

St Chad's Academies Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2018



St Chad's Academies Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1
Trustees' report	2 - 12
Governance statement	13 - 15
Statement on regularity, propriety and compliance	16
Statement of Trustees' responsibilities	17
Independent auditors' report on the financial statements	18 - 20
Independent reporting accountant's assurance report on regularity	21 - 22
Statement of financial activities incorporating income and expenditure account	23
Balance sheet	24
Statement of cash flows	25
Notes to the financial statements	26 - 55

St Chad's Academies Trust
(A company limited by guarantee)

Reference and Administrative Details
For the Year Ended 31 August 2018

Members	S Hannam C Hopkins (resigned 6 June 2018) The Venerable M Parker Dr A Primrose M Revel
Trustees	Prof R J Anderson The Revd H D Bishop (resigned 30 November 2017) J M Jones Prof M Shaw The Revd A M Morris Dr A F Primrose, Chair C G Randles S Read (resigned 30 April 2018) S M Wedgwood, Chief Executive and Accounting Officer R J Heath (appointed 19 September 2018)
Company registered number	08526973
Company name	St Chad's Academies Trust
Principal and registered office	St. Marys House The Close Lichfield Staffordshire WS13 7LD
Company secretary	H Steel
Chief executive and Accounting Officer	S M Wedgwood
Senior management team	S Wedgwood, Chief Executive Officer J Austin, Head of School Performance H Steel, Head of Operations
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 22 Conduit Street Lichfield Staffordshire WS13 6JS
Solicitors	Geldards LLP Number One Pride Place Pride Park Derby DE24 8QR

St Chad's Academies Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

St Chad's Academies Trust is a Multi Academy Trust serving the Diocese of Lichfield. Geographically, the Diocese covers the 7 local authorities of Walsall, Wolverhampton, Sandwell, Shropshire, Stoke, Staffordshire and Telford and Wrekin. The Trust comprised of 14 Primary academies to 31 August 2018.

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.

Details of the Trustees who served during the are included in the reference and administrative details on page 1.

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. 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 of 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. And 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, 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

Trustees' Report (continued)
For the Year Ended 31 August 2018

- 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 automatically terminate 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 10 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.

Subject to Articles 48-49, the Company shall have no fewer than 5 Directors, appointed under Article 50. The number of Directors shall be not less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

e. 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. 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.

Trustees have approved a Trustee induction policy and procedure for new trustees including;

- 1) Trustee induction pack
- 2) CC3 – the Charities Commission Essential Guide for Trustees
- 3) Code of Practice including reference to the Nolan Principles
- 4) The Governance Jigsaw
- 5) Trust's Scheme of Delegation, Financial Regulations and Governance Handbook
- 6) The Governance Structure and Accountability Framework for the Trust

New Trustees receive bespoke induction sessions with the CEO and the Chair of the Board of Trustees.

St Chad's Academies Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

f. Organisational structure

The Trust is a multi-academy trust and at 31st August 2018 ran 14 academies as follows;

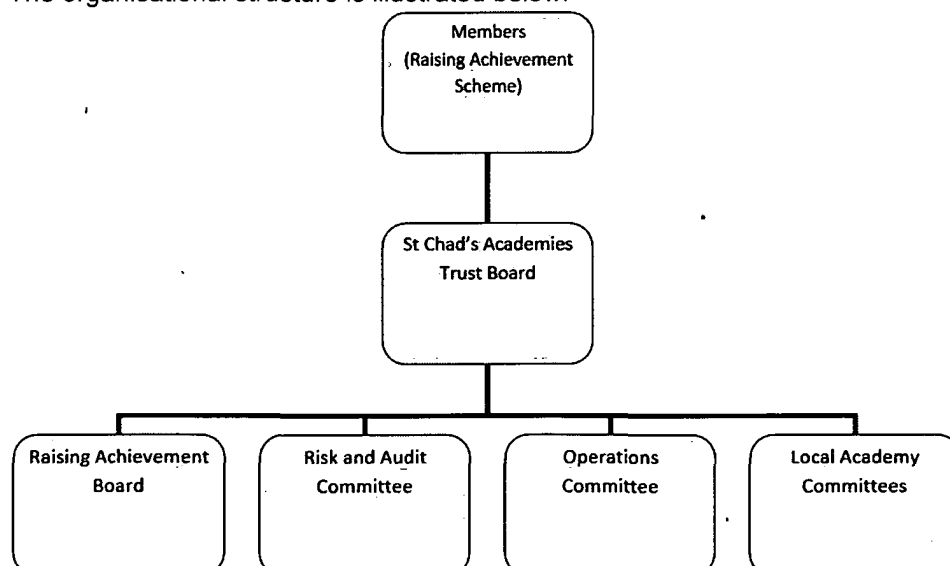
- Birchills Church of England Community Academy, Walsall (sponsored)
- Havergal Church of England Primary Academy Shareshill, Staffordshire (sponsored)
- St Matthew's Church of England Primary Academy, Stoke (converter)
- St John's Church of England Primary Academy, Wednesbury (sponsored)
- All Saints National Academy, Walsall (sponsored)
- St Peter's Church of England Primary Academy, Staffordshire (converter)
- St John's Church of England Primary Academy, Stafford (converter)
- St James Church of England Primary Academy, Longdon, Staffordshire (converter)
- Bishop Lonsdale Church of England Primary Academy, Eccleshall, Staffordshire (converter)
- Churchfield Church of England Primary Academy, Rugeley, Staffordshire (converter)
- Holy Trinity Church of England Primary Academy, Oswestry (converter)
- St Jude's Church of England Primary Academy, Wolverhampton (sponsored)
- Dawley Church of England Primary Academy, Telford (sponsored)
- Stoke Minster Church of England Primary Academy, Stoke (converter)

The aim is to expand the number of academies in the Trust to allow the academies to work collaboratively, sharing resources to improve efficiencies and pool expertise, as well as enable peer to peer support and challenge.

During the year, the sponsorship and accountability for the two academies within the Wulfrun Academies Trust novated from Wulfrun Academies Trust to St Chad's Academies Trust.

