

COMPANY REGISTRATION NO. 09913676 (ENGLAND AND WALES)

**CASCADE MULTI ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**



# **CASCADE MULTI ACADEMY TRUST**

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## CASCADE MULTI ACADEMY TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS

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#### Trustees

J M Harfoot (Appointed 5 April 2016)  
J C Mould (Chair of Finance) (Appointed 5 April 2016)  
R J Peterkin (Chair, Hucklow Chair of Governors) (Appointed 11 December 2015)  
S Richards (Beck Chair of Governors) (Appointed 5 April 2016)  
Lord D Blunkett (Appointed 11 December 2015 and resigned 5 April 2016)  
S B Younis (Appointed 11 December 2015 and resigned 5 April 2016)  
W Parry Brown (Beck Chair of Finance) (Appointed 27 September 2016)  
Y Simpson (Appointed 27 September 2016)

#### Members

Lord D Blunkett  
R J Peterkin  
S B Younis

#### Senior management team

- Executive Headteacher

P Hardwick (Accounting Officer)

#### Beck Primary School

- Head of School

J Coats

- Deputy Head of School

C Chappell

- Assistant Head

S Roberts

- Assistant Head

W Johnson

- Assistant Head

C Cooke

- Assistant Head

L Gill

- Business Manager

T Wilson (Finance Director)

- Pastoral Manager

M Pont

#### Hucklow Primary school

- Head of School

A Lucey

- Deputy Head of School

S Bywater

- Senior Inclusion Manager

J Irwin

- Business Manager

J Wall

#### Company secretary

J Wall

#### Company registration number

09913676 (England and Wales)

## **CASCADE MULTI ACADEMY TRUST**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

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**Registered office**

Beck Primary School  
Beck Road  
Sheffield  
South Yorkshire  
S5 0GG

**Academies operated**

Beck Primary School  
Hucklow Primary School

**Location**

Sheffield  
Sheffield

**Head of School**

J Coats  
A Lucey

**Independent auditor**

UHY Hacker Young  
6 Broadfield Court  
Broadfield Way  
Sheffield  
S8 0XF

**Bankers**

Lloyds Bank  
1 High Street  
Sheffield  
S1 2GA

**Solicitors**

Wrigleys  
19 Cookridge Street  
Leeds  
LS2 3AG

# **CASCADE MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT**

### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 11 December 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

#### **Structure, governance and management**

##### Constitution

The academy trust 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 academy trust.

The academy trust is known as Cascade Multi Academy Trust.

The trustees of Cascade Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The Multi Academy Trust maintains trustees', governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its governors. The Multi Academy Trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the Multi Academy Trust.

Details of the insurance cover are provided in note 11 to the financial statements.

##### Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the academy trust shall have the following trustees:

- Not less than three trustees;
- Up to ten trustees appointed by the members;
- Trustees which may be co-opted by existing trustees

New trustees are recommended from contacts within the local community, including the trust's schools, and are recruited based on their willingness to act and their skills which will contribute to the effectiveness of the board in running the trust.

## **CASCADE MULTI ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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#### Policies and procedures adopted for the induction and training of trustees

During the period under review, being the first period following incorporation, the full trust board met once, in the Summer term following the successful conversion of both schools to academy status. The training and induction provided for new trustees depends on their previous experience. All new trustees are given a tour of the schools and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. New trustees have access to a full programme of courses which they will choose to attend, based on their role and experience. The trust also subscribes to online resources on behalf of governors, which trustees are free to access.

#### Organisational structure

The organisational structure consists of multiple levels, from the Members of the Trust to the Board of Trustees at trust level, then Local Governing Bodies and Leadership and Management Teams at individual school level. The Executive Headteacher operates under the LGBs, overseeing both schools, which each have Senior Leadership Teams consisting of key personnel. The Executive Headteacher is supported by Senior Leadership Teams comprised of: for Beck, a Head of School, Deputy Head of School, 4 Assistant Heads, a Business Manager and a Pastoral Manager; and for Hucklow, a Head of School, Deputy Head of School, Business Manager and Senior Inclusion Manager. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees are responsible for setting the vision for the trust, for maintaining oversight of the finances, approving annual budgets and making major decisions about the direction of the Multi Academy Trust.

## **CASCADE MULTI ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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

The key management personnel of the Multi Academy Trust comprise the trustees and senior leadership teams as disclosed on page 1.

The trust's pay policy, setting the terms and conditions for all staff, was adopted from the Sheffield City Council model and has been implemented in both schools. Remuneration is set by reference to the Pay Policy, Performance Management, and is approved by each school's Pay Committee. Remuneration for the Executive Headteacher is set by reference to the size of school and Performance Management, and is approved jointly by the Pay Committees of each school, with advice and guidance from Capita HR. Naturally the Executive Headteacher was not involved in setting his own remuneration package.

There are currently no staff trustees so no trustees are remunerated.

