

Registered number: 09950137 (England and Wales)

Cygnus Academies Trust
(A company limited by guarantee)

Annual report and financial statements

For the period ended 31 August 2016

TUESDAY



A66JGJY9

A12

16/05/2017

#177

COMPANIES HOUSE

Cygnus Academies Trust
(A company limited by guarantee)

Contents

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 12
Statement on regularity, propriety and compliance	13
Statement of Trustees' responsibilities	14
Independent auditors' report on the financial statements	15 - 16
Independent reporting accountant's assurance report on regularity	17 - 18
Statement of financial activities	19
Balance sheet	20
Statement of cash flows	21
Notes to the financial statements	22 - 42

Cygnus Academies Trust
(A company limited by guarantee)

Reference and administrative details of the academy, its trustees and advisers
For the period ended 31 August 2016

Members

Ms Larissa Cesar
Mrs Trixie Ball
Mr John Temple

Trustees

Mrs Trixie Ball, Chair (appointed 13 January 2016)
Mr Simon Webb, Vice Chair (appointed 13 January 2016)
Mrs Susan Constant (appointed 13 January 2016)
Mrs Amanda McMullen (appointed 13 January 2016)
Mrs Janice Reeve (appointed 13 January 2016, resigned 1 April 2016)
Mr Christopher Verbiest (appointed 13 January 2016)
Mr Paul Wilkins (appointed 13 January 2016)
Mr David Lloyd, Chief Executive (appointed 13 January 2016)
Mrs Sarah Smith, Head of School (appointed 13 January 2016)
Mr Daniel Terry, Head of School (appointed 13 January 2016)

Company registered number

09950137

Company name

Cygnus Academies Trust

Principal and registered office

c/o Manor Community Primary School, Keary Road, Swanscombe, Kent, DA10 0BU

Chief executive officer

Mr David Lloyd

Senior management team

David Lloyd, Chief Executive Officer
Daniel Terry, Head of School
Sarah Smith, Head of School
Natalie Hill, Deputy Headteacher
Indira-Devi Naidu, Deputy Headteacher
Jennifer Evans, Assistant Head
Roisin Brown, Assistant Head
Lisa Jones, Assistant Head
Diane Laws, Business Manager

Independent auditors

Kreston Reeves LLP, 37 St Margaret's Street, Canterbury, Kent, CT1 2TU

Bankers

Lloyds Bank Plc, 78 New Road, Gravesend, Kent, DA11 0AR

Solicitors

Winkworth Sherwood, Minerva House, 5 Montague Close, London, SE1 9BB

Cygnus Academies Trust
(A company limited by guarantee)

Reference and administrative details of the academy, its trustees and advisers
For the period ended 31 August 2016

Advisers (continued)

Accountants and advisors

Strictly Education Limited, Marlborough Court, Sunrise Parkway, Linford Wood, Milton Keynes, MK14 6DY

Cygnus Academies Trust
(A company limited by guarantee)

Trustees' report
For the period ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 13 January 2016 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Cygnus Academies Trust is a Multi-Academy Trust that exists to advance public benefit education in the United Kingdom, in particular but without prejudice of the foregoing: by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum.

The Trust was incorporated 13 January 2016. On 1 February 2016 and 1 April 2016 respectively, Manor Community Primary School and Westgate Primary School, both former Local Authority maintained schools, joined the Trust.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Cygnus Academies Trust are also the directors of the charitable company for the purpose of company law.

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

The academy was incorporated on 13 January 2016 and commenced trading on 1 February 2016. The principal object of the academy is to advance public benefit education in the United Kingdom, in particular but without prejudice of the foregoing: by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management team is the responsibility of the Trustees who are elected and co-opted under the terms of of the Articles of Association.

During the period (February-August), the Trust has the following categories of Trustees who are, in company law terminology, Directors:

- Academy Directors who are Chairs of Local Governing Bodies
- The Chief Executive Officer (CEO),
- Parent Directors elected by parent representatives on Local Governing Bodies
- Other directors who may be co opted or appointed.

Cygnus Academies Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 August 2016

d. Policies and procedures adopted for the induction and training of Trustees

These policies are under development.

It is proposed that all Trustees are inducted when appointed. This induction includes meeting with the Executive Team, visits to a selection of the Trust academies and provision of relevant documentation. They continue to receive appropriate training throughout their appointment, including briefings by specialists throughout the year. The Trust holds away-day events to ensure Trustees are fully briefed and participate in setting the strategic plan for the Trust.

e. Organisational structure

The Trust currently only operates a Trust Board, but is reviewing the need for additional committees as an ongoing process as a part of the growth strategy.