St Chad's Academies Trust is managed by a Board of Directors (also referred to as the Trustees) who meets regularly and provides strategic leadership and vision to the academies. The Trust provides support and challenge to the academies via three sub-committees; the Raising Achievement Board, a sub-committee of the Board which monitors all aspects of school management and school improvement; the Risk and Audit Committee, a sub-committee which provides robust risk management and strengthens the independence of the audit function; and the Operations Committee, a sub-committee which reviews and develops strategies, management processes and procedures. The Board appoints a Local Academy Committee to be an advisory body for each academy. The members of the Local Academy Committee are referred to as Committee Members to distinguish them from the Directors of the Trust.

The organisational structure is illustrated below:



Trustees' Report (continued)
For the Year Ended 31 August 2018

g. Arrangements for setting pay and remuneration of key management personnel

Performance Management of Principals is managed via the Raising Achievement Board and subsequent pay awards are awarded in line with School Teachers Pay and Conditions and the scope of individual leadership bands upon successful achievement of performance targets. Targets and pay are approved by the Board of Trustees.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time
Percentage of time

**Number of
employees**

0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

£

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Related parties and other connected charities and organisations

The Trustees of St Chad's Academies Trust receive no remuneration for their activities as Trustees other than the CEO who is employed by the Academy Trust

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 connection to the Lichfield Diocesan Board of Education, which has strategic responsibility for Church of England schools within the Diocese of Lichfield and is the majority member of CECET.

Objectives and Activities

a. Objects and aims

The principal activities of 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 (currently 4-11) who live mainly within the Diocese of Lichfield.

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. Objectives, strategies and activities

The Trust's educational vision is founded upon its commitment to promoting a distinctively Christian approach to education alongside a rigorous and systematic approach to sustained and continual improvement of the outcomes for children and young people. Each academy is assigned its own Christian Distinctiveness Adviser, whose role is to support the continuance of the Christian distinctiveness of the academy and to provide a whole-school approach to monitoring progress.

The overarching principles of St Chad's Academies Trust are that:-

- All academies 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 the Trust champions the ethos and values enabling children and young people clearly to identify themselves as children of God.
- All staff and academy committee members 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 academy and the individual teacher, resulting in a professional body of the highest quality.
- Presence, partnership and participation of academies 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, academy committee members 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 Raising Achievement Board provides challenge and support to academies on a termly 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 on-going advice, support and challenge to Principals. Each academy is also assigned a Financial Accounting Officer to provide financial management challenge and support. The Trust

St Chad's Academies Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

provides a dedicated HR Officer assigned to support all staffing and employment related issues.

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

a. Achievements and performance

Progress and Attainment

2018 EYFS/Phonics/KS1 outcomes

Academy	YR % GLD (NA 71%)	Year 1 Phonics Pass % (NA 83%)	Year 2 Reading % Expected Standard+ (NA 76%)	Year 2 Reading % Greater Depth (NA 26%)	Year 2 Writing % Expected Standard+ (NA 70%)	Year 2 Writing % Greater Depth (NA 16%)	Year 2 Maths % Expected Standard+ (NA 78%)	Year 2 Maths % Greater Depth (NA 22%)
All Saints EYFS moderated by LA & Y2 in all areas	63	73	75	0	23	0	71	14
Birchills EYFS Moderated by LA & Y2 all areas	62	78	57	20	47	17	55	0
Bishop Lonsdale	75	84	85	27	77	23	73	27
Churchfield	76	81	73	13	70	10	73	17
Dawley Y2 moderated by LA	72	82	57	7	53	3	70	7
Havergal Y2 moderated by LA	75	95	81	35	77	15	85	27
Holy Trinity Y2 Moderated by LA	57	58	59	15	58	7	56	11
St James	82	100	92	33	92	25	92	25
St Jude's	75	81	76	25	75	16	76	20
St Matthew's	73	82	73	33	80	13	80	20
St John's Weds EYFS moderated by LA	73	77	85	29	71	23	85	26
St John's Staffs	73	81	78	25	82	22	82	22
St Peter's EYFS moderated by LA	87	87	79	25	79	25	82	21
Stoke Minster EYFS moderated by LA	65	55	53	16	46	7	46	12
OVERALL MAT AVERAGES	72% GLD (2018 NA: 71%)	76% Phonics (2018 NA: 83%)	73% Reading EXS (2018 NA: 76%)	22% Reading GDS (2018 NA: 26%)	66% Writing EXS (2018 NA: 70%)	15% Writing GDS (2018 NA: 16%)	73% Maths EXS (2018 NA: 78%)	18% Maths GDS (2018 NA: 22%)

St Chad's Academies Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

2018 Year 6 outcomes

% Year 6 pupils reaching Expected Standard and Greater Depth in Reading, Writing and Maths & RWM Combined

Academy	Y6 Reading % Expected Standard+ (2018 NA: 75%)	Y6 Reading % Greater Depth (2018 NA: 28%)	Y6 Writing % Expected Standard+ (2018 NA: 78%)	Y6 Writing % Greater Depth (2018 NA: 20%)	Y6 Maths % Expected Standard+ (2018 NA: 76%)	Y6 Maths % Greater Depth (2018 NA: 24%)	Y6 RWM % Combined Expected Standard+ (2018 NA: 64%)	Y6 RWM % Combined Greater Depth (2018 NA: 10%)
All Saints	42	7	23 LA moderation	0	44	9%	19	0
Birchills	46	21	62	8	69	23	40	8
Bishop Lonsdale	79	39	79	18	89	18	71	7
Churchfield	88	25	80 LA moderation	10	75	15	65	8
Dawley	71	26	74	10	65	10	58	6
Havergal	100	52	93 LA moderation	31	90	41	86	21
Holy Trinity	62	26	62	18	59	18	44	9
St James	93	20	80	33	87	27	80	20
St Jude's	81	31	80 LA moderation	17	71	22	63	10
St Matthew's	85	38	85	54	92	23	85	15
St John's Weds	83	34	79	28	59	14	59	10
St John's Staffs	61	8	76	14	64	8	44	2
St Peter's	71	21	75	21	63	17	63	8
Stoke Minster	64	19	68	8	57	8	49	2
OVERALL MAT AVERAGES	Y6 MAT READING AVERAGE 73.3% (2018 NA 75%)	26.2% 2018 NA: 28%	Y6 MAT WRITING AVERAGE 73.1% (2018 NA 78%)	19.3% 2018 NA: 20%	Y6 MAT MATHS AVERAGE 70.1% (2018 NA 76%)	18.1% 2018 NA: 24%	Y6 MAT COMBINED AVERAGE 59% (2018 NA 64%)	9% 2018 NA: 10%

The ratio of partner schools to sponsored schools in St Chad's Academies Trust has continued to increase (8 partner converter academies to 6 sponsored). However, 4 of the 6 sponsored academies have been inspected and judged to be Good with Outstanding features and are all capacity givers; Birchills Church of England Community Academy in Walsall, St Jude's Church of England Primary Academy, Havergal Church of England Primary Academy in Shreshill, and St John's Church of England Primary Academy in Wednesbury.

