

St Chad's Academy Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2014



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 Trustees and Advisers
For the Year Ended 31 August 2014

Members	Revd A M Morris C G Randles C R Hopkins
Trustees	Rev H D Bishop J R L Hill J M Jones Revd A M Morris Dr A F Primrose C G Randles C Brislen (appointed 8 October 2013)
Senior management team	Chief executive - J M Jones Accounting officer - J R L Hill
Company registered number	08526973
Principal and registered office	St. Marys House The Close Lichfield Staffordshire WS13 7LD
Company secretary	C R Hopkins
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 22 Conduit Street Lichfield WS13 6JS
Solicitors	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 2014

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 year ended 31 August 2014. 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

The Multi-Academy 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 Multi-Academy Trust.

The Trustees of St Chad's Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as St Chad's Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

The Multi-Academy Trust is constituted under a Memorandum of association dated 13 May 2013.

On 1 November 2013 St Matthews Church of England Primary School joined the Multi-Academy Trust.

On 1 July 2014 Havergal Church of England Primary School joined the Multi-Academy Trust.

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 Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

The sum insured for Libel and Slander £2,000,000 and Trustees' Liability £5,000,000.

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. External Trustees are provided with information about the Multi-Academy Trust by the Clerk to Trustees with an Induction Pack. New Trustees requiring guidance on the roles of Trustees are provided with external training and through internal meetings and discussion with staff and other Trustees.

g. Organisational structure

The Trust is a multi-academy trust and at 31st August 2014 ran three academies (Birchills CE Primary Community Academy, Walsall; Havergal CE Primary Academy, Shareshill, Staffordshire; and St Matthew's CE Primary Academy, Stoke-on-Trent), 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.

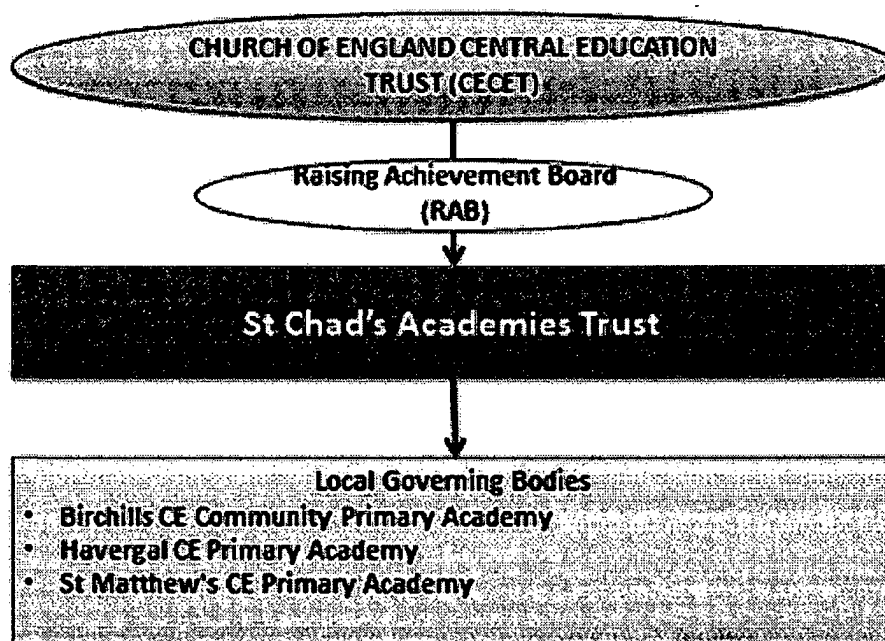
The St Chad's Academies Trust exists within the "Umbrella" structure of the Church of England Central Education Trust (CECET) (known previously as Lichfield Diocesan Academies Trust until 14th March 2014, when it was reconstituted as CECET). CECET is a partnership between the Dioceses of Lichfield and Birmingham and the University of Wolverhampton. CECET acts as the Sponsor of three academies within the Trust (Birchills, Havergal and St Matthew's), and provides challenge and support to the St Chad's Academies Trust and the academies within it through a "Raising Achievement Board" which monitors the performance of academies within the Trust.

