

COMPANY REGISTRATION NO. 09913676 (ENGLAND AND WALES)

CASCADE MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



CASCADE MULTI ACADEMY TRUST

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CASCADE MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Lord D Blunkett
R J Peterkin
S B Younis

Trustees

J M Harfoot
J C Mould (Chair of Finance)
R J Peterkin (Chair, Hucklow Chair of Governors)
W Parry Brown (Beck Chair of Finance)
Y Simpson

Senior management team

- Executive Headteacher S Bridges (Accounting Officer)

Hucklow Primary School

- Head of School A Lucey
- Deputy Head of School L Duckworth, S Bywater
- Business Manager J Wall
- Pastoral Manager J Irwin

Beck Primary School

- Head of School J Coats
- Deputy Head of School C Chappell
- Business Manager T Wilson
- Pastoral Manager M Pont

Director of Finance T Wilson

Company secretary J Wall

Company registration number 09913676 (England and Wales)

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

CASCADE MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF
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Bankers	Lloyds Bank 1 High Street Sheffield S1 2GA
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Solicitors	Wrigleys 19 Cookridge Street Leeds LS2 3AG
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CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the academy trust for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The 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 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.

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 year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the academy trust 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 academy trust maintains governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its governors. The academy trust has also granted indemnities to each of its governors 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 governors or other officers may incur to third parties in the course of acting as governors or officers of the academy trust.

Details of the insurance cover are provided in note 13 to the financial statements.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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. The trustees delegate powers to the Local Governing Bodies as outlined in the Scheme of Delegation. On each Governing Board are a minimum of two parent governors. Parent governor vacancies are filled through advertisement and election whilst staff governor vacancies are notified internally and appointed on the basis of a staff vote. Other governor appointments are addressed through recommendation and consideration of the LGD, followed up where appropriate with an interview by the chair. The establishment terms of reference, constitution and membership of any committee of the trustees is reviewed annually to ensure each committee meets its core functions.

Policies and procedures adopted for the induction and training of trustees

The Full Trust Board met three times, once each term. 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

Cascade trustees are responsible for setting general policy, creating general policies, making major decisions about the strategic direction of the trust, capital expenditure, the appointment of the Chief Executive Officer, the Finance Director and any Head of School appointments.

There are layers of leadership and management within Cascade:

- Members – ensure the trustees are fulfilling their statutory obligations;
- Trustees – retain accountability and responsibility for the operation of Cascade;
- Local Governing Bodies – each school has its own local Governing Board which is accountable to the trustees. Each Governing Board discharges duties on behalf of the trustees and works within the remit of an agreed scheme of delegation;
- Chief Executive Officer – has operation responsibility for the leadership and management of Cascade;
- The Executive Headteacher (CEO) is supported by Senior Leadership Teams comprised of Heads of Schools, Deputy Heads of Schools, Assistant Headteachers and Business Managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

All trustees and governors are provided with copies of policies, procedures, minutes, accounts, budgets plans and other documents that they will need in order to fulfil their role.

The Accounting Officer is Sue Bridges.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Arrangements for setting pay and remuneration of key management personnel

The trust commissions an external consultant to undertake a pay review of the CEO. Trustees take part in this review and work with the consultant to evaluate and set performance targets.

The trust's pay policy, setting the terms and conditions for all staff, was adopted from the Sheffield City Council model and 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 (CEO) is set by The Crucible Federation by whom she is employed, and Cascade schools are invoiced for a share of the cost. The Crucible Federation set the level of pay by reference to the size of school and performance management with advice and guidance from Capita HR.

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 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 recognise 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 11.

Trade union facility time

There are no staff members who are union officials, only union members.

Related parties and other connected charities and organisations

The trust has no related parties or any other connected charities and organisations for the period 2017-2018 other than the shared costs of the Executive Headteacher with the Crucible Federation and those related party transactions detailed in note 25.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

The aim of both schools within the trust is to provide education of the highest quality. We aim for the achievement of all pupils.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

This year, The Crucible Federation and the academy trust are working together, sharing an Executive Headteacher. This gives us an opportunity to begin to gain best value in terms of purchasing, sharing resources, adapting the curriculum to meet the schools' needs and promote the highest standards. Working together enables shared working between staff and pupils to share expertise towards improving outcomes.