The Trust is currently supporting six of its Principals in completing the NPQEL qualification to provide additional leadership capacity in vulnerable schools.

Key Performance Indicators

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
6. All academies are compliant with safeguarding legislation

KPI's are integrated into Principal's performance management targets determined by the Raising Achievement Board (Autumn Term).

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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 note of the financial statements.

Financial review

a. Overview

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 2017-18:-

- Robust financial monitoring; the Trustees monitor the financial position regularly by reviewing financial year-end projections which are supported by management accounts and budget monitoring.
- Achieving value for money through effective financial management procedures and procurement initiatives;
- Academies and the Trust comply with the Trust's Financial Regulations.
- Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure.
- Production of 5 year forecasts for all academies
- Local Academy Committee monitoring of monthly Management Accounts

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. The Risk and Audit Committee support the process and ensure that plans are provided for any potential spend of reserves for approval.

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 and the distribution of School Condition Allocation.

d. Principal risks and uncertainties

The principle risks to the Trust are financial and result from a projected deficit on the Local Government Pension Scheme. In addition, the unknown future of school funding due to the unknown factors such as the impact of Brexit which 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 all manageable risks.

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.

Risk Management

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 Risk and Audit Committee meeting agendas to ensure regular review.

The principal risks currently identified are outlined below:-

Potential Risk	Mitigating controls
Strategic – delays in the growth of the Trust.	The aim is to grow the Trust on a managed growth basis, in line with its developing capacity. Regular contact with DfE is in place.
Standards – failure to ensure all Ofsted Inspections judge academies to be Good or better	Robust performance management targets are set to ensure leadership is focused on results. Monitoring and review processes maintain a clear understanding of performance and drive school improvement plans. Academies are supported by dedicated, appropriately experienced central 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. School to school support provides opportunities for staff development at all levels and a focus on growing leaders is a key focus. The Trust can access expertise in the Diocese of Lichfield's 207 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. Commissioned services have been secured to provide termly Designated Safeguarding Lead updates going forward, termly input at principal's forum with a newsletter. This service will also provide an annual report to the Board on safeguarding across the Trust.
	A Principal has now been accredited as a safeguarding trainer and lead through the NSPCC and is conducting safeguarding reviews across the Trust.

St Chad's Academies Trust
(A company limited by guarantee)

Trustees' Report (continued)
For the Year Ended 31 August 2018

Governance – Local Academy Committees ("LAC") 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 Academy Committee (usually a Trust 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. This is updated annually.
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Additional capacity for governance has been secured centrally. Chair's briefings take place every half term.

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.
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Financial – Pension Fund changes and deficits become a major drain on Trust resources. Unknown future of funding in the education sector.	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.
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Financial – Budget constraints	Financial planning and monitoring systems are in place to provide robust financial testing and planning for the future. Updates are sought in relation to funding whenever possible.
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Financial and Risk Management Objectives and Policies

Financial operations are supported and monitored monthly by the Trust via (at least) monthly on site visits and management account production and review. Individual academy management accounts are presented to Local Academy Committees regularly and consolidated management accounts are presented to the Board on a termly basis.

All academies have received and work to the Trust's Financial Regulations which are updated annually and are in line with the most recent ESFA Financial Handbook. All Academies have also received and work to the Trust's Scheme of Delegation.

All financial operating offices receive termly visits from the Trust's appointed Internal Auditors. Termly reports are analysed by the Risk and Audit Committee and are reported to Principals to share with the Local Academy Committee; and progress is measured and recorded.

Termly forums for Principals and Academy Business Managers operate to reinforce effective financial control and risk management. The Raising Achievement Board quality assures these controls each term.

Fundraising

The Trust does not currently operate a high level of fundraising activities. Fundraising across the academies within the Trust is usually generated via non-uniform, costume or charity bake sale days where schools request a donation from parents or carers. Parents are made aware of the beneficiary of their donations in advance of any event which may be to support a local or national charity of the students' choice or to financially support a specified event being organised by the school or students. Contributions are not compulsory.

Some academies have made bids to the local and /or national charitable trusts through specifically targeted bids. Those who have been successful have benefitted support a range of resource provision.

Plans for future periods

a. Future developments

As a Multi Academy Trust, St Chad's Academies Trust aims to increase the number of academies within the Trust through a managed growth plan.

At year end there were four schools in the project management phase of academy conversion. Two schools are converter schools in Staffordshire, one school is a converter school in Heath Town, Wolverhampton, and the other school is a converter in Stoke. It is expected that these schools will convert in December 2018, February 2018 and March 2018. Two other schools have voted to join the Trust, and it is expected that these schools will join the Trust around Easter. Other conversations are ongoing with schools investigating academisation options in the Diocese.

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.

With the managed growth of the Trust expected in the 2018/19 year, four geographical areas have developed which will be called Local Communities of Practice and initially will consist of 5 schools in each LCP. This model will lend itself to future growth and capacity at local level.

Funds held as custodian

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

Disclosure of information to auditors

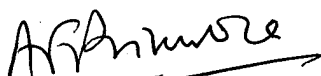
Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information 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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2018 and signed on its behalf by:



Dr A F Primrose
Chair of Trustees

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St Chad's Academies 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 Academies 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 Statement of Trustees' responsibilities. 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
Prof R J Anderson	6	6
The Revd H D Bishop (resigned Nov 17)	2	2
J M Jones	4	6
Prof M Shaw (appointed March 17)	3	6
The Revd A M Morris	5	6
Dr A F Primrose, Chair	5	6
C G Randles	4	6
S Read (resigned April 18)	3	3
S M Wedgwood, Chief Executive and Accounting Officer	6	6

Following a Trust Board externally led self review in the 2016/17 year, the Board approved the following Committees to work alongside the Raising Achievement Board;

- 1) Risk and Audit
- 2) Operations Committee

Both Committees have established terms of reference and were fully operational in the 2017/18 year. The Operations Committee met twice during the 2017/18 year and the Risk and Audit Committee met three times during the 2017/18 year.

