

Company Registration Number: 07846823 (England and Wales)

**The Cathedral Church of England Academy Trust (Wakefield)**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**  
**Year ended 31 August 2016**



**The Cathedral Church of England Academy Trust (Wakefield)**  
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## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Reference and Administrative Details**

<b>Members</b>	I Wildey Rev J M Lawson J Hanson S A Wing
<b>Trustees</b>	Rev J M Lawson (Chair)* J Hanson (Vice Chair)* S H Trout (Staff trustee)* T Warren (Principal and accounting officer) (resigned 31 August 2016) S A Wing A Sheard (Staff trustee) C L Young J Sweeney (Staff trustee)* A Dean* N Bowen* (resigned 16 August 2016) L O'Brien H David* (resigned 31 July 2016) R Fox F J Conor (resigned 23 October 2015)
<b>Company Secretary</b>	Oakwood Corporate Secretary Limited
<b>Senior Management Team:</b> <ul style="list-style-type: none"><li>▪ Principal</li><li>▪ Principal</li><li>▪ Senior Vice Principal</li><li>▪ Director of CAPA</li><li>▪ Vice Principal</li><li>▪ Assistant Vice Principal</li><li>▪ Assistant Vice Principal</li><li>▪ Assistant Vice Principal</li><li>▪ Assistant Vice Principal</li><li>▪ Director of Business Operations</li></ul>	T Warren (to 31 August 2016) R Marsh (from 31 August 2016) K Cafferky C Nicholson J Harrison (from 1 January 2016) S Pinder E Copp M Schofield L Nicholson (from 1 January 2016) T Fallon (to 31 October 2016)
<b>Company Name</b>	The Cathedral Church of England Academy Trust (Wakefield)
<b>Principal and Registered Office</b>	Thornes Road Wakefield WF2 8QF
<b>Company Registration Number</b>	07846823 (England and Wales)
<b>Independent Auditor</b>	Gibson Booth Chartered Accountants and Statutory Auditors New Court Abbey Road North Shepley Huddersfield HD8 8BJ
<b>Bankers</b>	Lloyds Bank plc 17 Westgate Wakefield WF1 1JZ
<b>Solicitors</b>	Wrigleys 19 Cookridge Street Leeds LS2 3AG

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Trustees' Report**

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11-19 serving a deprived catchment area of Wakefield. It has a pupil capacity of 1,050 for Years 7 to 11 and had a roll of 664 and a pupil capacity of 100 for Post 16.

### **Structure, Governance and Management**

#### **Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Charitable Company was incorporated on 14 November 2011 and opened as an academy on 1 January 2012. The trustees act as the trustees for the charitable activities of Cathedral Academy and are also the directors of the Charitable Company for the purposes of company law.

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

#### **Members' Liability**

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

#### **Trustees' Indemnities**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost of this insurance cannot be separately identified but is included in the total insurance cost.

A trustee may benefit from any indemnity insurance purchased at the Academy Trust's expense to cover the liability of trustees which by virtue of any law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy.

#### **Principal Activities**

The principal activity of the Charitable Company is the operation of Cathedral Academy to provide education for pupils of different abilities between the ages of eleven and nineteen.

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

The number of trustees shall be not less than three but shall not be subject to any maximum. Each trustee (excluding the Principal) will serve a term of four years. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Members of the Academy Trust may appoint up to twelve trustees. The members may also appoint staff trustees through any process they see fit, provided that the total number of trustees (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of trustees. There must be at least two parent trustees, elected by parents of pupils at the Academy. Parent trustees must be parents of pupils on roll at the Academy at the point at which the parent trustee is elected. If there are fewer parents nominated for election than vacancies available, the trustees shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of any child of compulsory school age. The Principal is an ex-officio trustee of the Academy. The trustees may appoint up to three co-opted trustees. Trustees are appointed or co-opted to bring specific skills and experience to the board for the benefit of the Academy. The Secretary of State may appoint additional trustees.

