

Registered number: 08569207

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY  
TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

THURSDAY



\*A66ON78G\*

A27

18/05/2017

#381

COMPANIES HOUSE

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**CONTENTS**

	Page
<b>Reference and administrative details</b>	1
<b>Trustees' report</b>	2 - 11
<b>Governance statement</b>	12 - 14
<b>Statement on regularity, propriety and compliance</b>	15
<b>Statement of Trustees' responsibilities</b>	16
<b>Independent auditor's report on the financial statements</b>	17 - 18
<b>Independent reporting accountant's assurance report on regularity</b>	19 - 20
<b>Statement of financial activities incorporating income and expenditure account</b>	21
<b>Balance sheet</b>	22
<b>Statement of cash flows</b>	23
<b>Notes to the financial statements</b>	24 - 40

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Members**

M P Hough Robinson  
P W Goringe  
Peterborough Diocese Church Schools Trust

**Trustees**

Peterborough Diocese Church Schools Trust  
R Hazelgrove  
S Lawrence (resigned 31 August 2016)  
C Godden (resigned 31 August 2016)<sup>1</sup>  
O Johnson, Accounting Officer (appointed 18 April 2016)<sup>1</sup>  
M Streten (resigned 31 August 2016)  
S J Allen  
W Adams (resigned 24 November 2015)  
G N Nunn<sup>1</sup>  
A J Osborne (appointed 18 April 2016)  
H Stephenson (resigned 15 September 2015)  
B Gundle (appointed 24 November 2015)  
P Deane (appointed 20 October 2016)<sup>1</sup>  
C Wade (appointed 1 September 2016)

<sup>1</sup> Member of the Finance Committee

**Company registered number**

08569207

**Company name**

South Northamptonshire Church of England Multi Academy Trust

**Principal and registered office**

Chacombe Primary Academy, 37 Thorpe Road, Chacombe, Banbury, Oxfordshire, OX17 2JA

**Senior management team**

C Godden, Headteacher at Chacombe CEVA Primary  
S Lawrence, Headteacher at Culworth and Boddington Primary (until December 2015)  
O Johnson, Headteacher at Culworth and Boddington Primary (from April 2016)  
C Law, Deputy Headteacher at Culworth Primary (on maternity leave for part of the year)  
J Darley, Deputy Headteacher at Culworth Primary (maternity cover for part of the year)  
S Prewer, Deputy Headteacher at Culworth Primary (maternity cover for part of the year)  
J Bootman, Senior Manager at Boddington Primary  
K Stephens, Senior Manager at Boddington Primary  
R Hazelgrove, Headteacher at St Loys C of E Primary Academy  
E Humphrey, Senior Manager at St Loys C of E Primary Academy

**Independent auditor**

James Cowper Kreston, Mill House, Overbridge Square, Hambridge Lane, Newbury, RG14 5UX

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the audited financial statements of the South Northamptonshire Church of England Multi Academy Trust ('the Trust') for the period 31 August 2016.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust, which was incorporated on 14th June 2013 and opened as a Multi Academy Trust on 1st September 2013, is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Governors act as the Trustees for the charitable activities of the Trust and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

The Trust operates Primary Academies in South Northamptonshire. Its academies have a combined pupil capacity of 469 and had a roll of 363 in the school census on 2nd November 2016.

**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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

**Governors' Indemnities**

The Governors benefit from indemnity insurance purchased by the Academy to cover the liability of the Trustees arising from negligent acts, errors or commissions occurring whilst on Academy business. The limit of this indemnity is £10,000,000.

**Principal Activities**

The principal activity of the Academy Trust is to advance for the public benefit by establishing, maintaining, carrying on, managing and developing Primary Academies that offer a broad and balanced curriculum.

**Method of Recruitment and Appointment or Election of Trustees**

On 1st September 2013, the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academies. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Trust shall have the following Trustees as set out in its Articles of Association and Funding Agreement:

- No fewer than 2 Members
- No fewer than 5 Trustees

The Board currently includes a Chair, Vice Chair and Head Teacher from each Academy.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governors can be re-appointed or re-elected.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the relevant Academy or Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various other organisations as appropriate.

There is a Trustee/Governors training day organised each year which includes training sessions to keep the Trustees/Governors updated on relevant developments impacting on their roles and responsibilities.

**Organisational Structure**

The Board of Trustees normally meets four times annually. The Board of Trustees establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board of Trustees may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one Committee of the Board of Trustees responsible for Finance and Audit. This committee has its own terms of reference discharged to it.

The following decisions are reserved to the full Board of Trustees:

- to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure;
- to appoint or remove the Chair and / or Vice Chair; and
- to appoint and / or consider the performance management of the Headteacher
- to appoint the Company Secretary.