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 ensure 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 YEAR ENDED 31 AUGUST 2018

Leadership and Development

We aim to:

- Grow our own leaders who will strategically embrace appropriate initiatives and innovations;
- Lead by example at all levels;
- This year the curriculum is further being developed to allow more purposeful, deeper learning through project based approach. Year Group Leaders now lead their year and work with the Year Lead at the other school to develop curriculum ideas, share planning, share resources and bring the children from the two communities together; They regularly link up with the Year Group Leaders from the Federation;
- Leadership training is greatly benefitting existing and new leaders. They have had the opportunity to work with an Ofsted inspector to scrutinize data, observe lessons, give feedback and prepare themselves for the imminent inspection in both schools. They are all involved in an EEF project and undertaking reviews of each other's schools.

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;
- Both schools have achieved the Parent Partnership Award.

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 YEAR ENDED 31 AUGUST 2018

Strategic report

Achievements and performance

Progress Key Stage 1 to Key Stage 2

Reading and Maths progress scores have improved from previous years. Both schools were moderated in writing this year.

2018	Reading 2018 (17)	Writing 2018 (17)	Maths 2018(17)
Beck	-2.11 (-2.64)	-1.99 (-0.66)	-1.93 (2.65)
Hucklow	4.18 (-1.28)	3.09 (4.85)	3.96 (-0.26)

Attainment at Key Stage 2

	Reading Expected Standard (National 75%)	Reading Greater Depth (National 17=25%)	Writing Expected Standard (National 75%)	Writing Greater Depth (National 25%)	Maths Expected Standard (National 76%)	Maths Greater Depth (National 17=23%)	Combined Reading, Writing and Maths at Expected (National 64%)	Combined Reading, Writing a Maths Greater Depth (National 10%)
Beck	67.4%	16%	79.5%	9.1%	75.2%	14.4%	60%	5.6%
Hucklow	70%	33%	71.9%	19.3%	81%	25%	68%	16%

Attainment at Key Stage 1

In some areas Key Stage 1 results have dipped significantly from previous years. The following results have been externally moderated and we are confident they are accurate.

	Reading Expected Standard (National 75%)	Reading Greater Depth (National 26%)	Writing Expected Standard (National 70%)	Writing Greater Depth (National 16%)	Maths Expected (National 76%)	Maths Greater Depth (National 22%)
Beck	72.2%	16.7%	65.6%	12.2%	73.3%	513.3%
Hucklow	56.7%	6.7%	51.7%	0%	68.3%	0%

Foundation Stage

In 2018, the percentage of children achieving a good level of development was 60% in both school, which is below the national average of 71.5%. This has improved over a four year period.

Phonics

The proportion of pupils achieving the expected standard in the Year 1 phonics screening check in 2018 was 74% at Beck and 57% at Hucklow, both of which are below the national average of 83%.

Given the percentage of these pupils who achieved GLD in Foundation this represents good progress.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The governors consider that the following are key performance indicators for the academy trust:

- Pupil numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from ESFA spent on total staff costs; 80%
- Income per pupil;
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results; Good;
- 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 2016 the academy trust inherited the assets and liabilities of Beck Primary School and Hucklow Primary School. A net donation of £5,653k, which included valuations of land and buildings, was included within income in the statement of financial activities for 2016, in accordance with the ESFA Accounts Direction. Fixed assets inherited were included in the Restricted Fixed Asset Fund; all other assets and liabilities, excluding the opening Local Government Pension Scheme position, were shown as a net donation into unrestricted funds. The opening Local Government Pension Scheme liability was shown within Restricted Funds.

Most of the academy trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2018, total expenditure of £6,423k was more than covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserves) was £144k.

At 31 August 2018, the net book value of fixed assets was £7,257k and movements in tangible fixed assets are shown in note 14 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 YEAR ENDED 31 AUGUST 2018

Reserves policy

The trustees review the reserve levels of the 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

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 trustees have assessed the major risks to which the academy trust is exposed at school level, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy trust, and its finances. The schools in the trust have implemented a number of systems to assess risks, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The main risks that the 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 academy trust's financial position, including revenue streams, cost control and cash management.