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

The trustees have a designated Training Trustee who has responsibility for ensuring that all new trustees are adequately inducted and trained in order to fulfil their duties. The trustees' accessed training provided by Wakefield LA Trustee Training services which provides a full range of training for new and established trustees. All trustees are provided with copies of relevant policies, procedures, minutes, budgets, reports and other documents which they will need in order to discharge their responsibilities as trustees, directors and trustees. All trustees are also a member of the National Trustee's Association and also attend an annual conference with the leadership team.

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Trustees' Report (continued)**

#### **Organisational Structure**

The Governing Body meets at least five times per year, having one Annual General Meeting. Their roles and responsibilities are as stipulated in the Academy Funding Agreement and Articles of Association.

There are additional trustee committees with their own terms of reference and constitution, which are agreed annually at the first meeting of each academic year.

There are four Policy Committees which are Finance and Personnel Committee (responsible for finance, human resources, health and safety, premises and contracts), Curriculum, Teaching and Learning (responsible for learning and teaching, curriculum, student outcomes and quality assurance), Students, Families & Community (responsible for student behaviour management) and Foundation & Ethos Trustees. The committees meet four times per year.

Lastly, the Performance Management Committee meets annually to agree the Principal's performance management objectives for the year and assess performance against the previous year.

The trustees delegate the day to day operation of the school to the Leadership Team, which for the period ended 31 August 2016, comprises the Principal (who is also the Accounting Officer), 3 Vice Principals, 4 Assistant Vice Principals and the Director of Business Operations. Each has their own particular area of the school to lead and this is reviewed annually.

Other schools leaders have responsibility for different areas of the school. The staffing structure, including responsibilities, is reviewed on an annual basis.

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

The arrangements and range of remuneration packages for key management personnel are set by the Governors and managed operationally by the Performance Management Committee throughout the year and in full annually. The benchmarks and parameters for setting remuneration packages for key roles are based on local schools relative to the size of institution and accountability of the role. These roles are managed by the Principal and are held to account accordingly. The Principal is held to account through Performance Management Committee review directly of which the Chair of Governors is a member.

#### **Related Parties and other Connected Charities and Organisations**

As a church school, the Cathedral Academy works very closely with The Diocese of West Yorkshire and The Dales.

#### **Objectives and Activities**

##### **Objects and Aims**

The object of the Academy Trust, as set out in its articles of association, is specifically restricted to: to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

As stated above, the principal activity of the charitable company is the operation of Cathedral Academy, offering a broad and balanced curriculum, to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on performing arts at post 16.

##### **Objectives, Strategies and Activities**

The Leadership Team have developed an Academy Strategic Plan which has been shared with trustees and staff and identifies five focus areas:

- Achievement
- Effectiveness of teaching and learning
- Behaviour & Safety
- Leadership & Management
- Developing Ethos

The latest OFSTED judgement is from an inspection in September 2014. The school was judged as "Requires Improvement".

#### **Summary of key findings for parents and pupils**

##### **The school has the following strengths**

The sixth form is outstanding. As a result of excellent leadership and teaching, students achieve extremely well over time. They love learning and are exceptionally well prepared for their next stage in work or education.

Leaders ensure policies for the development of literacy are clear and applied by all staff. Opportunities for students to practise their basic literacy skills, including across curricular subjects are good.

Students achieve well in English. From very low starting points when they start in Year 7, students make good progress. Attainment at GCSE is broadly in line with national average.

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Trustees' Report (continued)**

#### **What does the school need to do to improve further?**

Improve the quality of teaching so that it is at least good and that students make at least good progress, particularly in mathematics, by ensuring that:

- all teachers have an accurate understanding of how well students are learning and provide activities which appropriately challenge and support students of all abilities to make good progress;
- teachers' questioning of students effectively probes their understanding and encourages them to extend and explain their thinking;
- all teachers have high expectations of what students are capable of achieving, including the amount of work completed and its presentation;
- students are given the opportunities they need to show their mathematical understanding and apply their knowledge and numeracy skills to solving real-life problems, including across the various curricular subjects;
- the quality of marking is consistently good and that all students are clear about of how well they are doing, know how to improve their work and are given time to respond to teachers' advice.

Develop students' attitudes to learning so that they take responsibility for their own progress.

Improve attendance and reduce persistent absence so that it is at least in line with the national average.