The Trustees are responsible for setting general policy, adopting an annual development plan and budget, approving the annual statutory accounts, monitoring the Academy Trust by the use of budgets and other data, and making the major decisions about the direction of the Academy Trust.

The Trustees have devolved the individual strategic management to each full Governing Body and day-to-day management of each Academy to the Headteacher and the Senior Leadership Team ('SLT'). The SLT comprises the Headteacher, Deputy Headteachers, Assistant Headteachers and senior teachers. Each Full Governing Body reviews annual Academy Trust plans and budgets, monitors progress against target and OFSTED standards and oversees parent and community liaison. Representatives from each FGB also sit on the main Board of Trustees. The Accounting Officer has overall responsibility for the day to day financial management of the Academy Trust.

**Risk Management**

The Trustees have implemented a system to assess risks that the Academy Trust faces, especially in the operational areas (such as in relation to teaching, health & safety and school trips) and in relation to the control of finances. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Arrangements for setting pay and remuneration of key management personnel**

Setting the pay and remuneration of the Academy Trust's key management personnel is made with the support of an external advisor. Pay is benchmarked against the National Standards of Pay for Teachers and Support Staff at Academy Trust level.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Academy Trust. There are no sponsors or formal Parent Teacher Associations associated with the Academy Trust.

**OBJECTIVES AND ACTIVITIES**

**Objectives and Aims**

The principal objects of the Academy Trust, as set out in its Articles of Association, are 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 a school, offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of the South Northamptonshire Area and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, disablement, financial hardship or social and economic circumstances for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

The aims of the Academy Trust during the period ended 31 August 2016 are summarised below:

- To develop the role of the Local collaborative Trust to identify further opportunities for joint procurement to provide better value for money
- To extend the breadth of joint policies to ensure consistency across the MAT
- To provide a curriculum that promotes enjoyment and love of learning
- To evaluate the performance of the Academies and identify areas for improvement, specific to each Academy in relation to attainment and progress
- To develop and maintain effective leadership and Governance, including support for new governors/ trustees and Board members
- To continue to ensure premises and facilities are well maintained and support learning
- To continue to ensure our Christian ethos is evident in all areas of work within the schools
- To maintain extended schools that provide services to children and families outside of the school day.

**Objectives, Strategies and Activities**

The key priorities for the period are contained in the Academy Trusts Development Plan which is available from the Chair of the Trustees.

The main activities of the Academy Trust for the period ended 31 August 2016 were as follows:

**Leadership and Management**

- Newly appointed Executive Head Teacher for Boddington and Culworth Academies
- Employment of Accounting Officer Assistant to assist with the Financial workload
- To develop a robust Board of Trustees with clear lines of accountability
- To adequately challenge the leadership of the Academies to ensure continuous school improvement.
- To ensure that all Academies benefit from the sharing of good practice.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**PUBLIC BENEFIT**

Student Achievement

- Where weaknesses in subject results were found internal and external support is in place
- For all Academies within the MAT to achieve in line with National standards and when not, be able to account for why.

Teaching and Learning

- To agree a set of criteria for the moderation of standards in maths, reading and writing
- To ensure that there is a clear schedule for moderation across the LCT.
- To ensure that more able children across the MAT are identified and provided for.
- To ensure groups of learners are making progress that is at least in line with ARE, SEND, PP, Dis, EAL, etc.

Behaviour and Safety

- To recruit a Parent Support Advisor to work across the LCT.
- To ensure that key policies and procedures are regularly reviewed and agreed.

**Public Benefit**

The Trustees confirm that they have complied with the requirement in the Charities Act 2011 to have due regard to the Charity Commission general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trusts aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit education in South Northamptonshire and the surrounding area, offering a broad curriculum.

The Academy Trust also allows use of its facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of that community.

**ACHIEVEMENTS AND PERFORMANCE**

**Achievements and Performance**

The Academy is in its third period of operation since conversion on 1st September 2013.

The total number of pupils in the period ended 31 August 2016 was 378 but this has decreased to 363 at the October 2016 census date due to the falling demand for places at the Academies within the Trust.

The Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Trust during the period ended 31 August 2016 were as follows:

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	<b>2016 results</b>		<b>Chacombe</b>	<b>Culworth</b>	<b>Boddington</b>	<b>St Loys</b>
<b>School Attainment</b>	Ofsted Date/Grade		July 2015 Grade 2	June 2016 Grade 2	July 2016 Grade 2	May 2007 Grade 1
	EYFS GLD		85%	55%	71%	100%
	Phonics Year 1		85%	60%	87%	94%
	KS1	Achieved Expected Standard Reading	88%	83%	75%	83%
		Exceeded Expected Standard Reading	44%	33%	25%	58%
		Achieved Expected Standard Writing	82%	75%	62%	67%
		Exceeded Expected Standard Writing	19%	16%	25%	17%
		Achieved Expected Standard Maths	88%/50% (T/A / Test Res)	75%	87%	75%
		Exceeded Expected Standard Maths	25%	16%	50%	33%
	KS2	Achieved Expected Standard Reading	47%	86%	57%	91.6%
		Exceeded Expected Standard Reading	38%	33%	14%	33%
		Achieved Expected Standard Writing	67%	66%	85%	66.7%
		Achieved Greater Depth in Writing	20%	6%	0	58%
		Achieved Expected Standard GPS	80%	80%	57%	83.4%
		Exceeded Expected Standard GPS	27%	33%	14%	33%
		Achieved Expected Standard Maths	73%	80%	57%	91.6%
		Exceeded Expected Standard Maths	7%	20%	14%	33%
		Combined RWM	47%	66%	57%	66.7%
<b>School Progress</b>	Cohort Progress Measure from KS1 to KS2	Reading	1	0.15	-0.01	2.7
		Writing	-2.7	-6.5	4.66	2.6
		Maths	0.8	-1.04	0	2.6



**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Going concern**

After making appropriate enquiries, the Board of Trustees, including all Committees, 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.

**Strategic report**

The Academy Trust has continued to work on the priorities set out in The MAT Strategic Plan approved by the Board of Trustees. Notable achievements this year were OFSTED inspections at Culworth Academy and Boddington Academy in June and July 2016, both achieving Grade 2.

The Academy Trust faces a number of principal risks as set out in the 'Principal Risks and Uncertainties' section. The Academy Trust uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the school to a number of financial risks which are described in more detail below.

The main risks arising from the financial statements are cash flow and credit risk. The Academy Trust seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Academy Trust seeks to manage its cash reserves to ensure liabilities are settled as they fall due.

**Key Performance Indicators**

Although the Academy's Funding Agreement is not subject to a specific carry forward limit on the amount of GAG funding, the main financial performance indicator is the level of reserves held at the balance sheet date and, in particular, the amount of GAG funding carried forward at the balance sheet date. At 31 August 2016, the balance of the GAG Restricted Fund was £7,890, which is after a transfer of £4,336 to the Restricted Fixed Asset Fund to fund capital expenditure during the period.

As the majority of the Academy's funding is based on pupil numbers, pupil numbers is also a key performance indicator. As noted above, pupil numbers at the most recent census were 363 which is an decrease of 15 students from the previous census.

As a result, the ratio of GAG funding per pupil was £4,599 for the period.

Staffing costs are another key performance indicator for the Academy Trust and the percentage of total staff costs to GAG funding for the period was 85.2%, while the percentage of staff costs to total costs was 67.1%.

**FINANCIAL REVIEW**

**Financial review**

The majority of the Academy Trust's income is received from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2016 and the associated expenditure of these grants are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE and other organisations and funders and these are shown as Restricted Fixed Asset Funds in the Statement of Financial Activities. The balance of the Restricted Fixed Asset fund is reduced by the depreciation charges on the assets acquired using these funds.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

During the period ended 31 August 2016, total expenditure of £2,202,660 was met by recurrent grant funding from the EFA together with other incoming resources.

The net book value of fixed assets at 31 August 2016 were £105,436. The fixed assets held by the Academy are used exclusively for providing education and associated support services to the pupils of the Academy.

The balance of total funds held at 31 August 2016 were in deficit by £57,687 which comprised of the following:

Restricted Funds (excluding Pension Liability)	£9,240
Restricted Pension Liability Fund	(£531,000)
Restricted Fixed Asset Fund	£105,436
Unrestricted Funds	£358,637

**Financial and Risk Management Objectives and Policies**

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trusts financial management, including financial responsibilities of the Governing Body, Headteacher, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Lettings, Asset Management and Insurance.

The Academy Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Academy Trust. The Risk Register and Risk Management Plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover.

There are risks to revenue funding from a falling roll as pupil numbers can vary in small schools year on year. However, the current freeze on the Government's overall education budget, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Governors and Finance and Resources Committee meetings.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy's liquidity.

The Trustees recognised that the Local Government Pension Scheme deficit represents a significant potential liability to the Academy. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy Trust are as follows:

**Financial**

The Academy has considerable reliance on continued Government funding through the EFA. In the period, approximately 88% of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks.

Reputational

The continuing success of the Academy Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and child protection

The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing

The success of the Academy Trust is reliant on the quality of its staff so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds

The Academy Trust has engaged its external auditors to perform a programme of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and to develop their skills in this area.