Health and safety issues – a pupil, employer or volunteer who is injured at work.

Financial risk – uncertainty regarding future government funding streams

The risks to which the 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.

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 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 decreased this year due to the improvement in corporate bond yields (i.e. the discount rates), which increased the pension assets. 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.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

- Approach to fundraising – both schools within our trust serve deprived areas of the city. Any fundraising events that take place are kept to a minimum and are specifically focused on involving the community in the life of the school as opposed to raising large amounts of money. Both schools run Christmas Fayres and Summer Fayres which are organised by the staff and pupils. Pupils design and make objects to sell and design games to run during the events. Funds raised on these occasions are used for a specific purpose e.g. buy new books or playground equipment. The school community is informed of how much was raised and what the money has enabled the school to purchase.
- Each school participates in themed days to raise money for specific charities. e.g. Children in Need. Again the total amount donated is celebrated with the school community.
- All fundraising conforms to recognised standards
- No external fundraising is carried out on the trust's behalf.
- The trust has not received any fundraising complaints.
- We aim to protect our school community, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

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 2018, the trust's aim was to establish appropriate systems and processes for its schools to operate effectively within the trust's 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 have noted that factors such as economies of scale and continued collaboration may bring future benefits and have therefore considered expansion of the trust. The trustees are clear that such expansion needs to be carefully researched, planned and implemented in such a way as to maintain the financial and educational stability of the academy trust and should not in any way be detrimental to the future of the existing member schools.

Following the retirement of the Executive Headteacher at the end of the previous academic year, the trustees considered various options, resulting in the appointment of a replacement Executive Headteacher and Accounting Officer from The Crucible Federation. The new postholder remains Executive Headteacher of The Crucible Federation and is not currently an employee of Cascade but is instead charged to Cascade's schools via federation invoices. The trustees and the federation governors are working towards the conversion of the two federation schools who currently hope to join Cascade in the 2019 academic year.

Employee consultation and disabled employees

Equal opportunities

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled employees

The policy of the academy trust is to support recruitment and retention of students and employees with disabilities. The academy trust does this by adapting the physical environment, by making support resources available. The trust seeks support from the health service and occupational health to ensure resources and support enable pupils and staff to access the buildings, work, and learning.

CASCADE MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor

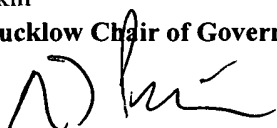
In so far as the trustees are aware:

- 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 17 December 2018 and signed on its behalf by:

R J Peterkin
Chair, Hucklow Chair of Governors



J Mould
Trustee



CASCADE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
J M Harfoot	3	3
J C Mould (Chair of Finance)	3	3
R J Peterkin (Chair, Hucklow Chair of Governors)	3	3
W Parry Brown (Beck Chair of Finance)	3	3
Y Simpson	1	3

- There are a number of vacancies on the board which will be filled by people with appropriate skills and knowledge early in the academic year. Joining the board will be people with education and educational policy background, as well as a new director who has experience of academy boards.
- The board has been focused on developing its in depth knowledge of each schools' attainment and progress figures. Directors have supported the schools through the successful CIF bids for new classrooms, a new roof and a new heating system.
- The board has undertaken an external review and is using the report to develop further.
- The board assesses its performance, including assessment of its own effectiveness and any particular challenges against the DFE guidance on 'successful multi academy trusts.' This is presented in the format of a 'Trust Self Evaluation'.
- Throughout the year the quality of the data used by the board has significantly developed. This data is now presented by the Chief Executive in the format of a 'Trust on a Page' and compares the schools data side by side but also against national statistics.

The trust has undertaken an external review and received feedback on its performance. The board is aware of its development points, which primarily focus on the need to recruit new directors with the appropriate levels of expertise. Once this has taken place the board will be able to implement other action areas. An external review of governance will take place on an annual basis.

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.