The St Chad's Academies Trust is managed by a Board of Directors (also referred to as the Trustees) who meet regularly and provide strategic leadership and vision to the schools. 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 schools 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 four times a year, and more frequently when necessary, to discharge its duties.

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

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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 comprise up to twelve 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. Risk management

The Trust is undertaking a comprehensive assessment of possible risks to the future of the Trust. The potential risks that have been identified are being included in the Trust's Risk Register. The areas covered will include Strategic, Financial, Regulatory, Operational, Reputation, Staffing and ICT matters. Once completed the Register will be brought before the Board for approval and reviewed regularly.

The principal risks currently identified are outlined below.

Potential Risk	Mitigating controls
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.
Schools 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 focussed on results. CECET's monitoring and review processes maintain a clear understanding of performance and drive school improvement plans.
Failure to attract and retain key staff	Succession strategies are in place 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.
Inconsistent information technology provision which impedes the Trust's data strategy.	ICT audits are being carried out within the CECET Group in order to ensure consistency.
Local Governing Bodies ("LGB") not working in line with the core vision and aspirations of the Trust	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 is being organized. The Trust has devised a Governor Handbook which clearly sets out expectations and responsibilities.
Buildings do not meet Health and Safety requirements or become unfit for purpose	The Trust has a sound overview of its building stock. As the Trust grows, it will carry out a regular audit 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.
Pension Fund 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 proactively to manage risks.

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.

Within our strategy it is our aim that our schools will themselves become agents of school improvement supporting other individual schools, or groups of schools, within a family network. This strategy embraces senior leaders, governors and teachers. We are committed to high quality continuous professional development for staff, and to ensuring that leaders and staff can become key agents of change. Our 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 of 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 the St Chad's Academy Trust is the maintenance and development of a quality education provided by the school. 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 it operates.

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

Strategic Report

Achievements and performance

a. Progress and Attainment

The following table illustrates the headline statistics for pupil performance at Key Stage 2 (KS2) in our three academies in 2014.

% of KS2 pupils achieving Level 4				
	Birchills	Havergal	St Matthew's	National Avg
Mathematics	67%	86%	80%	85%
Reading	71%	93%	90%	86%
Writing	65%	93%	100%	83%
% of KS2 pupils achieving two levels of progress				
	Birchills	Havergal	St Matthew's	National Avg (2013)
Mathematics	73%	86%	80%	92%
Reading	73%	90%	80%	91%
Writing	77%	93%	100%	95%

In each case, robust action plans are in place to support school improvement. Birchills has a significant annual turnover of pupils (30%+), whilst Havergal was placed in Special Measures in 2013, prior to being sponsored by CECET and joining St Chad's Academies Trust in July 2014. All three academies received a two-day review to assess their educational strengths and weaknesses early in the academic year 2014/15.

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.

c. Key financial performance indicators

The Trustees of the Multi Academy Trust agreed the following key financial performance indicators for 2013-14:-

- Achieving a balanced budget at period-end

The Trustees monitor the financial position on a half-termly basis by reviewing written financial year-end projections.

- Benchmarking expenditure against other similar organisations

New 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

The school complies with its Financial Procedures Manual.

- 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 ensure cash balances to cover monthly expenditure.

d. Review of activities

St Matthew's CE (A) Primary School, Stoke-on-Trent, converted to academy status within the Trust on 1st November 2013, and Havergal CE(C) Primary School, Shareshill, Staffordshire, converted into the Trust on 1st July 2014. Much of the time has been spent on governance and ensuring that appropriate systems, structures and mechanisms were in place to secure school improvement and to support staff in their specific areas of work and in managing change.

In relation to the converting academies, it was important to ensure that the TUPE process was managed effectively, and that appropriate Service Level Agreements with various bodies were in place in respect of payroll, pensions transition, school improvement and other services.

During the year, the Trust worked with the Governing Body of St John's CE (A) Primary School, Wednesbury (Sandwell) to prepare for its conversion into the Trust in late 2014. The Trust was involved in consultations with parents, staff, unions and other stakeholders to prepare for conversion.

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 are shown in the restricted funds in the Statement of Financial Activity.