The next external review of the Trust is planned in the 2018/19 year.

Review of Value for Money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Multi 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 Multi Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi Academy Trust has delivered improved value for money during the year by:

- Joint procurement ventures with Wulfrun Academies Trust. Procurement partners ESPO have been introduced to the academies to help review current procurement practices and establish joint procurement opportunities throughout the Trust.
- Ongoing contract reviews for centrally managed services including re-evaluation of the

Governance Statement (continued)

- HR/payroll/recruitment/advertising.
- Establishing system leadership models utilising staff from within the Trust and utilising the expertise within the Trust to help academies in need of additional support and capacity.
- Utilising the support of local academy chairs across the Trust to support with committees where impartiality was key.
- Developed the role of Diocesan Improvement Adviser to serving Principals and Headteachers within the Trust and Diocese.
- Investigated and procured a Trust wide finance system which will provide better value for money in relation to both system cost, and staff time; system will be implemented in the 2017/18 year.
- Begun investigations in to HRMS systems with the view to establish a self-managed system in the 2018/19 year; this will reduce the need for external SLA based support and therefore reduce costs.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Academies Trust for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The CEO has undertaken appropriate training specifically in relation to Risk Management and how to effectively control and monitor risk. The establishment of the Risk and Audit Committee and Operations Committee provide additional layers of risk management and mitigation, and provide appropriate challenge and support to the CEO in relation to elements of risk.

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 Local Academy Committee and the Trust's Operational Support team 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 Academy Advisory Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the

Governance Statement (continued)

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
- reports and returns testing.

On a termly basis, the auditor reports to the Board of Trustees through the Head of Operations 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.

To ensure compliance with Safeguarding Regulations, the Trust provides training and regular updates to all relevant staff, governors and children. Safeguarding checks are performed as part of our annual review processes.

Review of Effectiveness

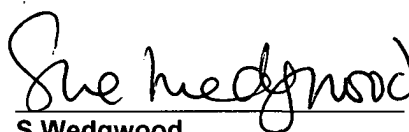
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 14 December 2018 and signed on their behalf, by:


Dr A F Primrose
Chair of Trustees


S Wedgwood
Accounting Officer

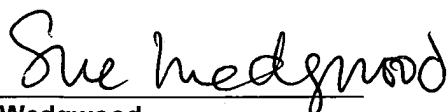
St Chad's Academies Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of St Chad's Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



S Wedgwood
Accounting Officer

Date: 14 December 2018

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

Company law requires the Trustees to prepare 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 2015 and the Academies Accounts Direction 2017 to 2018;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 14 December 2018 and signed on its behalf by:



Dr A F Primrose
Chair of Trustees

Independent Auditors' Report on the Financial Statements to the Members of St Chad's Academies Trust

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent Auditors' Report on the Financial Statements to the Members of St Chad's Academies Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Multi Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Multi Academy Trust or to

Independent Auditors' Report on the Financial Statements to the Members of St Chad's Academies Trust

cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the 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 opinions we have formed.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
14 December 2018

St Chad's Academies Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to St Chad's Academies Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 January 2014 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Chad's Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of St Chad's Academies Trust's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

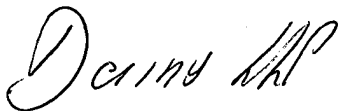
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Multi Academy Trust's income and expenditure.

St Chad's Academies Trust
(A company limited by guarantee)

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

Conclusion

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



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

14 December 2018

St Chad's Academies Trust
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants:						
Transfer from Local Authority on conversion	2	275,181	(645,000)	-	(369,819)	(1,878,384)
Transfer from Another Academy Trust	2	318,888	(2,084,381)	226,177	(1,539,316)	-
Other donations and capital grants	2	150,355	-	147,221	297,576	210,428
Charitable activities:	3					
Funding for the multi academy trust's educational operations		-	14,861,615	-	14,861,615	11,132,088
Other trading activities	4	463,857	-	-	463,857	273,833
Investments	5	1,791	-	-	1,791	1,332
Total income		1,210,072	12,132,234	373,398	13,715,704	9,739,297
Expenditure on:						
Charitable activities:						
Multi academy trust educational operations		175,986	15,820,780	140,018	16,136,784	11,910,933
Total expenditure	6	175,986	15,820,780	140,018	16,136,784	11,910,933
Net income / (expenditure) before transfers		1,034,086	(3,688,546)	233,380	(2,421,080)	(2,171,636)
Transfers between Funds	18	-	(327,891)	327,891	-	-
Net income / (expenditure) before other recognised gains and losses		1,034,086	(4,016,437)	561,271	(2,421,080)	(2,171,636)
Actuarial gains on defined benefit pension schemes	23	-	1,391,000	-	1,391,000	182,000
Net movement in funds		1,034,086	(2,625,437)	561,271	(1,030,080)	(1,989,636)
Reconciliation of funds:						
Total funds brought forward		1,328,147	(5,056,131)	345,960	(3,382,024)	(1,392,388)
Total funds carried forward		2,362,233	(7,681,568)	907,231	(4,412,104)	(3,382,024)

The notes on pages 26 to 55 form part of these financial statements.