For each Academy in the Trust there is one Local Governing Body. (With the exception of Schools deemed to be in Category 4- Special Measures for overall effectiveness or leadership and management. For Schools in this situation a risk assessment will take place to decide whether or not to allow a governing body in a school in crisis). The Local Governing Body ("LGB") is a sub-committee of the Board. It is the LGB's role to hold the Academy Head of School and Senior Leadership Team to account for the Academy's educational, operational and financial performance. In addition, the LGB has an important role in representing the Academy to parents and the local community. The LGB is also responsible for adjudicating on disciplinary and behaviour matters in accordance with the Trust's policies.

f. Connected organisations, including related party relationships

The Trust's work is currently not yet sponsored by any external companies.

Strategic report

Objectives and Activities

a. Objects and aims

The Trust's primary object is to establish, maintain, carry on and develop primary and secondary schools ("the Academies") that are open to all children and offer a broad and balanced curriculum.

b. Objectives, strategies and activities

Mission of Cygnus Academies Trust

Cygnus Academies Trust is committed to improving the life chances of all children. We will use our resources effectively in order to give the children in our care an exceptional education which prepares them well for their future both at secondary school and beyond. We will tirelessly nurture and promote all within our learning community. We will direct our capacity and energy towards priority areas and ensure all Directors and Local Governing Body (LGB) members maintain a cohesive partnership striving for excellence in all that we do and in the provision we offer, so that our children, staff and academy communities benefit from excellent teaching, learning and leadership.

Trustees' report (continued)
For the period ended 31 August 2016

c. Activities for achieving objectives

During the period to 31 August 2016 the principal activity was the continuing operation and improvement of educational standards in the Trusts' existing portfolio of schools in the Dartford area.

Activities for the year focused on the following key strands:

- (i) Ensuring a smooth conversion process of schools from Local Authority (LA) control to academy.
- (ii) Embedding and improving consistency of existing systems and practices promoting pupil progress.
- (iii) Establishing capacity of the Trusts/Academies central teams.
- (iv) Establishing operational systems and practices for the new Multi-Academy Trust (MAT).
- (v) Establishing systems and practices across the MAT for Governance and for Directors.

d. Main activities undertaken to further the charity's purposes for the public benefit

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidelines on public benefit. The Trust looks to promote for the benefit of the communities in the areas surrounding its Academies, the provision of facilities for learning and recreation with the object of improving the condition of life in the said community.

Achievements and performance

a. Key financial performance indicators

The Trustees are of the opinion that the following are key financial performance indicators for the Trust:

- Percentage of income received from Education Funding Agency (EFA) spent on teaching staff and total staff costs;
- Pupil numbers which leads directly to EFA funding level and;
- General funding expenditure.

Key non-financial performance indicators

Test results for our schools for the academic year 2016 were to some degree affected by the changes to the testing accountability regime. Results should not be compared to attainment and progress in 2015 as they are each part of different testing regimes. In summary attainment at Y6 is as follows:

KS2		
National combined =53%	Manor combined =84%	Westgate combined=70%
National Reading =66%	Manor Reading =85%	Westgate Reading =80%
National Spag =72%	Manor Spag =83%	Westgate Spag =93%
National Maths =70%	Manor Maths =94%	Westgate Maths =87%
National Writing =74%	Manor Writing =90%	Westgate Writing =97%
KS1		
National Reading =74%	Manor Reading =80%	Westgate Reading =83%
National Writing =66%	Manor Writing =80%	Westgate Writing =77%
National Maths =73%	Manor Maths =76%	Westgate Maths =73%
Year 1 Phonics		
National =81%	Manor =87%	Westgate =83%
FSP		
National =69%	Manor =74%	Westgate =77%

Cygnus Academies Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 August 2016

b. Review of activities

The Trust made good progress against its objectives this year and the specific target activities for the year. Progress so far and planned developments for the coming year are below:

Ensuring a smooth conversion process of schools from LA control to academy:

- Maintain current relationship with silica Associates
- Develop a marketing strategy that is explicit and clear about the Cygnus offer

Further development of the Trust's educational achievement Improvement strategies:

Analysis of assessment information shows that although there is a positive picture of progress across the Trust in order to maximize progress we are initiating several developments.

These developments include:

- A more regular termly cycle of education monitoring visits accompanied by enhanced improvement planning and reporting by schools.
- Refinement of a focused and standardised approach to reporting of assessment information to ensure increased rigour in the structuring of school monitoring visits and feedback.
- Provision of external moderation and advice from specialist advisors or local high-performing schools to support our schools with achievement monitoring.
- Refine the curriculum offering greater opportunities for project management for all pupils.
- Engagement of external professionals to undertake a joint review of our Academies.
- Further develop a strategy for recruitment and retention of Teachers and Leaders.