During the year St Matthew's CE (A) Primary School, Stoke-on-Trent, and Havergal CE(C) Primary School, Shareshill, Staffordshire, converted into the Trust, for which Start Up Grants were received totalling £135,788.

a. Principal risks and uncertainties

The principal risks to the Multi-Academy Trust are financial and result from a projected deficit on the Local Government Pension Scheme. In addition short notice to budgetary allocations and funding formulas from the EFA may have a negative effect on financial planning. There are the usual risks associated with potential fraud, damage to reputation and failure to maintain and improve academic standards but control measures have been put in place to mitigate these risks.

Under Financial Reporting Standard Number 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 of the Academy. It should be noted that this does not present the Academy with any current liquidity problem.

b. Reserves policy

The Trustees have reviewed the reserve levels and believe that they should provide sufficient working capital to cover delays between spending and receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal circumstances the Trustees would aim to maintain reserves of between 5% and 10% of GAG as an appropriate cushion.

c. Investments policy

Apart from the cash held for the operation of the school, St Chad's Academy Trust has no realisable investments. With respect to its cash holdings the Board of Trustees has adopted a low risk strategy. The Multi-Academy Trust maintains a current account with the school's bankers. The Trustees will review its 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 calendar year 2014, the Trust was exploring the possibility of sponsoring a Voluntary Controlled Church of England school in Walsall that is currently in an Ofsted category.

On 1st September 2014, the Trust appointed a new Principal (Mr Paul Mitchell) to Havergal CE Primary Academy.

St John's CE (A) Primary School, Wednesbury (Sandwell) converted into the Trust on 1st December 2014. The Trust worked with the Governing Body of this school in appointing a new Headteacher (Principal Designate – Mrs Sarah Cockshott), who took up post on 1st September 2014.

In 2014/15 the Trust amended its Articles to transfer membership from Lichfield DBE to CECET, and to

incorporate the CECET "Raising Achievement Scheme" into its Articles.

On 1st November 2014, CECET appointed a Head of Operations to support the work of the St Chad's Academies Trust and the Wulfrun Academies Trust, and this appointment will add capacity to the team at headquarters in supporting academies.

Further work is taking place to develop school improvement strategies, policies 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

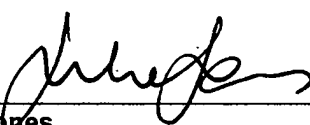
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- 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 29 January 2015 and signed on the board's behalf by:



J M Jones
Trustee

Governance Statement

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 Finance Director, 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 5 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
Rev H D Bishop	5	5
C Brislen	3	4
J R L Hill	5	5
J M Jones	4	5
Revd A M Morris	5	5
Dr A F Primrose	4	5
C G Randles	3	5

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 2013 to 31 August 2014 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 2013 to 31 August 2014 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 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. On an annual 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.

Review of Effectiveness

As Accounting Officer, the Finance Director 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 Governing Body 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 29 January 2015 and signed on its behalf, by:


J M Jones
Trustee


J R L Hill
Accounting Officer

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

Statement on Regularity, Propriety and Compliance

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 (2013).

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 (2013).

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.



J R L Hill
Accounting Officer

Date: 29 January 2015

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

Trustees' Responsibilities Statement
For the Year Ended 31 August 2014

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 29 January 2015 and signed on its behalf by:


J M Jones
Trustee

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

We have audited the financial statements of St Chad's Academy Trust for the year ended 31 August 2014 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 2013 to 2014 issued by the Education Funding Agency.

This report is made solely to the charitable 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 charitable 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 charitable Multi Academy Trust and its 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 2014 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 2013 to 2014 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
29 January 2015

**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

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 2013 to 2014, 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 2013 to 31 August 2014 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 2013, 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 2013 to 2014. 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 2013 to 31 August 2014 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 2013 to 2014 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.

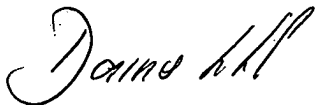
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Multi Academy Trust's income and expenditure.