St Chad's Academies Trust
(A company limited by guarantee)
Registered number: 08526973

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	13		40,290		-
Tangible assets	14		866,941		345,960
			<u>907,231</u>		<u>345,960</u>
Current assets					
Debtors	15	1,156,261		849,213	
Cash at bank and in hand		3,585,279		2,440,898	
		<u>4,741,540</u>		<u>3,290,111</u>	
Creditors: amounts falling due within one year	16	(2,054,608)		(1,254,804)	
Net current assets			<u>2,686,932</u>		<u>2,035,307</u>
Total assets less current liabilities			<u>3,594,163</u>		<u>2,381,267</u>
Creditors: amounts falling due after more than one year	17		(11,267)		(12,291)
Net assets excluding pension scheme liabilities			<u>3,582,896</u>		<u>2,368,976</u>
Defined benefit pension scheme liability	23		(7,995,000)		(5,751,000)
Net liabilities including pension scheme liabilities			<u>(4,412,104)</u>		<u>(3,382,024)</u>
Funds of the academy					
Restricted funds:					
Restricted income funds	18	313,432		694,869	
Restricted fixed asset funds	18	907,231		345,960	
		<u>1,220,663</u>		<u>1,040,829</u>	
Restricted funds excluding pension liability					
Pension reserve		(7,995,000)		(5,751,000)	
			<u>(6,774,337)</u>		<u>(4,710,171)</u>
Total restricted funds					
Unrestricted income funds	18		2,362,233		1,328,147
Total deficit			<u>(4,412,104)</u>		<u>(3,382,024)</u>

The financial statements on pages 23 to 55 were approved by the Trustees, and authorised for issue, on 14 December 2018 and are signed on their behalf, by:



Dr A F Primrose
Chair of Trustees

St Chad's Academies Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>1,523,237</u>	<u>1,317,643</u>
Cash flows from investing activities:			
Bank interest received		1,791	1,332
Purchase of intangible fixed assets		(44,767)	-
Purchase of tangible fixed assets		(430,212)	(229,690)
Capital grants from DfE Group		94,332	62,156
Net cash used in investing activities		<u>(378,856)</u>	<u>(166,202)</u>
Change in cash and cash equivalents in the year		1,144,381	1,151,441
Cash and cash equivalents brought forward		<u>2,440,898</u>	<u>1,289,457</u>
Cash and cash equivalents carried forward	21	<u><u>3,585,279</u></u>	<u><u>2,440,898</u></u>

1. Accounting Policies

General information

St Chad's Academy Trust is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 08526973 and its registered office is St Mary's House, The Close, Lichfield, Staffordshire, WS13 7LD.

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

1.1 Basis of preparation of financial statements

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

St Chad's Academies Trust constitutes a public benefit entity as defined by FRS 102.

The multi academy trust's functional and presentational currency is GBP. The financial statements are rounded to the nearest £.

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 Multi Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting Policies (continued)

1.3 Income

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

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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 receipt is probable and it is measurable.

Donations

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

Other income

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

Transfer on conversion

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

1. Accounting Policies (continued)

1.4 Expenditure

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

Charitable activities

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

All resources expended is inclusive of irrecoverable VAT.

1.5 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	-	10% straight line
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1. Accounting Policies (continued)

1.6 Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The multi academy trust occupies:

Land and buildings 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 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 multi academy trust 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 Trustees have concluded that the value of the land buildings occupied by the multi academy trust will not be recognised on the balance sheet of the multi academy trust.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each assets on a straight-line basis, over their expected useful life, as follows:

Site improvements	-	2% straight line
Furniture and fixtures	-	20% straight line
Computer equipment	-	33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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 incorporating income and expenditure account.

1.7 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)

1.8 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.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. Accounting Policies (continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Stoke Minster Church of England Primary School to a multi academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

1. Accounting Policies (continued)

1.15 Fund accounting

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

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

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

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from Local Authority on conversion	275,181	(645,000)	-	(369,819)	(1,878,384)
Transfer from Another Academy Trust	318,888	(2,084,381)	226,177	(1,539,316)	-
Subtotal detailed disclosure	594,069	(2,729,381)	226,177	(1,909,135)	(1,878,384)
Donations	150,355	-	-	150,355	148,272
Grants	-	-	147,221	147,221	62,156
Subtotal	150,355	-	147,221	297,576	210,428
	744,424	(2,729,381)	373,398	(1,611,559)	(1,667,956)
Total 2017	549,184	(2,286,117)	68,977	(1,667,956)	

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

3. Funding for the Muti Academy Trust's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	11,820,545	11,820,545	8,953,583
Start up grants	-	90,069	90,069	161,382
Other DfE/ESFA grants	-	1,789,318	1,789,318	1,324,381
	-	13,699,932	13,699,932	10,439,346
Other government grants				
Local authority grants	-	248,894	248,894	198,752
Early years funding	-	603,090	603,090	299,880
	-	851,984	851,984	498,632
Other funding				
Other income	-	116,640	116,640	59,325
Catering income	-	193,059	193,059	134,785
	-	309,699	309,699	194,110
	-	14,861,615	14,861,615	11,132,088
Total 2017	-	11,132,088	11,132,088	

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	50,661	-	50,661	36,673
Music tuition	7,148	-	7,148	5,899
Other income	92,978	-	92,978	51,108
Insurance receipts	84,814	-	84,814	82,102
Fundraising income	8,314	-	8,314	-
Higher Education Student Income	24,259	-	24,259	4,389
Private nursery income	40,324	-	40,324	-
Kids club income	153,247	-	153,247	92,062
Photograph income	2,112	-	2,112	1,600
	<u>463,857</u>	<u>-</u>	<u>463,857</u>	<u>273,833</u>
Total 2017	<u>132,192</u>	<u>141,641</u>	<u>273,833</u>	

5. Income from investments

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	1,791	-	1,791	1,332
	<u>1,791</u>	<u>-</u>	<u>1,791</u>	<u>1,332</u>
Total 2017	<u>1,332</u>	<u>-</u>	<u>1,332</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Mutli Academy Trust's Educational Operations:					
Direct costs	10,071,265	-	1,645,036	11,716,301	9,026,732
Allocated support costs	1,977,225	1,163,291	1,279,967	4,420,483	2,884,201
	<u>12,048,490</u>	<u>1,163,291</u>	<u>2,925,003</u>	<u>16,136,784</u>	<u>11,910,933</u>
Total 2017	<u>8,559,648</u>	<u>824,150</u>	<u>2,527,135</u>	<u>11,910,933</u>	