CASCADE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
J M Harfoot	3	4
J C Mould (Chair of Finance)	4	4
W Parry Brown (Beck Chair of Finance)	4	4

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:

- *continuing to promote the shared use of resources between schools within the trust, such as ICT support and pupil transport in the form of a school minibus;*
- *promoting joint assessment and moderation across the schools to give assurance of consistent and secure monitoring in addition to saving resources from buying in external support;*
- *continuing to deliver 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;*
- *Employing additional teachers to support children to accelerate progress ensuring pupils are secondary ready when they leave our primary schools.*

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 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

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 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

CASCADE MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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. In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The work of the reviewer has been carried out as planned and no material control issues arose out of the reviewer's work.

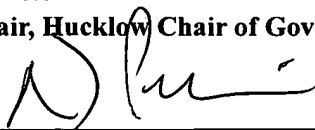
Review of effectiveness

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

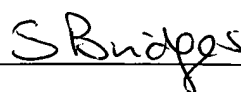
- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the board of trustees on 17 December 2018 and signed on its behalf by:

R J Peterkin
Chair, Hucklow Chair of Governors



S Bridges
Accounting officer



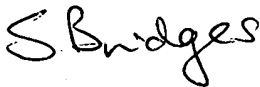
CASCADE MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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

I confirm that I and the academy trust'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 2017.

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



S Bridges
Accounting Officer

17 December 2018

CASCADE MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

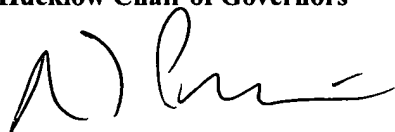
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 17 December 2018 and signed on its behalf by:

R J Peterkin
Chair, Hucklow Chair of Governors



CASCADE MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASCADE MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

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

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2017 to 2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

CASCADE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy trust, or have no realistic alternative but to do so.

CASCADE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Auditor's responsibilities for the audit of the accounts

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

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

17 December 2018

Chartered Accountants
Statutory Auditor

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

CASCADE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 14 April 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cascade Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Cascade Multi Academy Trust and ESFA 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 ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cascade Multi Academy Trust and ESFA, 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

CASCADE MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

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.

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 1 September 2017 to 31 August 2018 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: 17 December 2018

CASCADE MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

		Unrestricted	Restricted funds:		Total	Total
		Funds	General	Fixed asset	2018	2017
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	17,014	-	762,587	779,601	70,708
Charitable activities:						
- Funding for educational operations	4	-	5,967,851	-	5,967,851	5,918,116
Other trading activities	5	121,482	-	-	121,482	105,630
Investments	6	808	-	-	808	761
Total		<u>139,304</u>	<u>5,967,851</u>	<u>762,587</u>	<u>6,869,742</u>	<u>6,095,215</u>
Expenditure on:						
Raising funds	7	6,360	407	-	6,767	5,537
Charitable activities:						
- Educational operations	9	56,577	6,162,950	196,572	6,416,099	5,985,555
Total	7	<u>62,937</u>	<u>6,163,357</u>	<u>196,572</u>	<u>6,422,866</u>	<u>5,991,092</u>
Net income/(expenditure)		76,367	(195,506)	566,015	446,876	104,123
Transfers between funds	19	-	16,818	(16,818)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	477,000	-	477,000	536,000
Net movement in funds		<u>76,367</u>	<u>298,312</u>	<u>549,197</u>	<u>923,876</u>	<u>640,123</u>
Reconciliation of funds						
Total funds brought forward		623,515	(2,658,773)	7,058,197	5,022,939	4,382,816
Total funds carried forward		<u>699,882</u>	<u>(2,360,461)</u>	<u>7,607,394</u>	<u>5,946,815</u>	<u>5,022,939</u>

CASCADE MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	9,695	-	61,013	70,708
Charitable activities:					
- Funding for educational operations	4	4,305	5,913,811	-	5,918,116
Other trading activities	5	105,630	-	-	105,630
Investments	6	761	-	-	761
Total		<u>120,391</u>	<u>5,913,811</u>	<u>61,013</u>	<u>6,095,215</u>
Expenditure on:					
Raising funds	7	5,472	65	-	5,537
Charitable activities:					
- Educational operations	9	64,104	5,747,418	174,033	5,985,555
Total	7	<u>69,576</u>	<u>5,747,483</u>	<u>174,033</u>	<u>5,991,092</u>
Net income/(expenditure)		50,815	166,328	(113,020)	104,123
Transfers between funds	19	1,286	(143,682)	142,396	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	536,000	-	536,000
Net movement in funds		52,101	558,646	29,376	640,123
Reconciliation of funds					
Total funds brought forward		571,414	(3,217,419)	7,028,821	4,382,816
Total funds carried forward		<u>623,515</u>	<u>(2,658,773)</u>	<u>7,058,197</u>	<u>5,022,939</u>