Establishing capacity of the Trust Head Office team:

During the period we have appointed a Chief Executive Officer. Further development of the central office team will be reviewed as the Trust grows so as to appoint full time support for the MAT.

Establishing and Improving operational systems and practices for the new MAT:

- Devise and enact a monitoring timetable that fits in with reporting to Governors/Directors meetings and the scheme of delegation
- Refine and improve the existing systems of Teaching and Learning so as to maximise depth of understanding and progress
- Ensure consistency of practice across the MAT by robust monitoring feedback and support

Establishing systems and practices across the MAT for Governance and for Directors

- Review the dates of future directors meetings and LGB meetings so as to ensure that appropriate information is available for meetings e.g. Inspection dashboard etc.
- Continue to develop systems for sharing information with Governors that is both informative and concise.
- Continue to develop systems that are appropriate for a number of audiences e.g. Senior Leadership, Governors, Directors and external Scrutiny.
- Further develop systems and strategies to report on value for money.

c. Investment policy and performance

All the Trust's funds have been held by UK banks in current and fixed term deposit accounts, in accordance with the Trust's investment policy.

Cygnus Academies Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 August 2016

Financial review

a. Going concern

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

b. Financial risk management objectives and policies

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and other debtors. The Trust has inherited various Local Government Defined Benefit Pension Scheme deficits for staff.

The Trust's financial risks are also monitored through regular review of financial controls. The Trust's financial administrators Strictly Education, visit every site each month and carry out monitoring and the setting of the budget. This is reported to governors and directors at each meeting.

c. Principal risks and uncertainties

The principal risks for the Trust during the next few years are:

- Recruitment of high quality Teachers in both Schools. This is monitored carefully with the possible financial implications of recruitment.
- Ensuring individual schools operate with a balanced budget each year.

d. Reserves policy

The Trustees consider the maintenance of a minimum reserve in order to minimise any financial risks facing the Trust. The Trustees agreed to maintain an appropriate level of free reserves at Trust level currently approved to be approximately £50,000.

This requires each school to have a level of reserves of at least one month's average non staff cost or depreciation expenditure.

The Trustees regularly review as to the nature of income and expenditure streams and the need to match income with commitments.

At 31 August 2016, total funds amounted to £13,504,676 which comprised primarily of restricted fixed asset reserves. Free reserves amounted to £279,938. The Trust has a pension scheme liability of £1,547,000 which is included in restricted reserves. Parliament has agreed, at the request of the Secretary of State for Education, in the event of academy closure, outstanding Local Government Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013. In the short term, the cash flow impact of having a pension scheme liability may be that employer contributions may increase to reduce the liability. The Academy will always pay the employer contribution rates set by the pension scheme administrators.

Cygnus Academies Trust
(A company limited by guarantee)

Trustees' report (continued)
For the period ended 31 August 2016

Plans for future periods

a. Future developments

The Trust is working to establish its ambition to be a significant and influential participant in national educational reform. In doing this it places emphasis on the quality of its educational provision and on the effectiveness of its educational improvement, whilst being outward facing in increasing the number of schools within the group. Whilst the Trust is well aware of the need to maintain and improve outcomes for all within the Trust and so not to over stretch its capacity in supporting additional underperforming schools. It is keen to expand its portfolio where and when it is prudent to do so.

While resolutely fixed on ensuring that pupils in its academies achieve the very best results of which they are capable of in national tests, the Trust is also committed to giving them a rich and rounded education through a wide variety of curricular activities, including sport, music, drama, enterprise and project management.

With the support of the Department for Education, the Trust continues to seek partnerships with primary and secondary schools in parts of the South East of England and South East London. In particular, it values potential partnerships with schools that have ambitions to provide the highest quality of education to their pupils and which share the Trust's educational and social agendas, as well as sharing its belief in the power of project management to equip young people with the knowledge, understanding and skills that will enable them to flourish in the contemporary world.

School Fund

Each Academy holds School funds within a cost centre of the schools accounting system.