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

7. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	7,587,589	5,687,536
National insurance	670,631	489,470
Pension cost	1,813,045	1,249,657
Depreciation	140,018	89,538
Pension income	176,000	105,000
Educational supplies	192,911	173,126
Examination fees	365	-
Staff development	62,112	60,863
Technology costs	326,404	253,572
Educational consultancy	264,001	633,673
Other direct costs	395,452	215,253
Supply teacher insurance	87,773	69,044
	11,716,301	9,026,732
Support costs - educational operations		
Wages and salaries	1,620,774	882,407
National insurance	103,819	49,568
Pension cost	252,632	201,009
Staff development	17,940	13,677
Educational consultancy	1,470	-
Travel and subsistence	40,956	14,135
Other direct costs	322,863	198,617
Maintenance of premises	362,261	244,904
Maintenance of equipment	178,504	154,675
Cleaning	273,991	213,873
Rates	61,067	56,276
Water rates	44,773	24,610
Energy	181,928	130,817
Insurance	86,622	82,941
Catering costs	647,518	490,510
Other occupancy costs	149,802	70,730
Governance costs	73,563	55,453
	4,420,483	2,884,202
	16,136,784	11,910,934

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

8. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	135,411	89,537
Auditors' remuneration - audit	30,325	26,975
Operating lease rentals	323,629	7,378
	<u><u> </u></u>	<u><u> </u></u>

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

9. Staff

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	8,775,400	6,212,168
Social security costs	774,450	539,039
Pension cost	2,065,678	1,450,666
	<u>11,615,528</u>	<u>8,201,873</u>
Agency staff costs	432,962	357,775
	<u><u>12,048,490</u></u>	<u><u>8,559,648</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	175	126
Support	441	312
	<u>616</u>	<u>438</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	155	109
Support	244	174
	<u>399</u>	<u>283</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	1	0

d. Key management personnel

The key management personnel of the Multi Academy Trust comprise key trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Multi Academy Trust was £248,229 (2017 - £nil).

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

10. 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:

	2018 £	2017 £
Havergal Church of England Primary School	33,519	34,715
Birchills Church of England Community School	86,870	86,839
St Matthew's Church of England Primary School	22,331	21,939
St John's Church of England Primary School	48,032	47,269
All Saints National Academy	66,918	62,362
St Peter's Church of England Primary School	35,136	32,824
Bishop Lonsdale Church of England Primary School	38,046	34,720
Churchfield Church of England Primary Academy	35,511	14,839
Holy Trinity Church of England Primary Academy & Nursery	48,738	20,673
St James Church of England Primary Academy	21,249	20,511
St John's Church of England Primary School (Stafford)	72,356	71,095
Dawley Church of England Primary Academy	16,961	-
St Judes Church of England Primary Academy	32,115	-
Stoke Minster Church of England Primary Academy	39,616	-
	<u>597,398</u>	<u>447,786</u>
Total		

11. Trustees' remuneration and expenses

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

		2018 £	2017 £
S Wedgwood	Remuneration	75,000-80,000	0
	Pension contributions paid	5,000-10,000	0

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

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £nil).

12. Trustees' and Officers' Insurance

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 insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity elements from the overall cost of the academy trusts insurance.

13. Intangible fixed assets

	Computer Software £
Cost	
At 1 September 2017	-
Additions	44,767
At 31 August 2018	44,767
Amortisation	
At 1 September 2017	-
Charge for the year	4,477
At 31 August 2018	4,477
Carrying amount	
At 31 August 2018	40,290
At 31 August 2017	-

Notes to the Financial Statements
For the Year Ended 31 August 2018

14. Tangible fixed assets

	Site improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost				
At 1 September 2017	107,938	165,008	217,806	490,752
Additions	164,238	197,376	68,598	430,212
Transfers on conversion	84,646	119,278	22,256	226,180
At 31 August 2018	356,822	481,662	308,660	1,147,144
Depreciation				
At 1 September 2017	-	28,746	116,046	144,792
Charge for the year	3,433	43,152	88,826	135,411
At 31 August 2018	3,433	71,898	204,872	280,203
Net book value				
At 31 August 2018	353,389	409,764	103,788	866,941
At 31 August 2017	107,938	136,262	101,760	345,960

15. Debtors

	2018 £	2017 £
VAT recoverable	447,072	329,755
Other debtors	46,722	153,379
Prepayments and accrued income	662,467	366,079
	1,156,261	849,213

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	2,048	2,048
Trade creditors	724,185	398,741
Other taxation and social security	229,441	183,224
Other creditors	243,732	198,886
Accruals and deferred income	855,202	471,905
	2,054,608	1,254,804

Notes to the Financial Statements
For the Year Ended 31 August 2018

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

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	306,380	88,874
Resources deferred during the year	437,900	306,380
Amounts released from previous years	(306,380)	(88,874)
Deferred income at 31 August 2018	437,900	306,380

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

17. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other loans	11,267	12,291

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	3,075	4,099

The loan included above relates to an Energy Efficiency loan held by Churchfield Church of England Primary Academy. The loan is to be repaid over 7 years through annual repayments of £2,048.

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds

	Balance at 1 September 2017 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	1,328,147	1,210,072	(175,986)	-	-	2,362,233
Restricted funds						
	Balance at 1 September 2017 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	694,869	11,820,544	(11,921,870)	(305,243)	-	288,300
Other DfE/ESFA grants	-	1,879,386	(1,831,606)	(22,648)	-	25,132
Other government grants	-	968,625	(968,625)	-	-	-
Other restricted funds	-	193,059	(193,059)	-	-	-
Transfer from another Trust	-	173,620	(173,620)	-	-	-
Pension reserve	(5,751,000)	(2,903,000)	(732,000)	-	1,391,000	(7,995,000)
	<u>(5,056,131)</u>	<u>12,132,234</u>	<u>(15,820,780)</u>	<u>(327,891)</u>	<u>1,391,000</u>	<u>(7,681,568)</u>
Restricted fixed asset funds						
DfE/EFA Capital Grants	345,960	373,398	(140,018)	327,891	-	907,231
Total restricted funds	<u>(4,710,171)</u>	<u>12,505,632</u>	<u>(15,960,798)</u>	<u>-</u>	<u>1,391,000</u>	<u>(6,774,337)</u>
Total of funds	<u><u>(3,382,024)</u></u>	<u><u>13,715,704</u></u>	<u><u>(16,136,784)</u></u>	<u><u>-</u></u>	<u><u>1,391,000</u></u>	<u><u>(4,412,104)</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 multi academy trust's operational activities and development.