CASCADE MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		7,256,653		7,058,197
Current assets					
Stocks	15	10,009		10,237	
Debtors	16	457,034		242,357	
Cash at bank and in hand		1,833,728		1,147,396	
		<u>2,300,771</u>		<u>1,399,990</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(866,609)		(460,248)	
Net current assets			<u>1,434,162</u>		<u>939,742</u>
Net assets excluding pension liability			<u>8,690,815</u>		<u>7,997,939</u>
Defined benefit pension scheme liability	21		(2,744,000)		(2,975,000)
Net assets			<u><u>5,946,815</u></u>		<u><u>5,022,939</u></u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			7,607,394		7,058,197
- Restricted income funds			383,539		316,227
- Pension reserve			(2,744,000)		(2,975,000)
Total restricted funds			<u>5,246,933</u>		<u>4,399,424</u>
Unrestricted income funds	19		<u>699,882</u>		<u>623,515</u>
Total funds			<u><u>5,946,815</u></u>		<u><u>5,022,939</u></u>

The accounts on pages 25 to 51 were approved by the trustees and authorised for issue on 17 December 2018 and are signed on their behalf by:

R J Peterkin
Chair, Hucklow Chair of Governors



Company Number 09913676

CASCADE MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

		2018	2017
	Notes	£	£
Cash flows from operating activities			
Net cash provided by operating activities	22	317,965	432,066
Cash flows from investing activities			
Dividends, interest and rents from investments		808	761
Capital grants from DfE Group		762,587	61,013
Purchase of tangible fixed assets		(395,028)	(207,149)
Net cash provided by/(used in) investing activities		<u>368,367</u>	<u>(145,375)</u>
Net increase in cash and cash equivalents in the reporting period		<u>686,332</u>	<u>286,691</u>
Cash and cash equivalents at beginning of the year		1,147,396	860,705
Cash and cash equivalents at end of the year		<u><u>1,833,728</u></u>	<u><u>1,147,396</u></u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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 continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 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.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges 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.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more for individual items or £1,000 or more in batch form 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.

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:

Leasehold land and 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.

1.6 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.

1.7 Leased assets

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

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price. 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.

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer 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 and include grants from the Education and Skills Funding Agency/Department for Education.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 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.

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	762,587	762,587	61,013
Other donations	17,014	-	17,014	9,695
	<u>17,014</u>	<u>762,587</u>	<u>779,601</u>	<u>70,708</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,106,703	4,106,703	4,176,404
Other DfE group grants	-	1,155,043	1,155,043	1,080,315
	-	5,261,746	5,261,746	5,256,719
Other government grants				
Local authority grants	-	-	-	2,000
Special educational projects	-	706,105	706,105	650,942
	-	706,105	706,105	652,942
Other funding				
Other incoming resources	-	-	-	8,455
Total funding	-	5,967,851	5,967,851	5,918,116

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	9,200	-	9,200	5,984
Catering income	42,149	-	42,149	39,067
Parental contributions	13,564	-	13,564	10,361
Other income	56,569	-	56,569	50,218
	121,482	-	121,482	105,630

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	808	-	808	761

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	-	-	6,767	6,767	5,537
Academy's educational operations					
- Direct costs	4,142,563	-	333,586	4,476,149	4,326,685
- Allocated support costs	913,477	449,412	577,061	1,939,950	1,658,870
	<u>5,056,040</u>	<u>449,412</u>	<u>917,414</u>	<u>6,422,866</u>	<u>5,991,092</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for:		
- Audit	4,050	4,200
- Other services	7,250	5,100
Operating lease rentals	47,273	46,067
Depreciation of tangible fixed assets	196,572	172,747
Loss on disposal of fixed assets	-	1,286
Net interest on defined benefit pension liability	75,000	73,000