The Academy Trust has continued to strengthen its risk management process throughout the period by improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**Reserves Policy**

The Trustees' review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free cash reserves should be approximately 10% of total incoming resources. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy Trust's current level of reserves (defined as restricted general funds, excluding pension reserve, plus the balance on unrestricted funds) is £473,313, of which £358,637 is free reserves (that is, total funds less the amount held in fixed assets and restricted funds).

The current level of reserves is above with our target level of free cash reserves. Appropriate steps have been taken to decrease the free cash reserves. The steps include include monitoring individual academies key priority plans to ensure expenditure is detailed, reasonable and adhered too and that excess funds are being used to fully support pupil's future learning.

**Investment Policy**

All funds surplus to immediate requirements are invested to optimal effect by the Academy with the objective of ensuring maximum return on assets invested but with minimal risk.

**PLANS FOR FUTURE PERIODS**

The Academy Trust strives to continually improve levels of attainment for all pupils, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment, as well as promoting the continued professional development of its staff.

The Academy's plans for future periods are:

- To refine and embed a shared approach to assessment without levels
- To improve the quality of teaching and learning provided to more able writers
- To establish a greater level of challenge for standards via the procurement of external advisors
- To continue to ensure premises and facilities are well maintained and support future learning
- To continue to ensure our Christian ethos is evident in all areas of work within the Academies
- To maintain extended schools that provide services to children and families outside of the school day.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.

**DISCLOSURE OF INFORMATION TO AUDITOR**

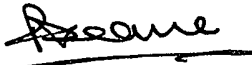
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

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

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

This report was approved by order of the board of trustees as the company directors, on **16/12/16** and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P Deane', written over a horizontal line.

**P Deane**  
**Trustee**

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, and the 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 South Northamptonshire Church of England Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 4 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
Peterborough Diocese Church Schools Trust	4	4
R Hazelgrove	4	4
S Lawrence	1	1
C Godden	4	4
O Johnson, Accounting Officer	1	1
S J Allen	4	4
W Adams	0	0
G N Nunn	4	4
A J Osborne	4	4
B Gundle	4	4
P Deane	3	4

The Finance Committee is a sub-Committee of the main Board of Trustees. Its purpose is to provide guidance and assistance to the Board of Trustees on all matters related to finance, resources, premises and Health & Safety of the Academy Trust. This includes preparing and approving annual budgets, monitoring financial performance against that budget, reviewing delegated authorities, ensuring all transactions are conducted in accordance with good practice as directed by the EFA, to ensure best value is achieved in all financial transactions and to receive and (where relevant) respond to period audit reports on the Academy and of public funds. This committee also acts as the Academy's Audit Committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Deane	3	3
G N Nunn	1	3
C Godden, Chair of Trustees	3	3

**REVIEW OF VALUE FOR MONEY**

The Accounting Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the 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 academy trust has delivered improved value for money during the year by:

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**GOVERNANCE STATEMENT (continued)**

• **Procurement of joint training across the Academies**

The schools in the Trust joined with the schools in the South Northamptonshire Village Schools MAT to train all staff on the new National Curriculum and its implementation. This has provided consistency of approach across the local area whilst reducing cost to each Academy. This communication has continued to uniform assessment and marking within this new curriculum also.

• **Procurement of shared Service Level Agreements**

The schools in the MAT joined with the local village MAT to procure payroll and HR. Accountancy and Audit services have also been newly procured to bring both services under one roof with the same company. Broadband and sports support from the local secondary school has also been newly re-secured which has enabled greater buying power, reducing cost to each Academy.

• **Procurement of a shared Parent Support Worker – Future Opportunity**

The MAT will be joining the local Village MAT to purchase a PSW to work across the academies providing support to parents on a wide number of issues. This is due to the loss of the PSW support provided by the local secondary school due to their funding constraints.

• **Procurement of a Standards Consultant**

The schools in the MAT have procured a curriculum standards consultant to provide greater rigor in the analysis of these standards. This has saved individual costs across the Academies.

• **Areas for Improvement**

**Assessment procedures** are currently being uniformed across the Trust to ensure more comparable data when moderating curriculum attainment.

**Training opportunities** within the individual schools are beginning to be disseminated across the MAT. This now needs imbedding.

Individual Schools within the MAT have begun to undertake **skills audits** of their governors as a pre-cursor to auditing MAT Trustees.

**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 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 South Northamptonshire Church of England Multi Academy Trust for the year 1 September 2015 to 31 August 2016 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 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 academy trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**THE RISK AND CONTROL FRAMEWORK**

The 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;

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**GOVERNANCE STATEMENT (continued)**

- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed James Cowper Kreston, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On an annual basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

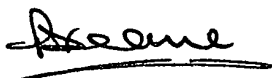
As Accounting Officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on **16/12/16** and signed on their behalf, by:

P Deane  
Trustee



O Johnson  
Accounting Officer





**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of South Northamptonshire Church of England Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the 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 2015.