Pension reserve

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

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Birchills Church of England Primary School	162,612	313,095
Havergal Church of England Primary School	390,674	383,321
St Matthews Church of England Primary School	66,097	50,084
St Johns Church of England Primary School	295,824	291,180
All Saints National Academy	174,727	192,355
St Peter's Church of England Primary School	53,082	71,395
Bishop Lonsdale Church of England Primary School	1,967	61,801
Churchfield Church of England Primary Academy	139,436	155,988
Holy Trinity Church of England Primary Academy & Nursery	159,409	140,468
St James Church of England Primary Academy	43,217	55,726
St John's Church of England Primary School (Stafford)	250,258	124,040
Dawley Church of England Primary Academy	175,011	-
St Judes Church of England Primary Academy	291,704	-
Stoke Minster Church of England Primary Academy	310,490	-
Central services	161,157	183,563
Total before fixed asset fund and pension reserve	2,675,665	2,023,016
Restricted fixed asset fund	907,231	345,960
Pension reserve	(7,995,000)	(5,751,000)
Total	(4,412,104)	(3,382,024)

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. 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 depreciat- ion £	Total 2018 £	Total 2017 £
Birchills Church of England Primary Community School	1,668,505	276,624	107,538	448,031	2,500,698	2,284,906
Havergal Church of England Primary School	541,358	94,992	21,257	129,706	787,313	770,051
St Matthews Church of England Primary School	366,747	47,957	13,746	118,218	546,668	518,858
St Johns Church of England Primary School	709,145	124,708	38,404	241,593	1,113,850	1,081,227
All Saints National Academy	1,105,556	118,932	65,568	367,415	1,657,471	1,469,213
St Peter's Church of England Primary School	536,106	81,662	22,358	227,768	867,894	777,785
Bishop Lonsdale Church of England Primary School	750,100	108,510	41,226	307,443	1,207,279	1,051,127
Churchfield Church of England Primary Academy	712,229	100,112	36,133	220,284	1,068,758	392,615
Holy Trinity Church of England Primary Academy & Nursery	931,143	126,611	64,705	301,801	1,424,260	552,957
St James Church of England Primary Academy	337,952	80,415	20,979	118,900	558,246	529,137
St John's Church of England Primary School (Stafford)	1,149,015	149,119	64,744	304,339	1,667,217	1,644,056
Dawley Church of England Primary Academy	295,971	43,192	19,084	73,480	431,727	-
St Judes Church of England Primary Academy	591,843	132,796	42,875	185,989	953,503	-

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

18. Statement of funds (continued)

Stoke Minster Church of England Primary Academy	745,361	96,868	19,531	179,206	1,040,966	-
Central services	-	396,855	-	322,444	719,299	498,113
	<u>10,441,031</u>	<u>1,979,353</u>	<u>578,148</u>	<u>3,546,617</u>	<u>16,545,149</u>	<u>11,570,045</u>

Statement of funds - prior year

	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds	645,439	682,708	-	-	-	1,328,147

Restricted funds

	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	800,365	8,947,598	(8,891,451)	(161,643)	-	694,869
Other DfE/ESFA grants	-	1,559,840	(1,559,840)	-	-	-
Other government grants	-	498,632	(498,632)	-	-	-
Other restricted grants	-	375,542	(375,542)	-	-	-
Pension reserve	(3,044,000)	(2,394,000)	(495,000)	-	182,000	(5,751,000)
	<u>(2,243,635)</u>	<u>8,987,612</u>	<u>(11,820,465)</u>	<u>(161,643)</u>	<u>182,000</u>	<u>(5,056,131)</u>

Restricted fixed asset funds

DfE/EFA Capital Grants	205,808	68,977	(90,468)	161,643	-	345,960
Total restricted funds	<u>(2,037,827)</u>	<u>9,056,589</u>	<u>(11,910,933)</u>	<u>-</u>	<u>182,000</u>	<u>(4,710,171)</u>
Total of funds	<u>(1,392,388)</u>	<u>9,739,297</u>	<u>(11,910,933)</u>	<u>-</u>	<u>182,000</u>	<u>(3,382,024)</u>

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	645,439	1,892,780	(175,986)	-	-	2,362,233
Restricted funds						
	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	800,365	20,768,142	(20,813,321)	(466,886)	-	288,300
Other DfE/ESFA grants	-	3,439,226	(3,391,446)	(22,648)	-	25,132
Other government grants	-	1,467,257	(1,467,257)	-	-	-
Other restricted grants	-	568,601	(568,601)	-	-	-
Transfer from another Trust	-	173,620	(173,620)	-	-	-
Pension reserve	(3,044,000)	(5,297,000)	(1,227,000)	-	1,573,000	(7,995,000)
	<u>(2,243,635)</u>	<u>21,119,846</u>	<u>(27,641,245)</u>	<u>(489,534)</u>	<u>1,573,000</u>	<u>(7,681,568)</u>
Restricted fixed asset funds						
DfE/EFA Capital Grants	205,808	442,375	(230,486)	489,534	-	907,231
	<u>(2,037,827)</u>	<u>21,562,221</u>	<u>(27,871,731)</u>	<u>-</u>	<u>1,573,000</u>	<u>(6,774,337)</u>
Total of funds	<u><u>(1,392,388)</u></u>	<u><u>23,455,001</u></u>	<u><u>(28,047,717)</u></u>	<u><u>-</u></u>	<u><u>1,573,000</u></u>	<u><u>(4,412,104)</u></u>

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	40,290	40,290
Tangible fixed assets	-	-	866,940	866,940
Current assets	2,362,233	2,283,180	96,128	4,741,541
Creditors due within one year	-	(1,958,481)	(96,127)	(2,054,608)
Creditors due in more than one year	-	(11,267)	-	(11,267)
Provisions for liabilities and charges	-	(7,995,000)	-	(7,995,000)
	<u>2,362,233</u>	<u>(7,681,568)</u>	<u>907,231</u>	<u>(4,412,104)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	345,960	345,960
Current assets	1,328,147	1,919,990	41,975	3,290,112
Creditors due within one year	-	(1,212,830)	(41,975)	(1,254,805)
Creditors due in more than one year	-	(12,291)	-	(12,291)
Provisions for liabilities and charges	-	(5,751,000)	-	(5,751,000)
	<u>1,328,147</u>	<u>(5,056,131)</u>	<u>345,960</u>	<u>(3,382,024)</u>