The day to day running of the pay policy is delegated to the Executive Headteacher and monitored by the Pay Committee of each school. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked [closely] to pay spines, helping trustees conclude that each individual has remuneration at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognising the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 9.

##### Related parties and other connected charities and organisations

Details of related party transactions are detailed in note 22.

##### **Objectives and activities**

###### Objects and aims

The academy trust's objects are specifically restricted to the following:

- To advance for the public benefit education in the United Kingdom;
- To promote for the benefit of the inhabitants of the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities.

## **CASCADE MULTI ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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##### Objectives, strategies and activities

The two schools work together within the trust in order to share good practice and promote educational aspiration across a diverse and deprived community, bringing that community together. Both schools share the aim that all children will have the opportunity to reach their highest standards in a caring environment in which they enjoy their primary years.

Beck and Hucklow serve very different diverse and changing neighbouring communities. The academy trust links these two schools which both serve economically deprived areas but very different ethnic and cultural backgrounds. In an area with potential for complex cultural conflict, we aim to develop long lasting harmonious relationships between the communities built on tolerance and mutual respect.

Additionally, working as an academy, gives us the chance to gain best value in terms of purchasing, sharing resources and adapting the curriculum to meet the schools' needs and promote the highest standards. Working together enables shared working between staff and students to achieve best value.

Our approach to teaching and learning is based on the highest aspirations and promotes an ethos that inspires children to achieve by giving them the key skills, aptitudes and beliefs to learn.

The aims of both schools within the trust are:

- Achieving Excellence - by enabling all members of school to achieve their potential, within a caring ethos that is exciting and fun.
- Celebrating Diversity - by promoting the similarities and difference between ourselves and the rich variety of cultures within our schools.
- Promoting Equality - by ensuring the needs of all our pupils are met within a safe and secure environment.

Where:

Learning and Teaching

- Learning is always at the top of the agenda;
- Children and staff are ready and enthusiastic about learning;
- Lessons are exciting, interesting, creative, and purposeful.

Enriching the Pupil Experience

We aim to be:

- Schools which ensures that all achieve their full potential, encouraging high self-esteem and an aspirational mindset;
- Always seeking ways to enrich extra-curricular experiences;
- Schools with a high-quality environment which supports and enriches pupils' learning.

The School Community

We will work to:

- Involve outside agencies in partnership with parents;
- Create a positive image of Beck and Hucklow and their pupils so that children want to come to school;
- Build our school community on respect and mutual support, with children, parents and staff all fully informed;
- Provide an outstandingly caring and supportive environment for children and staff alike.



# **CASCADE MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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#### **Leadership and Development**

We aim to:

- Grow our own leaders who will strategically embrace appropriate initiatives and innovations.
- Lead by example at all levels.

#### **Principal activities**

The Multi Academy Trust took over the operation of Beck Primary School and Hucklow Primary School on the schools' conversion to academy status on 1 February 2016 and 1 April 2016 respectively. Since then the Multi Academy Trust's principal object and activity has been to manage the schools' provision of education to pupils between the ages of two and eleven.

#### **Public benefit**

Beck and Hucklow Primary Schools are academy converters catering for children aged 2 to 11 and strive to promote and support the advancement of education within the North Sheffield area. The schools provide an extensive programme of educational and recreational activity, all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example, the schools work with:

- The Arches School Sports Partnership to deliver additional sports opportunities to pupils, including participation in clubs and competitions both on and offsite, within and outside of the normal school day;
- Children's University to recognise children's achievements in their participation in the numerous and varied clubs and activities offered by school;
- Sheffield Music Hub to facilitate musical collaborations for pupils and to provide experiences and opportunities that many would not otherwise be able to access.

Wherever possible the schools also aim to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- Beck sub-leases part of its premises to Shiregreen Neighbourhood Centre with whom it works in partnership on many local projects, particularly Family Learning as well as offering other community services and opportunities;
- Hucklow accommodates similar community projects, working closely with Sheffield City Council to offer Family Learning and other opportunities on the school site.

In setting our objectives and planning our activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The trustees believe that the academy trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

# **CASCADE MULTI ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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### **Strategic report**

#### **Achievements and performance**

Beck Primary School converted to academy status in February 2016 and Hucklow Primary School in April 2016 therefore achievements only relate to this period.

#### **At Beck Primary School**

Beginning in Foundation Stage this was a positive picture with the number of pupils achieving a good level of development rising 2.9% to 62.9%.

This should be measured against a lowering of our baseline entry point making for good progress. Foundation stage assessments were also moderated by the local authority last year and we received a very positive report.

In Year 1 phonics pupils performed well and were again above national results with 84% achieving the expected level. Again given the low starting points this demonstrates good progress.

In Key stage 1 the standard required for children to be at the expected level was much higher than in previous years and we saw a dip in results which was reflected in the national results. In reading 71.4% of our children achieved the expected level which matched the national picture.