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 2015.

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

**O Johnson**  
**Accounting Officer**



**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of South Northamptonshire Church of England Multi Academy Trust and 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 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:

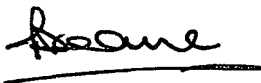
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on **16/12/16** and signed on its behalf by:



**P Deane**  
Trustee

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**

We have audited the financial statements of South Northamptonshire Church of England Multi Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the 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 academy trust's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 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 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Michael Farwell MA FCA DChA (Senior statutory auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
RG14 5UX

Date:

20/12/2016

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH  
NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION  
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 October 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by South Northamptonshire Church of England Multi Academy Trust during the year 1 September 2015 to 31 August 2016 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 South Northamptonshire Church of England Multi Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to South Northamptonshire Church of England Multi Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than South Northamptonshire Church of England Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI  
ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of South Northamptonshire Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 24 January 2013, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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


The work undertaken to draw to our conclusion includes:

- reviewing the minutes of the meetings of the Board of Governors and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams;
- evaluating the internal control procedures and reporting lines, and testing as appropriate.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SOUTH  
NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION  
FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
RG14 5UX

Date: 20/12/2016

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	80,776	-	14,768	95,544	99,948
Charitable activities	3	92,450	1,854,630	-	1,947,080	2,040,634
Other trading activities	4	9,380	-	-	9,380	8,098
Investments	5	-	-	-	-	98
<b>TOTAL INCOME</b>		<b>182,606</b>	<b>1,854,630</b>	<b>14,768</b>	<b>2,052,004</b>	<b>2,148,778</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		95,618	2,046,077	60,965	2,202,660	2,101,359
<b>TOTAL EXPENDITURE</b>	7	<b>95,618</b>	<b>2,046,077</b>	<b>60,965</b>	<b>2,202,660</b>	<b>2,101,359</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	86,988 (47,206)	(191,447) 42,870	(46,197) 4,336	(150,656) -	47,419 -
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES</b>						
		39,782	(148,577)	(41,861)	(150,656)	47,419
Actuarial losses on defined benefit pension schemes	20	-	(152,000)	-	(152,000)	(3,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>39,782</b>	<b>(300,577)</b>	<b>(41,861)</b>	<b>(302,656)</b>	<b>44,419</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		271,649	(173,977)	147,297	244,969	200,550
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>311,431</b>	<b>(474,554)</b>	<b>105,436</b>	<b>(57,687)</b>	<b>244,969</b>

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**

(A company limited by guarantee)

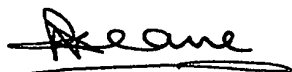
REGISTERED NUMBER: 08569207

**BALANCE SHEET  
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	13		105,436		147,297
<b>CURRENT ASSETS</b>					
Debtors	14	19,322		43,910	
Cash at bank and in hand		436,001		503,947	
		<u>455,323</u>		<u>547,857</u>	
<b>CREDITORS: amounts falling due within one year</b>	15	(87,446)		(93,185)	
<b>NET CURRENT ASSETS</b>			<u>367,877</u>		<u>454,672</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>473,313</u>		<u>601,969</u>
Defined benefit pension scheme liability	20	(531,000)		(357,000)	
<b>NET (LIABILITIES)/ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u>(57,687)</u>		<u>244,969</u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	16	56,446		183,023	
Restricted fixed asset funds	16	105,436		147,297	
		<u>161,882</u>		<u>330,320</u>	
Restricted funds excluding pension liability		(531,000)		(357,000)	
Pension reserve					
Total restricted funds			<u>(369,118)</u>		<u>(26,680)</u>
Unrestricted funds	16		311,431		271,649
<b>TOTAL (DEFICIT)/FUNDS</b>			<u>(57,687)</u>		<u>244,969</u>

The financial statements were approved by the Trustees, and authorised for issue, on 16th December 2016 and are signed on their behalf, by:

P Deane  
Trustee



The notes on pages 24 to 40 form part of these financial statements.



**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	<u>(63,610)</u>	<u>85,692</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		-	98
Purchase of tangible fixed assets		(19,104)	(76,623)
Capital grants from DfE/EFA		<u>14,768</u>	<u>20,398</u>
<b>Net cash used in investing activities</b>		<u>(4,336)</u>	<u>(56,127)</u>
<b>Change in cash and cash equivalents in the year</b>		<b>(67,946)</b>	<b>29,565</b>
Cash and cash equivalents brought forward		<u>503,947</u>	<u>474,382</u>
<b>Cash and cash equivalents carried forward</b>	19	<u><u>436,001</u></u>	<u><u>503,947</u></u>

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES**

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

South Northamptonshire Church of England Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of South Northamptonshire Church of England Multi Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of South Northamptonshire Church of England Multi Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Reconciliations to previous UK GAAP for the comparative figures are included in note 23.