**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)**

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 2013 to 31 August 2014 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

29 January 2015

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

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the Year Ended 31 August 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income – transfer from local authority on conversion	2	86,210	(409,000)	-	(322,790)	(118,280)
Other voluntary income	2	10,335	-	-	10,335	3,338
Activities for generating funds	3	8,646	34,461	-	43,107	-
Investment income	4	106	-	-	106	-
Incoming resources from charitable activities:						
Funding for the multi academy trust's educational operations	5	-	2,494,732	17,508	2,512,240	287,339
Total incoming resources		105,297	2,120,193	17,508	2,242,998	172,397
Resources expended						
Charitable activities:						
Multi academy trust's educational operations	7	10,987	2,214,094	25,843	2,250,924	250,981
Governance costs	8	-	21,162	-	21,162	18,338
Total resources expended	6	10,987	2,235,256	25,843	2,272,086	269,319
Net incoming / (outgoing) resources before revaluations		94,310	(115,063)	(8,335)	(29,088)	(96,922)
Actuarial losses on defined benefit pension scheme		-	(139,000)	-	(139,000)	-
Net movement in funds for the year		94,310	(254,063)	(8,335)	(168,088)	(96,922)
Total funds at 1 September 2013		115,545	(238,642)	26,175	(96,922)	-
Total funds at 31 August 2014		209,855	(492,705)	17,840	(265,010)	(96,922)

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

The statement of financial activities includes all gains and losses recognised in the year.

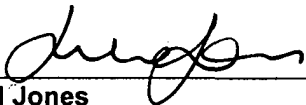
The notes on pages 23 to 40 form part of these financial statements.

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

Balance Sheet
As at 31 August 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	13		17,840		16,546
Current assets					
Debtors	14	497,288		179,447	
Cash at bank and in hand		182,221		102,234	
			679,509	281,681	
Creditors: amounts falling due within one year	15	(121,359)		(135,149)	
Net current assets			558,150		146,532
Total assets less current liabilities			575,990		163,078
Defined benefit pension scheme liability	22		(841,000)		(260,000)
Net liabilities including pension scheme liability			(265,010)		(96,922)
Funds of the academy					
Restricted funds:					
Restricted funds	16	348,295		21,358	
Restricted fixed asset funds	16	17,840		26,175	
Restricted funds excluding pension liability		366,135		47,533	
Pension reserve		(841,000)		(260,000)	
Total restricted funds			(474,865)		(212,467)
Unrestricted funds	16		209,855		115,545
Total deficit			(265,010)		(96,922)

The financial statements were approved by the Trustees, and authorised for issue, on 29 January 2015 and are signed on their behalf, by:


J M Jones
Trustee

The notes on pages 23 to 40 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 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	18	88,317	118,780
Capital expenditure and financial investment	19	(8,330)	(16,546)
Cash transferred on conversion to the Multi-Academy trust	21	(86,210)	(141,720)
Decrease in cash in the year		(6,223)	(39,486)

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2014

	2014 £	2013 £
Decrease in cash in the year	(6,223)	(39,486)
Change in net debt resulting from cash flows	(6,223)	(39,486)
Cash transferred on conversion to the Multi-Academy trust	86,210	141,720
Movement in net funds in the year	79,987	102,234
Net funds at 1 September 2013	102,234	-
Net funds at 31 August 2014	182,221	102,234

The notes on pages 23 to 40 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 2013 to 2014 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:

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:

Computer equipment	- 33% straight line
--------------------	---------------------

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. Accounting Policies (continued)

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.

1.9 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 Matthews Church of England Primary and Havergal 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.

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

Notes to the Financial Statements
For the Year Ended 31 August 2014

1. Accounting Policies (continued)

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

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfer from Local Authority on conversion	86,210	(409,000)	(322,790)	(118,280)
Other donations	10,335	-	10,335	3,338
Voluntary income	96,545	(409,000)	(312,455)	(114,942)

3. Activities for generating funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Catering income	-	34,461	34,461	-
Kids club income	1,158	-	1,158	-
Other income	2,888	-	2,888	-
Insurance receipts	4,600	-	4,600	-
	8,646	34,461	43,107	-

4.