In writing our pupils continued to perform better than the national average so although we saw a dip to 73% achieving the national average this dip was matched nationally.

In maths we again saw a dip in results due to a far harder expected standard. There was a national dip so we continue to match the national average. When considered against the on entry starting points, progress over time is good.

At Key stage 2 standards expected were much higher than they had been previously. This led to a dip in results nationally. 52% of our children achieved the expected level down from 95% in the previous year. This drop has been replicated in many schools in a similar context.

Although national expectations in writing were again higher we managed to improve on last year's result achieving 82% and rising above the national average. As this was a priority area for us last year this was a pleasing outcome.

National expectations were a lot higher in Maths and we therefore saw a drop in the number achieving the expected level to 72% which remains slightly above the national average.

The school remains above the national floor standard and the national coasting school standard.

## **CASCADE MULTI ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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##### **At Hucklow Primary School**

At the end of the Foundation Stage this was a positive picture with the number of pupils achieving a good level of development rising 8.3% to 51.7%. This should be measured against a lowering of our baseline entry point making for good progress. The local authority also moderated foundation stage assessments and we received a positive report.

In Year 1 phonics the number dipped to 70% of pupils. Although this is a dip in results we had 11 children move into year one during the year, these children were new to English and these 11 didn't achieve the expected standard. Again given the low starting points this demonstrates good progress.

In Key stage 1 the standard required for children to be at the expected level was much higher than in previous years and we saw a dip in results which was also reflected in the national results. In reading 78% of our children achieved the expected level. As the national average dipped by a greater amount we are now above the national average which given our starting place was a tremendous result.

In writing our pupils continued to perform better than the national average so although we saw a very small dip to 73% achieving the national average there was a far larger dip nationally.

In Maths, despite the harder standard needed we saw a rise in results with 80% achieving the expected standard. Nationally a fall in the numbers meant we rose above the national average which was another excellent result.

At Key Stage 2 we always faced a difficult challenge this year as we were unable to discount all but one of our 'new' arrivals as they had arrived in the country, mainly from Eastern Europe, with very little English, prior to year 5. In previous years we had been able to discount a number of children as they hadn't been in the country for two years. Mobility remains high in the school.

At Key stage 2 the standards expected were much higher than they had been previously. This led to a dip in results nationally. Particularly hard for our pupils was the reading paper. It demanded a high level of vocabulary which many of our pupils didn't have and a reading stamina, as there was a lot more text than we had seen earlier. 37% of our children achieved the expected level down from 76% in the previous year.

In writing although national expectations were again higher we managed to nearly match our last years result, down 1%, achieving 75%. With the national average dipping significantly this took us above the national average.

As with all subjects national expectations were a lot higher in Maths and we therefore saw a drop in the number achieving the expected level to 54% this drop was matched by the drop in the national average.

The school remains above the national floor standard and the national coasting school standard. This was as a result of the good progress made by pupils over time.

Both schools have promoted sport and both have been involved in many competitions both locally and regionally. In addition Beck has achieved the many accolades for its music education.

**CASCADE MULTI ACADEMY TRUST**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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Key performance indicators

The Governors consider that the following are key performance indicators for the Multi Academy Trust:

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from EFA spent on total staff costs;
- Income per pupil;
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Capital expenditure per pupil;
- Pupil intake.

The trustees have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

**Financial review**

During the period the academy trust inherited the assets and liabilities of Beck Primary School and Hucklow Primary School. A net donation of £5,653k, which includes valuations of land and buildings, is included within income in the statement of financial activities, in accordance with the EFA Accounts Direction. Fixed assets inherited are included in the Restricted Fixed Asset Fund; all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability is shown within Restricted Funds.

Most of the academy trust's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2016, total expenditure of £3,062k was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserves) was £616k

At 31 August 2016, the net book value of fixed assets was £7,025k and movements in tangible fixed assets are shown in note 12 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the academy.

## **CASCADE MULTI ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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##### Reserves policy

The trustees review the reserve levels of the Multi Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that they consider necessary and will have a clear plan for how they will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's salary cost, approximately £400,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level required.

##### Investment policy and powers

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation.

In addition, the Trust aims to invest surplus cash funds to optimise returns while ensuring the investment instruments are such that there is no material risk to the loss of these cash funds.

##### Principal risks and uncertainties

The main risks that the Multi Academy Trust is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Multi Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Multi Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

## **CASCADE MULTI ACADEMY TRUST**

### **TRUSTEES' REPORT (CONTINUED)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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##### Financial and risk management objectives and policies

The academy trust does not use complex financial instruments; it manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Multi Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the trust's assets.

Credit risk – this arises from the possibility that amounts owed to the trust will not be repaid. The trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Pension deficit risk - pension deficits have increased considerably during the period due to the fall in corporate bond yields (i.e. the discount rates), especially in the period following the EU Referendum, which increased the liabilities substantially. However, the accounting deficits have no effect on the academy trust's contribution rates, which are determined using long-term funding assumptions based on the particular investment strategy of the related Pension Fund rather than being solely based on the yields on corporate bonds.