**1.2 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 the Department for Education 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 and include grants from the Department for Education.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

**1.4 Expenditure**

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

Charitable activities and Governance costs are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**1.5 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 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.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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.

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Improvements to property	-	10% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% straight line

**1.7 Taxation**

The 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 academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.8 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 20, 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.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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.

**1.9 Critical accounting estimates and areas of judgement**

Estimates and judgements 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 academy 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.

**Local Government Pension Scheme**

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 20, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

**Depreciation**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	80,776	-	-	80,776	79,550
Capital Grants	-	-	14,768	14,768	20,398
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and capital grants	<b>80,776</b>	<b>-</b>	<b>14,768</b>	<b>95,544</b>	<b>99,948</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from donations and capital grants, £79,550 was to unrestricted funds and £20,398 was to restricted funds

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	1,657,717	1,657,717	1,687,033
Other DfE/EFA grants	-	166,233	166,233	238,685
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,823,950	1,823,950	1,925,718
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other funding</b>				
Parental contributions	92,450	-	92,450	73,386
Insurance receipts	-	30,680	30,680	41,530
	<hr/>	<hr/>	<hr/>	<hr/>
	92,450	30,680	123,130	114,916
	<hr/>	<hr/>	<hr/>	<hr/>
	92,450	1,854,630	1,947,080	2,040,634
	<hr/>	<hr/>	<hr/>	<hr/>

In 2015, of the total income from charitable activities, £73,386 was to unrestricted funds and £1,967,248 was to restricted funds.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from facilities	5,096	-	5,096	3,403
Hire of facilities	4,284	-	4,284	4,695
	<u>9,380</u>	<u>-</u>	<u>9,380</u>	<u>8,098</u>

In 2015, of the total income from other trading activities, £8,098 was to unrestricted funds and £ NIL was to restricted funds.

**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Investment income	-	-	-	98
	<u>-</u>	<u>-</u>	<u>-</u>	<u>98</u>

In 2015, of the total investment income, £ 98 was to unrestricted funds and £ NIL was to restricted funds.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**6. CHARITABLE ACTIVITIES**

	Total funds 2016 £	Total funds 2015 £
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	854,711	814,792
National insurance	58,473	52,930
Pension cost	134,267	111,094
Educational costs	228,362	223,752
Agency staff costs	44,941	73,493
	<u>1,320,754</u>	<u>1,276,061</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	354,226	328,691
National insurance	1,814	(367)
Pension cost	77,837	74,523
Depreciation	60,965	42,796
Pension income	13,000	13,000
Technology costs	11,798	25,445
Recruitment and support	8,774	4,074
Maintenance and support	82,545	66,368
Cleaning	9,583	3,635
Rates	8,046	13,164
Light and heat	22,955	24,229
Insurance	32,333	18,428
Security	2,263	1,294
Catering	50,481	65,596
Professional fees non-curriculum	104,292	95,973
Other support costs	17,466	28,912
Bank interest and charges	(64)	65
Governance costs	23,592	19,471
	<u>881,906</u>	<u>825,297</u>
	<u><u>2,202,660</u></u>	<u><u>2,101,358</u></u>

**7. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Educational operations:					
Direct costs	1,092,392	-	228,362	1,320,754	1,276,061
Support costs	433,877	147,256	300,773	881,906	825,297
	<u>1,526,269</u>	<u>147,256</u>	<u>529,135</u>	<u>2,202,660</u>	<u>2,101,358</u>

In 2016, of the total expenditure, £95,618 (2015 - £127,807) was to unrestricted funds and £2,107,042 (2015 - £1,973,551) was to restricted funds.



**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	60,965	42,796
Auditor's remuneration - audit	5,850	5,250
Auditor's remuneration - non audit services	2,600	2,495
	<u>69,415</u>	<u>50,541</u>

**9. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,208,937	1,143,483
Social security costs	60,287	52,563
Operating costs of defined benefit pension schemes	212,104	185,618
	<u>1,481,328</u>	<u>1,381,664</u>
Supply teacher costs	44,941	73,493
	<u>1,526,269</u>	<u>1,455,157</u>

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

	2016 No.	2015 No.
Teachers	21	23
Management	10	8
Administration and support	51	44
	<u>82</u>	<u>75</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £368,665 (2015: £329,165).