Disclosure of information to auditors

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

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

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

Mrs Trixie Ball
Chair of Trustees



Cygnus Academies Trust
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Cygnus Academies Trust and the Secretary of State for Education. The Chief Executive Officer, as Accounting Officer is 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 period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Trixie Ball, Chair	3	3
Mr Simon Webb, Vice Chair	2	3
Mrs Susan Constant	3	3
Mrs Amanda McMullen	2	3
Mrs Janice Reeve	0	1
Mr Christopher Verbiest	3	3
Mr Paul Wilkins	2	3
Mr David Lloyd, Chief Executive	3	3
Mrs Sarah Smith, Head of School	3	3
Mr Daniel Terry, Head of School	3	3

Review of Value for money

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

Guiding Principles

The Board of Cygnus Academies Trust and all employees subscribe to its mission to improve standards of education, knowledge and skills for children and young people across the UK, equipping them to be successful adults and active citizens in the competitive, globalised world of the future. In carrying out its educational mission, the Trust aims to adhere to the highest standards of integrity in public life and to provide responsible custodianship of and value for money with the public and charitable funds put at its disposal to enable it to realise these purposes.

Cygnus Academies Trust
(A company limited by guarantee)

Governance Statement (continued)

- **Probity:** It must at all times be demonstrable that there is no corruption, private gain or conflict of interest in the awarding and management of contracts, the appointment and promotion of staff, and the use or disposal of assets by Cygnus Academies Trust. All Trust executive and non-executive personnel must be aware of and be guided in their actions at all times by the 7 principles for standards in public life.
- **Accountability:** Cygnus Academies Trust is publicly accountable for its expenditure and the conduct of its affairs. Expenditure should at all times be guided by the Education Funding Agency Academies Financial Handbook, which is reflected in the Trust's policies, budgeting, accounting, control and reporting procedures and its delegated schedules of spending authorities.
- **Fairness:** All those who are dealt with by Cygnus Academies Trust and its Trustees and employees should be dealt with in a spirit of fairness and on an equitable basis consonant with the principles of a publicly funded body with charitable status.

Governance, Oversight and Training

Robust governance and oversight of the Trust's finances are designed to ensure Value for Money. The Cygnus Academies Trust Board acts as steward of the principles articulated above. On a day-to-day basis the Board has delegated accountability to the Executive Director, in particular to the Chief Executive Officer (who is also the Accounting Officer) and to the Business Manager and the Finance Team. The Board's detailed and regular scrutiny of the financial management takes place during meetings.

The directors are respected professionals and business people. Their names and brief biographies may be found on the Trust's website at www.cygnusacademiestrust.org.uk. The nature of these responsibilities and an account of how Trustees and the Executive have exercised them in any particular year may be found in the relevant narrative pages of this Trustees Report and Financial Statements.

Every academy is directly responsible for its financial decisions and conduct to the Cygnus Academies Trust Trustee Board through the line management of the Heads of School by the Chief Executive Officer, and through the supervision of budgeting, controls and reporting by the Business Manager and the Finance team. In addition, the Local Governing Body of each academy receives regular management accounts and has a devolved obligation to monitor spending against the agreed budget on a regular basis and to report any significant variances or other concerns to the Business Manager and Finance team.

All academies and the Trust are governed in financial matters by the Trust Financial Handbook, which follows the stipulations of the Education Funding Agency's Academies Financial Handbook. There is in place a schedule of delegated spending powers, which is reviewed regularly, as well as a clear set of rules governing expenses. The Trust has developed an effective central financial planning, financial control and financial reporting function under the direction of the CEO, Business Manager and Finance Team. The Trusts team works closely with senior leaders and financial staff in the academies to develop an annual budget that supports the delivery of the agreed Academy Development Plan.

The Board of Trustees receives and approves the Financial Statements and the External Auditors' Management Report.

Cygnus Academies Trust
(A company limited by guarantee)

Governance Statement (continued)

The CEO/Heads of School, in conjunction with the Business Manager and Finance Team is involved in assuring that the budget supports the educational strategy of each academy during the annual planning cycle. The CEO and his team continually assess the quality and effectiveness of teaching, progress towards academic targets and other aspects of the academies' educational offer through the course of the year to ensure that Value for Money is being achieved.

Monthly management accounts for each academy and for the Trust are completed and reviewed by the finance team. Any significant variations or concerns are discussed by the Chief Executive Officer and the Business Manager. The Local Governing Bodies receive management accounts and commentaries for their academy regularly.

Procurement is still largely done at local level and must be in accord with the rules set out in the Trust Financial Handbook and Schedule of Delegated Spending Powers. Higher value procurements are subject to Trust scrutiny and agreement and must be made according to the Trust's rules for competitive tendering. Those of the highest value are subject to EU procurement protocols. As the Trust expands in size, central procurement is being investigated in order to capitalise on prospective economies of scale.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Cygnus Academies Trust for the period 13 January 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the period 13 January 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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 Board of Trustees 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.

Cygnus Academies Trust
(A company limited by guarantee)

Governance Statement (continued)

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Kreston Reeves LLP as internal auditor.