##### **Plans for future periods**

Cascade Multi Academy Trust was incorporated in December 2015 in order to facilitate the conversion of Beck and subsequently Hucklow Primary School to academy status. During the period to 31 August 2016, the trust's aim has been to establish appropriate systems and processes for its schools to operate effectively within the trust's new environment as an incorporated entity. The trust has been careful to ensure that its schools can evidence their status as going concerns with financial stability and operational efficiency being of paramount importance before considering how the trust may wish to expand in the future. However, the trustees note that factors such as economies of scale and continued collaboration may bring future benefits which lead to consideration of expansion of the trust. The trustees are clear that such expansion would need to be carefully researched, planned and implemented in such a way as to maintain the financial and educational stability of the MAT and should not in any way be detrimental to the future of the existing member schools.

**CASCADE MULTI ACADEMY TRUST**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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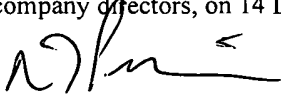
**Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees have resolved to reappoint UHY Hacker Young as auditors for the forthcoming year.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2016 and signed on its behalf by:



R J Peterkin  
**Chair**

# CASCADE MULTI ACADEMY TRUST

## GOVERNANCE STATEMENT

### FOR THE PERIOD ENDED 31 AUGUST 2016

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#### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Cascade 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 Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Cascade 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 once during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
J M Harfoot (Appointed 5 April 2016)	1	1
J C Mould (Chair of Finance) (Appointed 5 April 2016)	1	1
R J Peterkin (Chair, Hucklow Chair of Governors) (Appointed 11 December 2015)	1	1
S Richards (Beck Chair of Governors) (Appointed 5 April 2016)	1	1
Lord D Blunkett (Appointed 11 December 2015 and resigned 5 April 2016)	0	0
S B Younis (Appointed 11 December 2015 and resigned 5 April 2016)	0	0
W Parry Brown (Beck Chair of Finance) (Appointed 27 September 2016)	0	0
Y Simpson (Appointed 27 September 2016)	0	0

During the period since incorporation, 2 of the first trustees have resigned, but continued with their role as members of the MAT, and a further 5 trustees have been appointed to complete the board.

In the first full year, being the period to August 2017, the trust intends to carry out a self evaluation to review its impact and effectiveness and establish an action plan of potential improvements going forward.



## **CASCADE MULTI ACADEMY TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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The finance and general purpose committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the committee's responsibilities is routine budget setting and monitoring.

There were no finance and general purpose committee meetings during the period. The trustees on the finance and general purposes committee are as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J M Harfoot (Appointed 5 April 2016)	0	0
J C Mould (Chair of Finance) (Appointed 5 April 2016)	0	0
W Parry Brown (Beck Chair of Finance) (Appointed 27 September 2016)	0	0

#### **Review of value for money**

As accounting officer the executive headteacher 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- promoting the shared use of resources between schools within the trust, such as ICT support and pupil transport in the form of a school minibus;
- updating the format of new trust staff contracts to facilitate joint working by enabling staff to move between trust schools for periods of time as required;
- delivering joint training across the trust to groups of staff from both schools, thereby reducing the number of separate courses required to be resourced and enabling staff to benefit from sharing experiences and good practice, whilst promoting consistency in training.

#### **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 on-going 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 Cascade Multi Academy Trust for the period 11 December 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

## **CASCADE MULTI ACADEMY TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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#### **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 period 11 December 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. 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;
- regular reviews by the finance and general purpose 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 UHY Hacker Young, the external auditor, to perform additional checks.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Having resolved to appoint UHY Hacker Young to undertake internal audit work, they will perform additional checks during the year following completion of the annual audit where the relevant company information, policies and procedures were documented.

## **CASCADE MULTI ACADEMY TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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#### **Review of effectiveness**

As accounting officer the executive headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- 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.

Approved by order of the board of trustees on 14 December 2016 and signed on its behalf by:



**R J Peterkin**  
**Chair**



**P Hardwick**  
**Accounting Officer**

## **CASCADE MULTI ACADEMY TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2016**

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As accounting officer of Cascade 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's 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.



**P Hardwick**  
**Accounting Officer**

14 December 2016

## **CASCADE MULTI ACADEMY TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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The trustees (who also act as governors for Cascade Multi Academy Trust and are also the directors of Cascade Multi Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

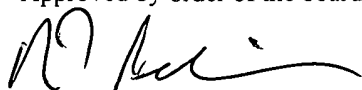
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 14 December 2016 and signed on its behalf by:



R J Peterkin  
**Chair**

## **CASCADE MULTI ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CASCADE MULTI ACADEMY TRUST**

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We have audited the accounts of Cascade Multi Academy Trust for the period ended 31 August 2016 set out on pages 24 to 47. The financial reporting framework that has been applied in their preparation is applicable law and 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', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees, who are also the directors of Cascade Multi Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

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

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts.