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Bank interest receivable	106	-	106	-

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

Notes to the Financial Statements
For the Year Ended 31 August 2014

5. Funding for Academy's educational operations

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	2,027,928	2,027,928	262,339
Start up grants	-	135,788	135,788	25,000
Other DfE/EFA grants	-	190,579	190,579	-
Capital Grants	-	17,508	17,508	-
	-	2,371,803	2,371,803	287,339
Other government grants				
Local authority grants	-	26,354	26,354	-
Early years funding	-	113,483	113,483	-
	-	139,837	139,837	-
Other funding				
Other income	-	600	600	-
	-	600	600	-
	-	2,512,240	2,512,240	287,339

6. Resources expended

	Staff costs 2014 £	Non Pay Premises 2014 £	Expenditure Other costs 2014 £	Total 2014 £	Total 2013 £
Direct costs	1,425,676	-	303,062	1,728,738	187,758
Support costs	280,897	155,509	85,780	522,186	63,223
Charitable activities	1,706,573	155,509	388,842	2,250,924	250,981
Governance	-	-	21,162	21,162	18,338
	1,706,573	155,509	410,004	2,272,086	269,319

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

Notes to the Financial Statements
For the Year Ended 31 August 2014

7. Charitable activities

	Total funds 2014 £	Total funds 2013 £
Direct costs - educational operations		
Wages and salaries	1,188,605	137,842
National insurance	82,569	8,574
Pension cost	154,502	17,746
Depreciation	7,036	-
Pension income	25,000	-
Educational supplies	103,164	5,623
Staff development	14,230	1,117
Educational consultancy	130,079	13,900
Other direct costs	22,115	2,956
Supply teacher insurance	1,438	-
	1,728,738	187,758
Support costs - educational operations		
Wages and salaries	230,588	33,597
National insurance	8,635	1,264
Pension cost	41,673	2,858
Travel and subsistence	2,016	215
Other direct costs	3,557	13,117
Maintenance of premises	60,937	2,834
Maintenance of equipment	48,093	1,363
Cleaning	11,008	-
Rates	23,647	3,320
Water rates	3,951	378
Energy	39,450	961
Insurance	2,260	333
Catering costs	32,115	2,278
Other occupancy costs	14,256	705
	522,186	63,223
	2,250,924	250,981

8. Governance costs

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	-	10,550	10,550	4,500
Legal and professional fees	-	10,612	10,612	13,838
	-	21,162	21,162	18,338

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

Notes to the Financial Statements
For the Year Ended 31 August 2014

9. Net incoming / (outgoing) resources

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	7,036	-
Auditors' remuneration	10,550	4,500
	<u>17,586</u>	<u>4,500</u>

10. Staff

a. Staff costs

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	1,381,803	169,210
Social security costs	91,204	9,838
Pension costs (Note 22)	196,175	20,605
	<u>1,669,182</u>	<u>199,653</u>
Supply teacher costs	37,391	2,229
Other costs	-	1,117
	<u>1,706,573</u>	<u>202,999</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:

	2014 No.	2013 No.
Teachers	32	18
Administration	35	38
	<u>67</u>	<u>56</u>

St Chad's Academy Trust
(A Company Limited by Guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

10. Staff (continued)

c. Higher paid staff

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

	2014	2013
	No.	No.
In the band £60,001 - £70,000	<u>1</u>	<u>-</u>

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2014 employers pension contributions for this employee amounted to £2,910.

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:

	2014
	£
Birchills Church of England Primary Community School	77,830
Havergal Church of England Primary School	6,068
St Matthews Church of England Primary School	6,314
Total	<u><u>90,212</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 and the cost for the year ended 31 August 2014 was £1,392 (2013 - £1,555). The cost of this insurance is included in the total insurance cost.