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

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
- testing of fixed assets
- review of financial reporting
- appropriate authorisation of financial decisions

Review of Effectiveness

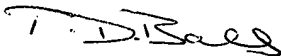
As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2016 and signed on their behalf, by:

Mrs Trixie Ball
Chair of Trustees



Mr David Lloyd
Accounting Officer



Cygnus Academies Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Cygnus Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

Mr David Lloyd
Accounting Officer



Date: 14 December 2016

Cygnus Academies Trust
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the period ended 31 August 2016

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

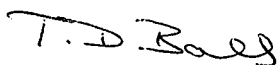
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

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

Mrs Trixie Ball
Chair of Trustees



Cygnus Academies Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Cygnus Academies Trust

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Cygnus Academies Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Cygnus Academies Trust

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury
14 December 2016

Cygnus Academies Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Cygnus Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 28 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cygnus Academies Trust during the period 13 January 2016 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Cygnus Academies Trust's funding agreement with the Secretary of State for Education dated 26 January 2016, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 13 January 2016 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Cygnus Academies Trust
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to Cygnus Academies Trust and the Education Funding Agency (continued)

Work undertaken

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Governing Body minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

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 13 January 2016 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Kreston Reeves LLP

Reporting Accountant
Chartered Accountants

Canterbury

14 December 2016

Cygnus Academies Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the period ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Income from:					
Donations & capital grants:					
Transfer on conversion from local authority	2	296,183	(625,000)	14,954,924	14,626,107
Other donations and capital grants	2	4,465	-	17,171	21,636
Charitable activities	3	-	2,254,621	-	2,254,621
Investments	4	209	-	-	209
Other income	5	80,873	-	-	80,873
Total income		381,730	1,629,621	14,972,095	16,983,446
Expenditure on:					
Charitable activities		42,853	2,428,226	293,691	2,764,770
Total expenditure	8	42,853	2,428,226	293,691	2,764,770
Net income / (expenditure) before transfers		338,877	(798,605)	14,678,404	14,218,676
Transfers between Funds	19	(58,939)	55,981	2,958	-
Net income / (expenditure) before other recognised gains and losses		279,938	(742,624)	14,681,362	14,218,676
Actuarial losses on defined benefit pension schemes	24	-	(714,000)	-	(714,000)
Net movement in funds		279,938	(1,456,624)	14,681,362	13,504,676
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		279,938	(1,456,624)	14,681,362	13,504,676

All of the academy's activities derive from acquisitions in the current financial period.

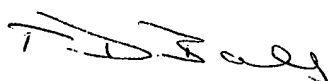
Cygnus Academies Trust
(A company limited by guarantee)
Registered number: 09950137

Balance sheet
As at 31 August 2016

	Note	£	2016 £
Fixed assets			
Tangible assets	15		14,678,261
Current assets			
Stocks	16	3,612	
Debtors	17	217,657	
Cash at bank and in hand		344,082	
		<u>565,351</u>	
Creditors: amounts falling due within one year	18	(191,936)	
Net current assets			<u>373,415</u>
Total assets less current liabilities			<u>15,051,676</u>
Defined benefit pension scheme liability	24	(1,547,000)	
Net assets including pension scheme liabilities			<u><u>13,504,676</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	19	90,376	
Restricted fixed asset funds	19	14,681,362	
		<u>14,771,738</u>	
Restricted income funds excluding pension liability		(1,547,000)	
Pension reserve			
Total restricted income funds			<u>13,224,738</u>
Unrestricted income funds	19		<u>279,938</u>
Total funds			<u><u>13,504,676</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:

Mrs Trixie Ball
Chair of Trustees



The notes on pages 22 to 42 form part of these financial statements.

Cygnus Academies Trust
(A company limited by guarantee)

Statement of cash flows
For the period ended 31 August 2016

	Note	2016 £
Cash flows from operating activities		
Net cash provided by operating activities	21	<u>343,730</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments		209
Purchase of tangible fixed assets		(17,028)
Capital grants from DfE/EFA		<u>17,171</u>
Net cash provided by investing activities		<u>352</u>
Change in cash and cash equivalents in the period		344,082
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	22	<u><u>344,082</u></u>

-- All of the cash flows are derived from acquisitions in the current financial period.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies

The Cygnus Academies Trust is a charitable company incorporated on 13 January 2016, limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is c/o Manor Community Primary School, Keary Road, Swanscombe, Kent, DA10 0BU. The principal activity of the Trust is to advance public benefit education in the United Kingdom, in particular but without prejudice of the foregoing: by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cygnus Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies (continued)

1.4 Income

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

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

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

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies (continued)

1.6 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities 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.

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.