## **CASCADE MULTI ACADEMY TRUST**

### **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF CASCADE MULTI ACADEMY TRUST (CONTINUED)**

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#### **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 accounts 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.

**Roland Givans (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

**Chartered Accountants**

**Statutory Auditor**

6 Broadfield Court

Broadfield Way

Sheffield

S8 0XF

Dated: 14 December 2016

## **CASCADE MULTI ACADEMY TRUST**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CASCADE MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 April 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 Cascade Multi Academy Trust during the period 11 December 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 Cascade Multi Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Cascade Multi Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cascade Multi Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Cascade Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Cascade Multi Academy Trust's funding agreement with the Secretary of State for Education dated 26 January 2016 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 period 11 December 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 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:

- Planned our assurance procedures including identifying key risks,
- Carried out sample testing of controls,
- Carried out substantive testing including analytical review, and
- Concluded on procedures carried out.



## **CASCADE MULTI ACADEMY TRUST**

### **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CASCADE MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 11 December 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

#### **Reporting Accountant**

UHY Hacker Young

Dated: 14 December 2016

# CASCADE MULTI ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	1,960	-	8,582	10,542
Donations - transfer from local authority on conversion	24	571,244	(1,999,243)	7,081,163	5,653,164
Charitable activities:					
- Funding for educational operations	3	-	2,915,173	-	2,915,173
Other trading activities	4	61,840	-	-	61,840
Investments	5	313	-	-	313
<b>Total income and endowments</b>		<u>635,357</u>	<u>915,930</u>	<u>7,089,745</u>	<u>8,641,032</u>
<b>Expenditure on:</b>					
Raising funds	6	666	-	-	666
Charitable activities:					
- Educational operations	7	63,277	2,917,179	81,094	3,061,550
<b>Total expenditure</b>	6	<u>63,943</u>	<u>2,917,179</u>	<u>81,094</u>	<u>3,062,216</u>
<b>Net income/(expenditure)</b>		571,414	(2,001,249)	7,008,651	5,578,816
Transfers between funds		-	(20,170)	20,170	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(1,196,000)	-	(1,196,000)
<b>Net movement in funds</b>		571,414	(3,217,419)	7,028,821	4,382,816
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>571,414</u>	<u>(3,217,419)</u>	<u>7,028,821</u>	<u>4,382,816</u>

# CASCADE MULTI ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2016

			2016
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	12		7,025,081
<b>Current assets</b>			
Stocks	13	15,581	
Debtors	14	266,899	
Cash at bank and in hand		860,705	
		<u>1,143,185</u>	
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(523,450)	
		<u></u>	
<b>Net current assets</b>			619,735
<b>Net assets excluding pension liability</b>			<u>7,644,816</u>
Defined benefit pension liability	19		(3,262,000)
<b>Net assets</b>			<u>4,382,816</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds			7,028,821
- Restricted income funds			44,581
- Pension reserve			(3,262,000)
<b>Total restricted funds</b>			<u>3,811,402</u>
<b>Unrestricted income funds</b>	17		<u>571,414</u>
<b>Total funds</b>			<u>4,382,816</u>

The accounts set out on pages 24 to 47 were approved by the board of trustees and authorised for issue on 14 December 2016 and are signed on its behalf by:



R J Peterkin  
Chair

Company Number 09913676

**CASCADE MULTI ACADEMY TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

	Notes	£	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	20		305,578
Cash funds transferred on conversion			571,244
			<u>876,822</u>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		313	
Capital funding from sponsors and others		8,582	
Payments to acquire tangible fixed assets		(25,012)	
			<u>(16,117)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			<u>860,705</u>
Cash and cash equivalents at 11 December 2015			-
<b>Cash and cash equivalents at 31 August 2016</b>			<u><u>860,705</u></u>

# **CASCADE MULTI ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE PERIOD ENDED 31 AUGUST 2016**

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#### **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**

The accounts 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.

Cascade Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts have been prepared for the period 11 December 2015 to 31 August 2016 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

##### **1.2 Going concern**

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company 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 accounts 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 have adopted the going concern basis of accounting in preparing the accounts.

##### **1.3 Conversion to an academy trust**

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

The assets and liabilities transferred on conversion from Beck Primary School and Hucklow Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 24.

##### **1.4 Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

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#### 1 Accounting policies

(Continued)

##### Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

##### Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### Donated goods, facilities and services

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

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

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#### 1 Accounting policies

(Continued)

##### 1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

##### Charitable activities

These 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.

##### Governance costs

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

##### 1.6 Tangible fixed assets and depreciation

Assets costing £200 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

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#### 1 Accounting policies

(Continued)

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

Buildings	2%
Computer equipment	25%
Fixtures, fittings & equipment	15%

No depreciation is provided in respect of land.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

#### 1.7 Liabilities

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

#### 1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### 1.10 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.