St Chad's Academy Trust
(A Company Limited by Guarantee)
Notes to the Financial Statements
For the Year Ended 31 August 2014

13. Tangible fixed assets

	Computer equipment £
Cost	
At 1 September 2013	16,546
Additions	8,330
At 31 August 2014	<u>24,876</u>
Depreciation	
At 1 September 2013	-
Charge for the year	7,036
At 31 August 2014	<u>7,036</u>
Net book value	
At 31 August 2014	<u>17,840</u>
At 31 August 2013	<u>16,546</u>

14. Debtors

	2014 £	2013 £
Amounts owed by group undertakings	375,152	10,914
VAT recoverable	41,645	9,914
Other debtors	-	138,796
Prepayments and accrued income	80,491	19,823
	<u>497,288</u>	<u>179,447</u>

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

	2014 £	2013 £
Trade creditors	83,448	82,195
Other taxation and social security	-	18,875
Other creditors	-	15,018
Accruals and deferred income	37,911	19,061
	<u>121,359</u>	<u>135,149</u>

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

Notes to the Financial Statements
For the Year Ended 31 August 2014

16. Statement of funds

	Balance at 13 May 2013 £	Incoming Resources £	Resources Expended £	Gains/ (Losses) £	Balance at 31 August 2013 £
Unrestricted funds					
Unrestricted funds	115,545	105,297	(10,987)	-	209,855
Restricted funds					
General Annual Grant (GAG)	21,358	2,027,929	(1,700,992)	-	348,295
Other DfE/EFA grants	-	326,967	(326,967)	-	-
Other government grants	-	139,837	(139,837)	-	-
Other restricted funds	-	34,460	(34,460)	-	-
Pension reserve	(260,000)	(409,000)	(33,000)	(139,000)	(841,000)
	<u>(238,642)</u>	<u>2,120,193</u>	<u>(2,235,256)</u>	<u>(139,000)</u>	<u>(492,705)</u>
Restricted fixed asset funds					
DfE/EFA Capital Grants	26,175	17,508	(25,843)	-	17,840
Total restricted funds	<u>(212,467)</u>	<u>2,137,701</u>	<u>(2,261,099)</u>	<u>(139,000)</u>	<u>(474,865)</u>
Total of funds	<u><u>(96,922)</u></u>	<u><u>2,242,998</u></u>	<u><u>(2,272,086)</u></u>	<u><u>(139,000)</u></u>	<u><u>(265,010)</u></u>

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 2014.

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

Notes to the Financial Statements
For the Year Ended 31 August 2014

16. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	Total £
Birchills Church of England Primary School	281,609
Havergal Church of England Primary School	176,473
St Matthews Church of England Primary School	10,347
Central Services	89,721
	<u>558,150</u>
Total before fixed asset fund and pension reserve	558,150
Restricted fixed asset fund	17,840
Pension reserve	(841,000)
	<u>(265,010)</u>
Total	<u>(265,010)</u>

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	1,082,774	225,191	80,969	392,345	1,781,279
Havergal Church of England Primary School	83,513	14,174	1,178	15,617	114,482
St Matthews Church of England Primary School	259,389	41,532	21,017	109,937	431,875
Central Services	-	-	-	10,550	10,550
	<u>1,425,676</u>	<u>280,897</u>	<u>103,164</u>	<u>528,449</u>	<u>2,338,186</u>

Summary of funds

	Balance at 13 May 2013 £	Incoming Resources £	Resources Expended £	Gains/ (Losses) £	Balance at 31 August 2013 £
General funds	115,545	105,297	(10,987)	-	209,855
Restricted funds	(238,642)	2,120,193	(2,235,256)	(139,000)	(492,705)
Restricted fixed asset funds	26,175	17,508	(25,843)	-	17,840
	<u>(96,922)</u>	<u>2,242,998</u>	<u>(2,272,086)</u>	<u>(139,000)</u>	<u>(265,010)</u>

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17. Analysis of Net Assets between Funds

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	17,840	17,840	16,546
Current assets	294,939	384,572	-	679,511	281,681
Creditors due within one year	(85,084)	(36,277)	-	(121,361)	(135,149)
Provisions for liabilities and charges	-	(841,000)	-	(841,000)	(260,000)
	<u>209,855</u>	<u>(492,705)</u>	<u>17,840</u>	<u>(265,010)</u>	<u>(96,922)</u>

