Academy Trust expects to contribute £155,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	67.23 %	62.90 %
Bonds	13.90 %	15.10 %
Property	9.00 %	8.40 %
Cash/liquidity	5.52 %	10.10 %
Other	4.35 %	3.50 %

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.90 %	4.10 %
Expected return on scheme assets at 31 August	3.10 %	5.70 %
Rate of increase in salaries	4.40 %	4.40 %
Rate of increase for pensions in payment / inflation	2.50 %	2.60 %
Inflation assumption (CPI)	2.40 %	2.50 %

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**22. Pension commitments (continued)**

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

	2015	2014
Retiring today		
Males	22.5	22.4
Females	24.8	24.7
Retiring in 20 years		
Males	25.0	24.6
Females	27.3	27.0

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £
Defined benefit obligation	(1,841,000)	(1,220,000)	(325,000)
Scheme assets	605,000	379,000	65,000
Deficit	(1,236,000)	(841,000)	(260,000)
Experience adjustments on scheme liabilities	(46,000)	(147,000)	-
Experience adjustments on scheme assets	(9,000)	8,000	-

**23. Operating lease commitments**

At 31 August 2015 the Multi Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
<b>Expiry date:</b>				
Within 1 year	-	-	939	939
Between 2 and 5 years	-	-	850	850

**24. Related party transactions**

Owing to the nature of the Multi Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Multi Academy Trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

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**25. Controlling party**

The ultimate parent undertaking and ultimate controlling party is Church of England Central Education Trust (CECET), a charity registered in England and Wales.