#### 1.11 Pensions benefits

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.



# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

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#### 1 Accounting policies

(Continued)

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 19, 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 are recognised in the period to which they relate.

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 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.

#### 1.12 Fund accounting

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

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

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

#### 1.13 Critical accounting estimates and areas of judgement

Accounting 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.

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

#### 1 Accounting policies

(Continued)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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.

The academy trust includes properties transferred on conversion at fair value, being recognised in the statement of financial activities in the year of conversion. The trust engages independent valuation specialists to determine fair value. The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the properties.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £
Capital grants	-	8,582	8,582
Other donations	1,960	-	1,960
	<u>1,960</u>	<u>8,582</u>	<u>10,542</u>

#### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	2,289,750	2,289,750
Other DfE / EFA grants	-	335,498	335,498
	<u>-</u>	<u>2,625,248</u>	<u>2,625,248</u>
<b>Other government grants</b>			
Local authority grants	-	3,170	3,170
Special educational projects	-	286,755	286,755
	<u>-</u>	<u>289,925</u>	<u>289,925</u>
<b>Total funding</b>	<u>-</u>	<u>2,915,173</u>	<u>2,915,173</u>

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £
Hire of facilities	6,499	-	6,499
Catering income	17,636	-	17,636
Parental contributions	5,970	-	5,970
Other income	31,735	-	31,735
	<u>61,840</u>	<u>-</u>	<u>61,840</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £
Short term deposits	313	-	313
	<u>313</u>	<u>-</u>	<u>313</u>

### 6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £
<b>Academy's educational operations</b>				
- Direct costs	2,017,521	-	127,124	2,144,645
- Allocated support costs	352,373	290,849	273,683	916,905
	<u>2,369,894</u>	<u>290,849</u>	<u>400,807</u>	<u>3,061,550</u>
<b>Other expenditure</b>				
Raising funds	-	-	666	666
	<u>-</u>	<u>-</u>	<u>666</u>	<u>666</u>
<b>Total expenditure</b>	<u>2,369,894</u>	<u>290,849</u>	<u>401,473</u>	<u>3,062,216</u>

Net income/(expenditure) for the period includes:

	2016 £
Fees payable to auditor for:	
- Audit	4,000
- Other services	4,000
Operating lease rentals	23,059
Depreciation of tangible fixed assets	81,094
	<u>112,153</u>

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

### 6 Expenditure

(Continued)

#### Central services

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

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £
Direct costs - educational operations	14,414	2,130,231	2,144,645
Support costs - educational operations	48,863	868,042	916,905
	<u>63,277</u>	<u>2,998,273</u>	<u>3,061,550</u>

#### Analysis of support costs

Support staff costs	352,373
Depreciation and amortisation	81,094
Technology costs	2,468
Premises costs	255,771
Other support costs	181,704
Governance costs	43,495
	<u>916,905</u>

### 8 Governance costs

#### All from restricted funds:

#### Amounts included in support costs

Legal and professional fees	37,945
Auditor's remuneration	
- Audit of financial statements	4,000
Other governance costs	1,550
	<u>43,495</u>

## CASCADE MULTI ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

#### 9 Staff costs

	2016 £
Wages and salaries	1,832,687
Social security costs	139,526
Operating costs of defined benefit pension schemes	321,215
	<hr/>
Staff costs	2,293,428
Supply staff costs	66,549
Staff development and other staff costs	9,917
	<hr/>
Total staff expenditure	2,369,894
	<hr/>

#### Staff numbers

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

	2016 Number
Teachers	53
Administration and support	149
Management	12
	<hr/>
	214
	<hr/>

#### Higher paid staff

There were no employees whose remuneration was £60,000 or more.

#### Key management personnel

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 £311,401.

#### 10 Trustees' remuneration and expenses

No trustee has been paid remuneration or has received other benefits from an employment with the academy trust in the period.

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

#### 11 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 trust 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.

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 11 December 2015	-	-	-	-
Transfer on conversion	6,904,789	73,120	103,254	7,081,163
Additions	-	9,460	15,552	25,012
At 31 August 2016	6,904,789	82,580	118,806	7,106,175
<b>Depreciation</b>				
At 11 December 2015	-	-	-	-
Charge for the period	61,311	11,258	8,525	81,094
At 31 August 2016	61,311	11,258	8,525	81,094
<b>Net book value</b>				
At 31 August 2016	6,843,478	71,322	110,281	7,025,081

The valuations of land & buildings transferred on conversion were performed by Release on 16 September 2016 for Beck Primary School and 26 July 2016 for Hucklow Primary School. In the opinion of the trustees, the resulting valuations, which were carried out on a depreciated replacement cost basis, are appropriate for inclusion in the accounts.