8 Central services

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

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	10,309	4,465,840	4,476,149	4,326,685
Support costs				
Educational operations	46,268	1,893,682	1,939,950	1,658,870
	<u>56,577</u>	<u>6,359,522</u>	<u>6,416,099</u>	<u>5,985,555</u>
			2018 £	2017 £
Analysis of support costs				
Support staff costs			913,377	878,277
Depreciation			196,572	174,033

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

(Continued)

Technology costs	13,599	10,163
Premises costs	252,840	181,930
Other support costs	555,250	406,929
Governance costs	8,312	7,538
	<u>1,939,950</u>	<u>1,658,870</u>

10 Governance costs

All from restricted funds:

Amounts included in support costs

	Total 2018 £	Total 2017 £
Auditor's remuneration		
- Audit of financial statements	4,050	4,200
Support staff costs	100	100
Other governance costs	4,162	3,238
	<u>8,312</u>	<u>7,538</u>

11 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	3,597,949	3,613,522
Social security costs	291,213	296,085
Pension costs	762,522	767,517
Staff costs	<u>4,651,684</u>	<u>4,677,124</u>
Agency staff costs	313,149	160,751
Staff development and other staff costs	91,207	59,174
Total staff expenditure	<u>5,056,040</u>	<u>4,897,049</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	52	49
Administration and support	132	141
Management	12	12
	<u>196</u>	<u>202</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	2	1
£80,000 - £90,000	-	1
	<u>-</u>	<u>1</u>

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 and employer national insurance contributions) received by key management personnel for their services to the academy trust was £527,649 (2017: £677,940).

12 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.

13 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.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2017	6,904,789	111,407	295,460	7,311,656
Additions	67,715	29,728	297,585	395,028
At 31 August 2018	6,972,504	141,135	593,045	7,706,684
Depreciation				
At 1 September 2017	177,395	33,140	42,924	253,459
Charge for the year	116,303	29,821	50,448	196,572
At 31 August 2018	293,698	62,961	93,372	450,031
Net book value				
At 31 August 2018	6,678,806	78,174	499,673	7,256,653
At 31 August 2017	6,727,394	78,267	252,536	7,058,197

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.

15 Stocks

	2018 £	2017 £
Catering stock	837	1,177
Educational supplies	9,172	9,060
	10,009	10,237

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Debtors	2018	2017
	£	£
Trade debtors	4,554	3,314
VAT recoverable	189,312	57,674
Other debtors	239	-
Prepayments and accrued income	262,929	181,369
	<u>457,034</u>	<u>242,357</u>
17 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	546,141	222,722
Other taxation and social security	53,595	69,898
Other creditors	29,850	69,285
Accruals and deferred income	237,023	98,343
	<u>866,609</u>	<u>460,248</u>
18 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>210,747</u>	<u>75,077</u>
Deferred income at 1 September 2017	75,077	75,601
Released from previous years	(75,077)	(75,601)
Resources deferred in the year	<u>210,747</u>	<u>75,077</u>
Deferred income at 31 August 2018	<u>210,747</u>	<u>75,077</u>

At the balance sheet date the academy trust was holding funds received in advance for the 2018/19 academic year of £135,452 for nursery FEL, £66,662 for Universal Infant Free School Meals, £7,405 for rates relief and £1,228 for pupil milk.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	316,227	4,106,703	(4,056,209)	16,818	383,539
Other DfE / ESFA grants	-	1,155,043	(1,155,043)	-	-
Other government grants	-	706,105	(706,105)	-	-
Pension reserve	(2,975,000)	-	(246,000)	477,000	(2,744,000)
	<u>(2,658,773)</u>	<u>5,967,851</u>	<u>(6,163,357)</u>	<u>493,818</u>	<u>(2,360,461)</u>
Restricted fixed asset funds					
Transfer on conversion	6,848,830	-	(149,654)	-	6,699,176
DfE group capital grants	64,130	762,587	(11,623)	(73,817)	741,277
Capital expenditure from GAG	145,237	-	(35,295)	56,999	166,941
	<u>7,058,197</u>	<u>762,587</u>	<u>(196,572)</u>	<u>(16,818)</u>	<u>7,607,394</u>
Total restricted funds	<u>4,399,424</u>	<u>6,730,438</u>	<u>(6,359,929)</u>	<u>477,000</u>	<u>5,246,933</u>
Unrestricted funds					
General funds	<u>623,515</u>	<u>139,304</u>	<u>(62,937)</u>	<u>-</u>	<u>699,882</u>
Total funds	<u>5,022,939</u>	<u>6,869,742</u>	<u>(6,422,866)</u>	<u>477,000</u>	<u>5,946,815</u>

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 2018.