18. Net cash flow from operations

	2014 £	2013 £
Net incoming resources before revaluations	(29,088)	(96,922)
Non cash gift from the Local Authority	409,000	260,000
Depreciation of tangible fixed assets	7,036	-
Increase in debtors	(317,841)	(179,447)
(Decrease)/increase in creditors	(13,790)	135,149
FRS 17 adjustments	33,000	-
Net cash inflow from operations	<u>88,317</u>	<u>118,780</u>

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

	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(8,330)</u>	<u>(16,546)</u>

20. Analysis of changes in net funds

	1 September 2013 £	Cash flow £	Acquisition £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	102,234	(6,223)	86,210	-	182,221
Net funds	<u>102,234</u>	<u>(6,223)</u>	<u>86,210</u>	<u>-</u>	<u>182,221</u>

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21. Conversion to an academy trust

On 1 November 2013 St Matthews 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 Stoke-on-Trent City 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	1,802	-	-	1,802
LGPS pension deficit	-	(80,000)	-	(80,000)
Net assets/(liabilities)	1,802	(80,000)	-	(78,198)

The above includes £1,802 that were transferred as cash.

On 1 July 2014 Havergal 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 Staffordshire County 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	84,408	-	-	84,408
LGPS pension deficit	-	(239,000)	-	(239,000)
Total	84,408	(239,000)	-	(154,592)

The above includes £84,408 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.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

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 for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative

22. Pension commitments (continued)

bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in from April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

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 is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Multi Academy Trust has taken advantage of the exemption in FRS 17 and 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 2014 was £113,000, of which employer's contributions totalled £83,000 and employees' contributions totalled £30,000. The agreed contribution rates for future years are 19.9% for employers and 5.5 - 7.5% 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:

	2014	2013
	£	£
Fair value of scheme assets	379,000	65,000
Present value of unfunded obligations	(1,220,000)	(325,000)
Net liability	(841,000)	(260,000)

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22. Pension commitments (continued)

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

	2014 £	2013 £
Current service cost	(91,000)	-
Interest on obligation	(31,000)	-
Expected return on scheme assets	6,000	-
	<u>(116,000)</u>	<u>-</u>
Total	<u>(116,000)</u>	<u>-</u>

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

	2014 £	2013 £
Opening defined benefit obligation	325,000	-
Current service cost	91,000	-
Interest cost	31,000	-
Contributions by scheme participants	30,000	-
Actuarial loss	147,000	-
Liabilities assumed in a business combination	596,000	325,000
	<u>1,220,000</u>	<u>325,000</u>
Closing defined benefit obligation	<u>1,220,000</u>	<u>325,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	65,000	-
Expected return on assets	6,000	-
Actuarial gains	8,000	-
Contributions by employees	30,000	-
Contributions by employer	83,000	-
Assets acquired in a business combination	187,000	65,000
	<u>379,000</u>	<u>65,000</u>
	<u>379,000</u>	<u>65,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £139,000 (2013 - £NIL).

The Multi Academy Trust expects to contribute £101,000 to its Defined Benefit Pension Scheme in 2015.

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

	2014	2013
Equities	62.90 %	42.40 %
Bonds	15.10 %	19.60 %
Property	8.40 %	8.70 %
Cash/liquidity	10.10 %	4.10 %
Other	3.50 %	25.20 %

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22. Pension commitments (continued)

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

	2014	2013
Discount rate for scheme liabilities	4.10 %	4.60 %
Expected return on scheme assets at 31 August	5.70 %	5.89 %
Rate of increase in salaries	4.40 %	4.15 %
Rate of increase for pensions in payment / inflation	2.60 %	2.40 %
Inflation assumption (CPI)	2.50 %	2.40 %

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

	2014	2013
Retiring today		
Males	22.4	22.1
Females	24.7	24.8
Retiring in 20 years		
Males	24.6	23.9
Females	27.0	26.7

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £	2011 £	2010 £
Defined benefit obligation	(1,220,000)	(325,000)	-	-	-
Scheme assets	379,000	65,000	-	-	-
Deficit	(841,000)	(260,000)	-	-	-

23. Operating lease commitments

At 31 August 2014 the Multi Academy Trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £	2013 £	2014 £	2013 £
Expiry date:				
Within 1 year	-	-	939	6,436
Between 2 and 5 years	-	-	850	3,277

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.

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.