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

Long-term leasehold property	-	2% straight line
Fixtures, fittings & equipment	-	10% straight line

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies (continued)

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

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

1.14 Financial instruments

The Academy Trust enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

1.15 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.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.17 Conversion to an academy trust

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

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

Further details of the transaction are set out in note 23.

As described in note 24 the Local Government Pension Scheme obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained schools and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies (continued)

1.18 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

Multi-employer defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets

The Academy Trust has recognised tangible fixed assets with a carrying value of £14,678,261 at the reporting date (see note 15). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the governors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

1. Accounting policies (continued)

Critical areas of judgement:

Lease commitments

The Academy Trust has entered into a range of lease commitments in respect of property, plant and equipment. The classification of these leases as either financial or operating leases requires the governors to consider whether the terms and conditions of each lease are such that the Academy Trust has acquired the risks and rewards associated with the ownership of the underlying assets.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 25 for further details.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Transfer on conversion from local authority	296,183	(625,000)	14,954,924	14,626,107
Donations	4,465	-	-	4,465
Capital Grants	-	-	17,171	17,171
	<u>300,648</u>	<u>(625,000)</u>	<u>14,972,095</u>	<u>14,647,743</u>

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
General Annual Grant (GAG)	-	1,674,208	1,674,208
Other DfE/EFA grants	-	237,112	237,112
	<hr/>	<hr/>	<hr/>
	-	1,911,320	1,911,320
	<hr/>	<hr/>	<hr/>
Other government grants			
Local authority grants	-	343,301	343,301
	<hr/>	<hr/>	<hr/>
	-	343,301	343,301
	<hr/>	<hr/>	<hr/>
	-	2,254,621	2,254,621
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

4. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Bank interest	209	-	209
	<hr/>	<hr/>	<hr/>

5. Other incoming resources

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Trip income	12,942	-	12,942
Other income	39,691	-	39,691
Secondment income	4,960	-	4,960
Absence insurance rebates	23,280	-	23,280
	<hr/>	<hr/>	<hr/>
	80,873	-	80,873
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

6. Direct costs

	Total 2016 £
Educational supplies and services	70,714
Staff development	9,951
Staff absence insurance	22,313
Wages and salaries	847,642
National insurance	80,877
Pension cost	120,088
	<hr/> 1,151,585 <hr/>

7. Support costs

	Total 2016 £
Pension cost (note 14)	15,000
Recruitment and support	7,268
Maintenance of premises and equipment	30,614
Cleaning	41,361
Rent and rates	25,478
Light and heat	87,897
Insurance	10,837
Security and transport	4,374
Catering	83,843
Technology costs	33,670
Printing, postage and stationery	9,594
Other support costs	30,038
Legal and professional	57,353
Governance	17,924
Wages and salaries	543,085
National insurance	27,437
Pension cost	293,721
Depreciation	293,691
	<hr/> 1,613,185 <hr/>

8. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Activities:				
Direct costs	1,048,607	-	102,978	1,151,585
Support costs	864,243	185,350	563,592	1,613,185
	<hr/> 1,912,850 <hr/>	<hr/> 185,350 <hr/>	<hr/> 666,570 <hr/>	<hr/> 2,764,770 <hr/>

In 2016, of the total expenditure, £42,853 was to unrestricted funds and £2,721,917 was to restricted funds.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

9. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £
Depreciation of tangible fixed assets:	
- owned by the charity	293,691
Auditors' remuneration - audit	7,900
Auditors' remuneration - other services	1,500
Governance Internal audit costs	3,245
	<hr/> <hr/>

10. Staff costs

Staff costs were as follows:

	2016 £
Wages and salaries	1,330,218
Social security costs	108,314
Operating costs of defined benefit pension schemes	413,809
	<hr/>
Supply teacher costs	1,852,341
	60,509
	<hr/> <hr/>
	1,912,850

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

	2016 No.
Teachers	34
Administration and support	90
Management	8
	<hr/>
	132
	<hr/> <hr/>

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

	2016 No.
In the band £70,001 - £80,000	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2016, pension contributions for this employee amounted to £9,772.

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £337,487.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

11. Central services

The academy has provided the following central services to its academies during the year:

- Educational support services
- Legal services
- Others as arising

The academy charges for these services on the following basis:

A flat percentage of General Annual Grant income based on each Academy's Ofsted grading:

- Outstanding schools = 4.5%
- Good schools = 5.5%
- Requires improvement schools = 6.5%
- Serious weakness/coasting = 7%
- Special measures = 7.5%

The actual amounts charged during the year were as follows:

	2016
	£
Westgate Primary School	23,170
Manor Community Primary School	51,338
	<u>74,508</u>

12. Trustees' remuneration and expenses

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

		2016
		£
Mr David Lloyd	Remuneration	70,000-75,000
	Pension contributions paid	5,000-10,000
Mrs Sarah Smith	Remuneration	40,000-45,000
	Pension contributions paid	5,000-10,000
Mr Daniel Terry	Remuneration	30,000-35,000
	Pension contributions paid	0-5,000

During the period, no Trustees received any benefits in kind.