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.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	44,581	4,176,404	(3,761,076)	(143,682)	316,227
Other DfE / ESFA grants	-	1,080,315	(1,080,315)	-	-
Other government grants	-	652,942	(652,942)	-	-
Other restricted funds	-	4,150	(4,150)	-	-
Pension reserve	(3,262,000)	-	(249,000)	536,000	(2,975,000)
	<u>(3,217,419)</u>	<u>5,913,811</u>	<u>(5,747,483)</u>	<u>392,318</u>	<u>(2,658,773)</u>
Restricted fixed asset funds					
Transfer on conversion	7,000,934	-	(150,818)	(1,286)	6,848,830
DfE group capital grants	3,740	61,013	(623)	-	64,130
Capital expenditure from GAG	24,147	-	(22,592)	143,682	145,237
	<u>7,028,821</u>	<u>61,013</u>	<u>(174,033)</u>	<u>142,396</u>	<u>7,058,197</u>
Total restricted funds	<u>3,811,402</u>	<u>5,974,824</u>	<u>(5,921,516)</u>	<u>534,714</u>	<u>4,399,424</u>
Unrestricted funds					
General funds	<u>571,414</u>	<u>120,391</u>	<u>(69,576)</u>	<u>1,286</u>	<u>623,515</u>
Total funds	<u>4,382,816</u>	<u>6,095,215</u>	<u>(5,991,092)</u>	<u>536,000</u>	<u>5,022,939</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	44,581	8,283,107	(7,817,285)	(126,864)	383,539
Other DfE / ESFA grants	-	2,235,358	(2,235,358)	-	-
Other government grants	-	1,359,047	(1,359,047)	-	-
Other restricted funds	-	4,150	(4,150)	-	-
Pension reserve	(3,262,000)	-	(495,000)	1,013,000	(2,744,000)
	<u>(3,217,419)</u>	<u>11,881,662</u>	<u>(11,910,840)</u>	<u>886,136</u>	<u>(2,360,461)</u>
Restricted fixed asset funds					
Transfer on conversion	7,000,934	-	(300,472)	(1,286)	6,699,176
DfE group capital grants	3,740	823,600	(12,246)	(73,817)	741,277
Capital expenditure from GAG	24,147	-	(57,887)	200,681	166,941
	<u>7,028,821</u>	<u>823,600</u>	<u>(370,605)</u>	<u>125,578</u>	<u>7,607,394</u>
Total restricted funds	<u>3,811,402</u>	<u>12,705,262</u>	<u>(12,281,445)</u>	<u>1,011,714</u>	<u>5,246,933</u>
Unrestricted funds					
General funds	<u>571,414</u>	<u>259,695</u>	<u>(132,513)</u>	<u>1,286</u>	<u>699,882</u>
Total funds	<u>4,382,816</u>	<u>12,964,957</u>	<u>(12,413,958)</u>	<u>1,013,000</u>	<u>5,946,815</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Beck Primary School	738,592	580,475
Hucklow Primary School	344,829	359,267
Total before fixed assets fund and pension reserve	1,083,421	939,742
Restricted fixed asset fund	7,607,394	7,058,197
Pension reserve	(2,744,000)	(2,975,000)
Total funds	5,946,815	5,022,939

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Beck Primary School	2,482,109	524,886	180,501	479,552	3,667,048
Hucklow Primary School	1,748,242	300,802	153,088	357,114	2,559,246
	4,230,351	825,688	333,589	836,666	6,226,294

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	7,256,653	7,256,653
Current assets	699,882	1,250,148	350,741	2,300,771
Creditors falling due within one year	-	(866,609)	-	(866,609)
Defined benefit pension liability	-	(2,744,000)	-	(2,744,000)
Total net assets	699,882	(2,360,461)	7,607,394	5,946,815

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	7,058,197	7,058,197
Current assets	623,515	776,475	-	1,399,990
Creditors falling due within one year	-	(460,248)	-	(460,248)
Defined benefit pension liability	-	(2,975,000)	-	(2,975,000)
Total net assets	623,515	(2,658,773)	7,058,197	5,022,939

21 Pension 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 Agency. 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 2016.