Included within land and buildings is an amount of £1,090,000 in respect of land which is not depreciated.

#### 13 Stocks

	2016 £
Catering stock	1,053
Educational supplies	14,528
	<u>15,581</u>

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

<b>14 Debtors</b>	<b>2016</b>
	<b>£</b>
Trade debtors	3,000
VAT recoverable	105,860
Prepayments and accrued income	158,039
	<u>266,899</u>
	<u><u>266,899</u></u>
 <b>15 Creditors: amounts falling due within one year</b>	 <b>2016</b>
	<b>£</b>
Trade creditors	346,155
Other taxation and social security	65,741
Other creditors	646
Accruals and deferred income	110,908
	<u>523,450</u>
	<u><u>523,450</u></u>
 <b>16 Deferred income</b>	 <b>2016</b>
	<b>£</b>
Deferred income is included within:	
Creditors due within one year	75,601
	<u>75,601</u>
Deferred income at 11 December 2015	-
Released from previous years	-
Amounts deferred in the period	75,601
	<u>75,601</u>
<b>Deferred income at 31 August 2016</b>	<b>75,601</b>
	<u><u>75,601</u></u>

Included in deferred income are amounts in relation to Universal Infant Free School Meals, Rates Relief and Devolved Formula Capital funding received in advance of the 2016-17 academic year.

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

### 17 Funds

	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>				
General Annual Grant	2,289,750	(2,224,999)	(20,170)	44,581
Other DfE / EFA grants	53,956	(53,956)	-	-
Other government grants	286,755	(286,755)	-	-
Pupil premium	284,712	(284,712)	-	-
Other restricted funds	6,757	(6,757)	-	-
	<u>2,921,930</u>	<u>(2,857,179)</u>	<u>(20,170)</u>	<u>44,581</u>
Funds excluding pensions	2,921,930	(2,857,179)	(20,170)	44,581
Pension reserve	(2,006,000)	(60,000)	(1,196,000)	(3,262,000)
	<u>915,930</u>	<u>(2,917,179)</u>	<u>(1,216,170)</u>	<u>(3,217,419)</u>
<b>Restricted fixed asset funds</b>				
DfE / EFA capital grants	8,582	-	(4,842)	3,740
Inherited funds	7,081,163	(80,229)	-	7,000,934
Capital expenditure from GAG	-	(865)	25,012	24,147
	<u>7,089,745</u>	<u>(81,094)</u>	<u>20,170</u>	<u>7,028,821</u>
<b>Total restricted funds</b>	<u>8,005,675</u>	<u>(2,998,273)</u>	<u>(1,196,000)</u>	<u>3,811,402</u>
<b>Unrestricted funds</b>				
General funds	635,357	(63,943)	-	571,414
<b>Total funds</b>	<u>8,641,032</u>	<u>(3,062,216)</u>	<u>(1,196,000)</u>	<u>4,382,816</u>



# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 17 Funds

(Continued)

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

Restricted general funds must be used for the normal running costs of the trust in line with the Master Funding Agreement and restrictions from other sources of funding. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the trust.

Unrestricted funds will be used towards meeting the charitable objectives of the trust at the discretion of the trustees.

Fund transfers relate to the pension scheme movements during the period, fixed assets purchased from unrestricted funds and recurrent expenditure purchased from non GAG funding.

#### Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
Beck Primary School	384,456
Hucklow Primary School	231,539
	<hr/>
Total before fixed assets fund and pension reserve	615,995
Restricted fixed asset fund	7,028,821
Pension reserve	(3,262,000)
	<hr/>
Total funds	4,382,816
	<hr/> <hr/>

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Beck Primary School	1,367,223	255,179	41,826	378,463	2,042,691
Hucklow Primary School	650,298	97,194	2,119	188,820	938,431
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,017,521	352,373	43,945	567,283	2,981,122
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	7,025,081	7,025,081
Current assets	571,414	568,031	3,740	1,143,185
Creditors falling due within one year	-	(523,450)	-	(523,450)
Defined benefit pension liability	-	(3,262,000)	-	(3,262,000)
	<u>571,414</u>	<u>(3,217,419)</u>	<u>7,028,821</u>	<u>4,382,816</u>

### 19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pension Fund. Both are multi-employer defined benefit schemes.

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

## CASCADE MULTI ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

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#### 19 Pensions and similar obligations

(Continued)

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

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

The key elements of the valuation and subsequent consultation are:

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

During the 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 the TPS in the period amounted to £149,589.

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

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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 13.4% for employers and 5.5% to 10.5% for employees.

The academy trust has agreed to make additional deficit payments into the pension fund. The payments in the period ended 31 August 2016 were £70,032.

# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

#### 19 Pensions and similar obligations

(Continued)

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained schools (as described in note 24) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor schools and the academy trust at the balance sheet date.

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.