**10. CENTRAL SERVICES**

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

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**11. TRUSTEES' REMUNERATION AND EXPENSES**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the 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:

		2016 £	2015 £
C Godden, Head Teacher at Chacombe CEVA Primary School	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
R Hazelgrove, Head Teacher at St Loys C of E Primary Academy	Remuneration	30,000-35,000	30,000-35,000
	Pension contributions paid	5,000-10,000	0-5,000
S Lawrence, Head Teacher at Culworth and Boddington Primary Academies (until December 2015)	Remuneration	20,000-25,000	65,000-70,000
	Pension contributions paid	0-5,000	5,000-10,000
O Johnson, Head Teacher at Culworth and Boddington Primary Academies (from April 2016)	Remuneration	20,000-25,000	-
	Pension contributions paid	0-5,000	-

During the year ended 31 August 2016, expenses totalling £398 (2015 - £351) were reimbursed to 2 Trustees (2015 - 1).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	32,058	76,904	108,271	217,233
Additions	-	8,649	10,455	19,104
At 31 August 2016	<u>32,058</u>	<u>85,553</u>	<u>118,726</u>	<u>236,337</u>
<b>Depreciation</b>				
At 1 September 2015	4,792	29,042	36,102	69,936
Charge for the year	3,206	19,454	38,305	60,965
At 31 August 2016	<u>7,998</u>	<u>48,496</u>	<u>74,407</u>	<u>130,901</u>
<b>Net book value</b>				
At 31 August 2016	<u>24,060</u>	<u>37,057</u>	<u>44,319</u>	<u>105,436</u>
At 31 August 2015	<u>27,266</u>	<u>47,862</u>	<u>72,169</u>	<u>147,297</u>

The Trust occupies land and buildings which are owned by the Peterborough Diocesan Board of Education. The Board of Education are the providers of the Academies on the same basis as when the Academies were maintained schools. The Trust occupies the land and buildings of the Academies under the terms of Supplemental Agreements between the Peterborough Diocesan Board of Education, the Peterborough Diocesan Board of Finance and the Trust, which provide the Trust with the right to use the land and buildings for the Academies for an infinite period, subject to a 2 year termination notice period, which amounts to a mere licence. This continuing permission of the Board of Education is pursuant to, and subject to, the Board of Education's charitable objects, and is part of the Church's continuing contribution to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land and buildings to the Trust for the time being, but does not vest any rights over the land in the Trust. The Board of Education have given an undertaking to the Secretary of State that they will not give the Trust less than two years notice to terminate the occupation of the land and buildings. Having considered the factual matrix under which the Trust is occupying the land and buildings, the Directors have concluded that the value of the land and buildings occupied by the Trust will not be recognised on the balance sheet of the Trust.

Leasehold property includes the playing fields for Chacombe CEVA Primary Academy and Culworth CofE Primary Academy, which the Trust occupies under a 125 year lease from Northamptonshire County Council. Due to the restrictions contained in the lease agreement, the Trustees are of the view that the land has no value and so have not included any value for this land in the financial statements.

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	2,825	207
Other debtors	12,664	26,563
Prepayments and accrued income	3,833	17,140
	<u>19,322</u>	<u>43,910</u>

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
Trade creditors	1,087	-
Other taxation and social security	24,427	18,990
Other creditors	1,522	-
Accruals and deferred income	60,410	74,195
	<u>87,446</u>	<u>93,185</u>

**16. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	271,649	182,606	(95,618)	(47,206)	-	311,431
<b>Restricted funds</b>						
General Annual Grant (GAG)	125,171	1,738,365	(1,906,406)	42,870	-	-
Other DfE/EFA grants	-	116,265	(116,265)	-	-	-
Start up grants	1,406	-	(1,406)	-	-	-
St Loys appeal fund	56,446	-	-	-	-	56,446
Pension reserve	(357,000)	-	(22,000)	-	(152,000)	(531,000)
	<u>(173,977)</u>	<u>1,854,630</u>	<u>(2,046,077)</u>	<u>42,870</u>	<u>(152,000)</u>	<u>(474,554)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	147,297	14,768	(60,965)	4,336	-	105,436
Total restricted funds	<u>(26,680)</u>	<u>1,869,398</u>	<u>(2,107,042)</u>	<u>47,206</u>	<u>(152,000)</u>	<u>(369,118)</u>
Total of funds	<u>244,969</u>	<u>2,052,004</u>	<u>(2,202,660)</u>	<u>-</u>	<u>(152,000)</u>	<u>(57,687)</u>

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

**Restricted funds**

The General Annual Grant (GAG) represents funding received from the Education Funding Agency during the period in order to fund the continuing activities of the school. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other DfE/EFA grants are used to provide additional support and resources in specific areas across the

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**16. STATEMENT OF FUNDS (continued)**

Academy's schools in line with the terms and conditions of the respective grants.

The St Loys Appeal Fund is for the advancement of the education of pupils at St Loys Church of England Primary Academy.

The pension reserve represents the Local Government Pension Scheme deficit.

**Fixed asset funds**

Fixed assets transferred on conversion represent the assets transferred to the Trust from the predecessor schools and Northamptonshire County Council.