During the period, no Trustees received any reimbursement of expenses.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

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 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.

14. Other finance income

	2016 £
Interest income on pension scheme assets	20,000
Interest on pension scheme liabilities	(35,000)
	<u>(15,000)</u>

15. Tangible fixed assets

	Long-term leasehold land and buildings £	Fixtures and fittings £	Total £
Cost or valuation			
Additions	3,310	13,718	17,028
Inherited on conversion	14,930,568	24,356	14,954,924
At 31 August 2016	<u>14,933,878</u>	<u>38,074</u>	<u>14,971,952</u>
Depreciation			
At 13 January 2016	-	-	-
Charge for the period	289,884	3,807	293,691
At 31 August 2016	<u>289,884</u>	<u>3,807</u>	<u>293,691</u>
Net book value			
At 31 August 2016	<u>14,643,994</u>	<u>34,267</u>	<u>14,678,261</u>

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

15. Tangible fixed assets (continued)

Included in land and buildings is freehold land at valuation of £439,669, which is not depreciated.

The Academy Trust's transactions relating to land and buildings included:

Long-term leasehold land and buildings comprises land and buildings occupied on 125 year leases granted from Kent County Council to Cygnus Academies Trust for the use of the sites at Manor Community Primary School and Westgate Primary School.

The sites were transferred to the Academy Trust, with the agreement of the EFA, as a value as at 31 March 2015 of £8,089,416 and £6,800,792 respectively. Additional land and buildings at Manor Community Primary School were transferred to the Academy Trust, as at a value as at 1 February 2016 of £40,360.

The land and buildings were valued by Kent County Council on a depreciated cost basis.

16. Stocks

	2016 £
Finished goods and goods for resale	3,612
	<u>3,612</u>

17. Debtors

	2016 £
Other debtors	70,886
Prepayments and accrued income	146,771
	<u>217,657</u>

18. Creditors: Amounts falling due within one year

	2016 £
Trade creditors	32,260
Accruals and deferred income	159,676
	<u>191,936</u>
	£
Deferred income	
Deferred income at 13 January 2016	-
Resources deferred during the year	79,079
	<u>79,079</u>

At the balance sheet date, the Academy Trust was holding funds received in advance of the 2016/17 financial year in respect of universal free school meals and parental contributions towards school trips.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

19. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	-	381,730	(42,853)	(58,939)	-	279,938
Restricted funds						
General Annual Grant (GAG)	-	1,674,208	(1,730,189)	55,981	-	-
Other DfE/EFA grants	-	237,112	(237,112)	-	-	-
Other Government grants	-	343,301	(252,925)	-	-	90,376
Pension reserve	-	(625,000)	(208,000)	-	(714,000)	(1,547,000)
	-	1,629,621	(2,428,226)	55,981	(714,000)	(1,456,624)
Restricted fixed asset funds						
Restricted Fixed Asset	-	14,954,924	(293,691)	17,028	-	14,678,261
DfE/EFA capital grants	-	17,171	-	(14,070)	-	3,101
	-	14,972,095	(293,691)	2,958	-	14,681,362
Total restricted funds	-	16,601,716	(2,721,917)	58,939	(714,000)	13,224,738
Total of funds	-	16,983,446	(2,764,770)	-	(714,000)	13,504,676

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

GAG represents funds to be used to cover the normal running costs of the Academy Trust.

Other DfE/EFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

DfE/EFA capital grants funds is to provide the Academy Trust with its own capital money to address improvements to buildings and other facilities. The balance on the fund represents unspent capital grant money to be spent in the first school term of 2016/2017.