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(2,421,080)	(2,171,636)
Adjustment for:		
Depreciation and amortisation charges	139,888	89,538
Dividends, interest and rents from investments	(1,791)	(1,332)
(Increase)/decrease in debtors	(307,048)	244,105
Increase in creditors	798,780	330,124
Capital grants from DfE and other capital income	(94,332)	(62,156)
Defined benefit pension scheme cost less contributions payable	732,000	495,000
Net gain on assets and liabilities on conversion	2,903,000	2,394,000
Fixed assets transferred on conversion	(226,180)	-
Net cash provided by operating activities	<u>1,523,237</u>	<u>1,317,643</u>

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	3,585,279	2,440,898
Total	<u>3,585,279</u>	<u>2,440,898</u>

22. Conversion to an academy trust

On 1 March 2018 Stoke Minster 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 Academies Trust from Stoke-on-Trent City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net loss in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus/(deficit) on LA funds	275,181	-	-	275,181
LGPS pension surplus/(deficit)	-	(645,000)	-	(645,000)
Net assets/(liabilities)	<u>275,181</u>	<u>(645,000)</u>	<u>-</u>	<u>(369,819)</u>

The above includes £275,181 that was transferred as cash.

23. 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 Multi-employer defined benefit pension schemes.

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

Contributions amounting to £196,567 were payable to the schemes at 31 August 2018 (2017 - Nil) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £741,397 (2017 - £581,861).

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

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £865,000 (2017 - £568,000), of which employer's contributions totalled £683,000 (2017 - £443,000) and employees' contributions totalled £182,000 (2017 - £125,000). The agreed contribution rates for future years are 15.9% for employers and 5.5 - 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.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.99 %	2.53 %
Rate of increase in salaries	3.40 %	3.26 %
Rate of increase for pensions in payment / inflation	2.49 %	2.46 %
Inflation assumption (CPI)	2.49 %	2.46 %

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

	2018	2017
Retiring today		
Males	23.9 years	22.1 years
Females	26.6 years	24.5 years
Retiring in 20 years		
Males	26.1 years	24.2 years
Females	28.9 years	26.6 years

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(367,000)	(250,000)
Discount rate -0.1%	371,000	259,400
Salary increase +0.1%	72,000	69,200
Salary decrease -0.1%	(71,000)	(62,600)
CPI rate +0.1%	268,000	195,000
CPI rate -0.1%	(263,000)	(192,000)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

The Multi Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	3,332,000	1,999,000
Gilts and bonds	823,000	348,000
Property	395,000	215,000
Cash / liquidity	163,000	250,000
Other	338,000	-
	<u>5,051,000</u>	<u>2,812,000</u>
Total market value of assets	<u>5,051,000</u>	<u>2,812,000</u>

The actual return on scheme assets was £194,000 (2017 - £122,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(1,239,000)	(833,000)
Interest income	97,000	44,000
Interest cost	(273,000)	(149,000)
	<u>(1,415,000)</u>	<u>(938,000)</u>
Total	<u>(1,415,000)</u>	<u>(938,000)</u>
Actual return on scheme assets	<u>194,000</u>	<u>122,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	8,563,000	4,137,000
Current service cost	1,239,000	833,000
Interest cost	273,000	149,000
Employee contributions	182,000	125,000
Actuarial (gains)/losses	(1,294,000)	70,000
Benefits paid	(74,000)	(13,000)
Liabilities assumed in a business combination	4,157,000	3,262,000
	<u>13,046,000</u>	<u>8,563,000</u>
Closing defined benefit obligation	<u>13,046,000</u>	<u>8,563,000</u>

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

23. Pension commitments (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	2,812,000	1,093,000
Interest income	97,000	44,000
Actuarial losses	97,000	252,000
Employer contributions	683,000	443,000
Employee contributions	182,000	125,000
Benefits paid	(74,000)	(13,000)
Assets acquired in a business combination	1,254,000	868,000
	<hr/>	<hr/>
Closing fair value of scheme assets	5,051,000	2,812,000
	<hr/>	<hr/>

24. Operating lease commitments

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

	2018	2017
	£	£
Amounts payable:		
Within 1 year	599,154	323,629
Between 1 and 5 years	248,649	80,281
After more than 5 years	42,040	-
	<hr/>	<hr/>
Total	889,843	403,910
	<hr/>	<hr/>

25. Related party transactions

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

The following related party transactions took place in the period of account.

Lichfield Diocesan Academy Services Limited

- During the year the multi academy trust made purchases of £93,687 (2017 - £423,342) from Lichfield Diocesan Academy Services Limited, a subsidiary company of the Lichfield Diocesan Board of Education, a member of the Church of England Central Education Trust (CECET). Lichfield Diocesan Academy Services Limited provides a number of central services to all academies under the control of CECET. At 31 August 2018, the multi academy trust owed £Nil (2017 - £126,472) shown within trade creditors in the financial statements.

In entering into the transaction above, the multi academy trust has complied with the requirements of the Academies Financial Handbook 2017.

26. Controlling party

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

27. Members' liability

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

St Chad's Academies Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2018

28. Transfer of existing academies into the Multi Academy Trust

	Value reporting by transferring trust	Fair value adjustments	Transfer in recognised
	£	£	£
Tangible fixed assets			
Site improvements	84,646	-	84,646
Fixtures and fittings	119,277	-	119,277
Computer equipment	22,255	-	22,255
Debtors due after one year	587,876	-	587,876
Cash in bank and in hand	418,052	-	418,052
Liabilities			
Creditors due within one year	(513,422)	-	(513,422)
Pensions			
Pensions - pension scheme assets	705,000	-	705,000
Pensions - pension scheme liabilities	(2,963,000)	-	(2,963,000)
Net liabilities	<u>(1,539,316)</u>	<u>-</u>	<u>(1,539,316)</u>

On 1 April The Wulffun Academy Trust transferred in to St Chad's Academy Trust. As part of this transfer the activities, assets and liabilities of St Jude's Church of England Primary Academy, Dawley Church of England Primary Academy and the Central Services of The Wulf Run Academy Trust transferred into St Chad's Academy Trust.