Contributions amounting to £22,124 (2017: £67,141) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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 YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £301,180 (2017: £303,467).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.9% for employers and 5.5 to 12.5% for employees.

The academy trust has agreed to make additional deficit payments into the pension fund. The payments in the period ended 31 August 2018 were £123,925 (2017: £127,994).

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.

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	298,000	309,000
Employees' contributions	83,000	84,000
Total contributions	<u>381,000</u>	<u>393,000</u>
 Principal actuarial assumptions	 2018 %	 2017 %
Rate of increase in salaries	3.45	3.45
Rate of increase for pensions in payment/inflation	2.30	2.20
Discount rate for scheme liabilities	2.90	2.50
Inflation assumption (CPI)	<u>2.20</u>	<u>2.20</u>

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

	2018 Years	2017 Years
Retiring today		
- Males	23.0	22.9
- Females	25.8	25.7
Retiring in 20 years		
- Males	25.2	25.1
- Females	<u>28.1</u>	<u>28.0</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £	2017 £
Discount rate + 0.1%	(118,000)	(114,000)
Mortality assumption + 1 year	66,000	63,000
CPI rate + 0.1%	123,000	117,000
Pay rate + 0.1%	<u>18,000</u>	<u>46,000</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

The academy trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	535,000	390,000
Government bonds	143,000	88,000
Other bonds	74,000	43,000
Cash	46,000	13,000
Property	97,000	58,000
Other assets	109,000	48,000
Total market value of assets	<u>1,004,000</u>	<u>640,000</u>

The actual return on scheme assets was £38,000 (2017: £83,000).

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	469,000	485,000
Interest income	(15,000)	(10,000)
Interest cost	90,000	83,000
Total operating charge	<u>544,000</u>	<u>558,000</u>

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	3,615,000	3,739,000
Current service cost	469,000	485,000
Interest cost	90,000	83,000
Employee contributions	83,000	84,000
Actuarial gain	(459,000)	(763,000)
Benefits paid	(50,000)	(13,000)
At 31 August 2018	<u>3,748,000</u>	<u>3,615,000</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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

	2018 £	2017 £
At 1 September 2017	640,000	477,000
Interest income	15,000	10,000
Actuarial gain/(loss)	18,000	(227,000)
Employer contributions	298,000	309,000
Employee contributions	83,000	84,000
Benefits paid	(50,000)	(13,000)
At 31 August 2018	1,004,000	640,000

22 Reconciliation of net income to net cash flow from operating activities

	2018 £	2017 £
Net income for the reporting period (as per the Statement of Financial Activities)	446,876	104,123
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(762,587)	(61,013)
Investment income receivable	(808)	(761)
Defined benefit pension costs less contributions payable	171,000	176,000
Defined benefit pension net finance cost	75,000	73,000
Depreciation of tangible fixed assets	196,572	172,747
Loss on disposal of fixed assets	-	1,286
Decrease in stocks	228	5,344
(Increase)/decrease in debtors	(214,677)	24,542
Increase/(decrease) in creditors	406,361	(63,202)
Net cash provided by operating activities	317,965	432,066

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	4,758	8,249
Amounts due in two and five years	7,061	11,818
	<u>11,819</u>	<u>20,067</u>

24 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	548,296	-
	<u>548,296</u>	<u>-</u>

CASCADE MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 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 trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

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 £9,200 (2017: £9,200).

J Wall and K Lockwood, 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 Duckworth, 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.

S Bridges, the executive headteacher of Beck Primary School donated £200 to the school in exchange for some old paving slabs from the school yard which were to be scrapped.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

No other related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 12.

26 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.