The capital funds transferred to the Trust on conversion and the devolved formula grant received during the period were used to fund the capital expenditure during the period.

Transfers from the GAG fund were used to fund capital expenditure in the period.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Chacombe CEVA Primary Academy	45,776	76,083
St Loys C of E Primary Academy	188,541	232,769
Culworth Primary Academy	55,064	64,669
Boddington Primary Academy	78,496	79,745
Central fund	-	1,406
Total before fixed asset fund and pension reserve	<u>367,877</u>	<u>454,672</u>
Restricted fixed asset fund	105,436	147,297
Pension reserve	(531,000)	(357,000)
Total	<u><u>(57,687)</u></u>	<u><u>244,969</u></u>

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**16. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £	Total 2015 £
Chacombe CEVA Primary Academy	321,158	60,677	32,823	95,709	510,367	505,805
St Loys C of E Primary Academy	299,919	81,329	71,855	116,063	569,166	515,827
Culworth Primary Academy	464,326	45,641	56,186	88,395	654,548	600,175
Boddington Primary Academy	200,447	43,772	48,146	60,153	352,518	399,876
Central fund	-	9,000	19,351	26,745	55,096	13,880
	<u>1,285,850</u>	<u>240,419</u>	<u>228,361</u>	<u>387,065</u>	<u>2,141,695</u>	<u>2,035,563</u>

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	105,436	105,436	147,297
Current assets	367,392	87,931	-	455,323	547,857
Creditors due within one year	(55,961)	(31,485)	-	(87,446)	(93,185)
Provisions for liabilities and charges	-	(531,000)	-	(531,000)	(357,000)
	<u>311,431</u>	<u>(474,554)</u>	<u>105,436</u>	<u>(57,687)</u>	<u>244,969</u>

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(150,656)	47,419
<b>Adjustment for:</b>		
Depreciation charges	60,965	42,796
Dividends, interest and rents from investments	-	(98)
Decrease/(increase) in debtors	24,588	(7,497)
(Decrease)/increase in creditors	(5,739)	470
Capital grants from DfE and other capital income	(14,768)	(20,398)
Defined benefit pension scheme cost less contributions payable	9,000	10,000
Defined benefit pension scheme finance cost	13,000	13,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(63,610)</b>	<b>85,692</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	436,001	503,947
<b>Total</b>	<b>436,001</b>	<b>503,947</b>

**20. PENSION COMMITMENTS**

The 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 Northamptonshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**20. PENSION COMMITMENTS (continued)**

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £134,267 (2015 - £107,296).

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](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a 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 2016 was £87,000 (2015 - £78,000), of which employer's contributions totalled £70,000 (2015 - £62,000) and employees' contributions totalled £17,000 (2015 - £16,000). The agreed contribution rates for future years are 24.6% 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:

	2016	2015
Discount rate for scheme liabilities	2.00 %	3.70 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.10 %	2.60 %



**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**20. PENSION COMMITMENTS (continued)**

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

	2016	2015
Retiring today		
Males	22.3	22.3
Females	24.3	24.3
Retiring in 20 years		
Males	24.0	24.0
Females	26.6	26.6

The academy trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	301,750	191,800
Debt instruments	80,750	52,060
Property	34,000	24,660
Other - user input	8,500	5,480
Total market value of assets	<u>425,000</u>	<u>274,000</u>

The actual return on scheme assets was £52,000 (2015 - £NIL).

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

	2016 £	2015 £
Current service cost (net of employee contributions)	(79,000)	(72,000)
Net interest cost	(13,000)	(13,000)
Total	<u>(92,000)</u>	<u>(85,000)</u>

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

	2016 £	2015 £
Opening defined benefit obligation	631,000	519,000
Current service cost	79,000	72,000
Interest cost	25,000	21,000
Contributions by employees	17,000	16,000
Actuarial losses	204,000	3,000
Closing defined benefit obligation	<u>956,000</u>	<u>631,000</u>

**SOUTH NORTHAMPTONSHIRE CHURCH OF ENGLAND MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**20. PENSION COMMITMENTS (continued)**

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

	2016 £	2015 £
Opening fair value of scheme assets	274,000	188,000
Interest income	12,000	8,000
Actuarial gains and (losses)	52,000	-
Contributions by employer	70,000	62,000
Contributions by employees	17,000	16,000
	<hr/>	<hr/>
Closing fair value of scheme assets	<b>425,000</b>	<b>274,000</b>
	<hr/>	<hr/>

**21. 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.

**22. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

**23. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure. However, as a result of the conversion to FRS 102, there has been a reallocation between actuarial gains/(losses) on defined benefit pension schemes and interest costs within charitable activities expenditure which has no impact on the net movement in funds for the prior year.