The restricted fixed asset fund represents the leasehold land and buildings and other assets which were donated upon conversion to academy status, the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
Manor Community Primary School	173,926
Westgate Primary School	81,168
Cygnus Academies Trust - central services	115,220
	<hr/>
Total before fixed asset fund and pension reserve	370,314
Restricted fixed asset funds	14,681,362
Pension reserve	(1,547,000)
	<hr/>
Total	<u>13,504,676</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2016 £
Manor Community Primary School	1,243,362	187,557	44,091	337,355	1,812,365
Westgate Primary School	278,890	49,628	9,998	157,082	495,598
Cygnus Academies Trust - central services	-	-	-	163,116	163,116
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,522,252	237,185	54,089	657,553	2,471,079
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

20. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	14,678,261	14,678,261
Current assets	279,938	282,312	3,101	565,351
Creditors due within one year	-	(191,936)	-	(191,936)
Provisions for liabilities and charges	-	(1,547,000)	-	(1,547,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	279,938	(1,456,624)	14,681,362	13,504,676
	<hr/>	<hr/>	<hr/>	<hr/>

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

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

	2016 £
Net income for the year (as per Statement of financial activities)	14,218,676
Adjustment for:	
Depreciation charges	293,691
Dividends, interest and rents from investments	(209)
Increase in stocks	(3,612)
Increase in debtors	(217,657)
Increase in creditors	191,936
Capital grants from DfE and other capital income	(17,171)
Defined benefit pension scheme obligation inherited	625,000
Defined benefit pension scheme cost less contributions payable	35,000
Defined benefit pension scheme finance cost	15,000
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	158,000
Assets inherited on conversion	(14,954,924)
Net cash provided by operating activities	343,730

22. Analysis of cash and cash equivalents

	2016 £
Cash in hand	344,082
Total	344,082

23. Conversion to an academy trust

On 1 February 2016 Manor Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cygnus Academies Trust from Kent County Council for £Nil consideration.

On 1 April 2016 Westgate Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cygnus Academies Trust from Kent County Council for £NIL consideration.

The transfers has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations - transfer from local authority on conversion.

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

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

23. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings for Manor Community Primary School	-	-	8,129,776	8,129,776
Leasehold land and buildings for Westgate Primary School	-	-	6,800,792	6,800,792
Fixtures fittings and equipment - Manor Community Primary School	-	-	19,359	19,359
Fixtures fittings and equipment - Westgate Primary School	-	-	5,000	5,000
Budget surplus/(deficit) on LA funds - Manor Community Primary School	206,553	-	-	206,553
Budget surplus/(deficit) on LA funds - Westgate Primary School	89,630	-	-	89,630
LGPS pension surplus/(deficit)	-	(625,000)	-	(625,000)
Net assets/(liabilities)	<u>296,183</u>	<u>(625,000)</u>	<u>14,954,927</u>	<u>14,626,110</u>

The above net assets/liabilities include £296,183 transferred as cash.

Long-term leasehold land and buildings comprises land and buildings occupied on 125 year leases granted from Kent County Council to Cygnus Academies Trust for the use of the sites at Manor Community Primary School and Westgate Primary School.

24. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are Multi-employer defined benefit pension schemes.

As described in note 23 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period ended 31 August 2016. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

24. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £120,088.

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £127,000, of which employer's contributions totalled £98,000 and employees' contributions totalled £29,000. The agreed contribution rates for future years are 19.8% for employers and 5.5% to 12.5% for employees.

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

24. Pension commitments (continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.
Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.20 %
Rate of increase in salaries	4.10 %
Rate of increase for pensions in payment / inflation	2.30 %
Inflation assumption (CPI)	2.30 %
Inflation assumption (RPI)	3.20 %

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

	2016
Retiring today	
Males	22.9
Females	25.3
Retiring in 20 years	
Males	25.2
Females	27.7

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

	Fair value at 31 August 2016 £
Equities	716,000
Cash	25,000
Property	148,000
Gilts	9,000
Other bonds	113,000
Target return portfolio	46,000
Total market value of assets	1,057,000

The actual return on scheme assets was £93,000.

The amounts recognised in the Statement of financial activities are as follows:

	2016 £
Current service cost (net of employee contributions)	(133,000)
Net interest cost	(15,000)
Gains on curtailments and settlements	(158,000)
Total	(306,000)

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

24. Pension commitments (continued)

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

	2016 £
Upon conversion	1,285,000
Current service cost	133,000
Interest cost	35,000
Contributions by employees	29,000
Actuarial losses	807,000
Liabilities extinguished on settlements	315,000
	<hr/>
Closing defined benefit obligation	2,604,000
	<hr/>

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

	2016 £
Upon conversion	660,000
Interest income	20,000
Actuarial gains and (losses)	93,000
Assets distributed on settlements	157,000
Contributions by employer	98,000
Contributions by employees	29,000
	<hr/>
Closing fair value of scheme assets	1,057,000
	<hr/>

25. Operating lease commitments

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £
Amounts payable:	
Within 1 year	2,161
	<hr/>

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

Cygnus Academies Trust
(A company limited by guarantee)

Notes to the financial statements
For the period ended 31 August 2016

27. 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 trust has an interest. Any transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

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