Total contributions made	2016 £
Employer's contributions	122,000
Employees' contributions	41,000
Total contributions	163,000

Principal actuarial assumptions	2016 %
Rate of increases in salaries	3.65
Rate of increase for pensions in payment	2.0
Discount rate	2.2
Inflation assumption (CPI)	1.9

#### Sensitivity analysis as at 31 August 2016

	Central	+0.1% p.a. discount rate	+0.1% p.a. inflation	+0.1% p.a. pay growth	1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	3,739	3,636	3,844	3,789	3,803
Assets	(477)	(477)	(477)	(477)	(477)
Deficit	3,262	3,159	3,367	3,312	3,326
Projected service cost for next year	464	448	480	464	473
Projected net interest cost for next year	69	69	71	69	70

## CASCADE MULTI ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

#### 19 Pensions and similar obligations

(Continued)

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

	2016 Years
Retiring today	
- Males	23.0
- Females	25.7
Retiring in 20 years	
- Males	25.4
- Females	28.5

#### The academy trust's share of the assets in the scheme

2016  
Fair value  
£

Equities	278,000
Government bonds	71,000
Other bonds	30,000
Cash	8,000
Property	53,000
Other assets	37,000

Total market value of assets	477,000
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Actual return on scheme assets - gain/(loss)	58,000
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#### Amounts recognised in the statement of financial activities

2016  
£

Current service cost (net of employee contributions)	137,000
Net interest cost	45,000

**CASCADE MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**19 Pensions and similar obligations**

**(Continued)**

<b>Changes in the present value of defined benefit obligations</b>	<b>2016</b>
	<b>£</b>
Obligations acquired on conversion	2,264,000
Current service cost	137,000
Interest cost	49,000
Employee contributions	41,000
Actuarial loss	1,248,000
	<hr/>
At 31 August 2016	3,739,000
	<hr/>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2016</b>
	<b>£</b>
Assets acquired on conversion	258,000
Interest income	4,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	52,000
Employer contributions	122,000
Employee contributions	41,000
	<hr/>
At 31 August 2016	477,000
	<hr/>

**CASCADE MULTI ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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**20 Reconciliation of net income to net cash flows from operating activities**

	<b>2016</b>
	<b>£</b>
Net income for the reporting period	5,578,816
Adjusted for:	
Net deficit/(surplus) transferred on conversion	(5,653,164)
Capital grants from DfE/EFA and other capital income	(8,582)
Investment income	(313)
Defined benefit pension costs less contributions payable	15,000
Defined benefit pension net finance cost/(income)	45,000
Depreciation of tangible fixed assets	81,094
(Increase)/decrease in stocks	(15,581)
(Increase)/decrease in debtors	(266,899)
Increase/(decrease) in creditors	523,450
Stocks, debtors and creditors transferred on conversion	6,757
<b>Net cash provided by operating activities</b>	<b>305,578</b>

**21 Commitments under operating leases**

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>2016</b>
	<b>£</b>
Amounts due within one year	21,495
Amounts due in two and five years	5,920
	<u>27,415</u>

## **CASCADE MULTI ACADEMY TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016**

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#### **22 Related party transactions**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

J Fabian, a governor of Beck Primary School, is also the chair of Shiregreen Neighbourhood Centre. Shiregreen Neighbourhood Centre sub-leases part of Beck Primary School's property. Rents receivable in the period were £5,367.

M Hardwick and J Wall, close family of related parties, worked at Cascade Multi Academy Trust during the period and were paid salaries, under employment contracts, for their role. The relevant related parties had no involvement in their appointments and the trustees are comfortable that their salaries provide value for money and are not at preferential rates.

H Mukasa, J Fabian and L Hopson, governors of Beck Primary School, worked at Beck Primary School during the period and were paid salaries, under employment contracts, for their roles. The trustees are comfortable that their salaries provide value for money and are not at preferential rates.

E Keown, U Saeed and S Saddique, governors of Hucklow Primary School, worked at Hucklow Primary School during the period and were paid salaries, under employment contracts, for their roles. The trustees are comfortable that their salaries provide value for money and are not at preferential rates.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2015.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

#### **23 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.



# CASCADE MULTI ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2016

#### 24 Conversion to an academy

During the period Beck Primary School and Hucklow Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cascade Multi Academy Trust from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Beck Primary School	Sheffield	1 February 2016
Hucklow Primary School	Sheffield	1 April 2016

Net assets transferred:	2016 £
Leasehold land and buildings	6,904,789
Other tangible fixed assets	176,374
Cash	571,244
LGPS pension surplus/(deficit)	(2,006,000)
Debtors	6,757
	<u>5,653,164</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	7,081,163	7,081,163
LA budget funds	571,244	-	-	571,244
LGPS pension funds	-	(2,006,000)	-	(2,006,000)
Other funds	-	6,757	-	6,757
	<u>571,244</u>	<u>(1,999,243)</u>	<u>7,081,163</u>	<u>5,653,164</u>