Improve the effectiveness of leaders and managers at all levels, including trustees and particularly middle leaders, in order to speed up the rate of improvement, by:

- ensuring that all middle leaders have the skills to reach an accurate view of the quality of teaching in their subjects, and to hold teachers to account for the progress of students in their classes;
- ensuring that actions planned by leaders are very clear and specific in how their impact will be measured, particularly in the learning and progress of students;
- making sure that trustees provide an effective level of challenge and support to academy leaders, particularly about the information they receive, so that they have an accurate view of how well the academy is performing and that this is reflected in the minutes of governing body meetings;
- ensuring that the best teaching practices which exist within the academy, particularly in the sixth form, are widely shared among staff.

#### **Public Benefit**

The Academy Trust trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers. The principal public benefit delivered by the Academy Trust is the provision of a high-quality education to students, in line with the articles of association.

### **Strategic Report**

#### **Achievements and Performance**

During 2015/16 Cathedral Academy had a census average of 640 pupils on roll plus 95 pupils at Post 16. Our aim was to improve on the previous year's results and show a positive Progress 8 score, Progress 8 shows how well pupils progress between the end of primary school and the end of secondary school at Key Stage 4. Our Progress 8 score was +0.1 which ranked us 10th out of the 18 similar schools in the Wakefield area.

The Cathedral Church of England Academy Trust (Wakefield)

Trustees' Report (continued)

Key Performance Indicators

Cohort information for pupils at the end of key stage 4	
Number of pupils at the end of Key Stage 4	124
Number of disadvantaged pupils	55
% of disadvantaged pupils	44%
Low prior attainment band: number of pupils	46
Low prior attainment band: % of pupils	40%
Middle prior attainment band: number of pupils	56
Middle prior attainment band: % of pupils	49%
High prior attainment band: number of pupils	12
High prior attainment band: % of pupils	11%
Number of pupils with English as an additional language	25
% of pupils with English as an additional language	20%
Number of pupils with SEN with statements or EHC plan	4
% of pupils with SEN with statements or EHC plan	3%
Number of pupils with SEN without statements or EHC plan (SEN support)	11
% of pupils with SEN without statements or EHC plan (SEN support)	9%

Progress 8	
Progress 8 score	0.1
Progress 8 lower confidence interval	-0.1
Progress 8 upper confidence interval	0.3
Number of pupils included in the Progress 8 score	114
% of pupils included in the Progress 8 score	92%
Attainment 8	
Average attainment 8 score per pupil	42.88
Progress 8 element breakdown	
English	0.1
Maths	0.02
English Baccalaureate element	-0.12
Open element	0.37
Attainment 8 element breakdown	
English	9.35
Maths	8.03
English Baccalaureate element	10.57
Open element	14.92
Open element - GCSE only	7.72
Open element - Non-GCSE only	7.2
Prior Attainment	
Average Attainment 8 score per pupil with low prior attainment	31.21
Progress 8 score for pupils with low prior attainment	0.26
Average Attainment 8 score per pupil with middle prior attainment	49.19
Progress 8 score for pupils with middle attainment	0.17
Average Attainment 8 score per pupil with high prior attainment	53.17
Progress 8 score for pupils with high attainment	-0.83

The Cathedral Church of England Academy Trust (Wakefield)

Trustees' Report (continued)

Disadvantaged pupils	
Number of disadvantaged pupils in the Progress 8 score	53
Progress 8 score for disadvantaged pupils	-0.16
Progress 8 score for disadvantaged pupils - English	-0.03
Progress 8 score for disadvantaged pupils - Maths	-0.26
Progress 8 score for disadvantaged pupils - English Baccalaureate slots	-0.37
Progress 8 score for disadvantaged pupils - Open slots	0.02
Average Attainment 8 score per disadvantaged pupil	38.54
Average Attainment 8 score per disadvantaged pupil - English	8.8
Average Attainment 8 score per disadvantaged pupil - Maths	6.98
Average Attainment 8 score per disadvantaged pupil - English Bacc slots	9.24
Average Attainment 8 score per disadvantaged pupil - Open slots	13.52
Average Attainment 8 score per disadvantaged pupil - Open slots - GCSE only	6.87
Average Attainment 8 score per disadvantaged pupil - Open slots - non GCSE	6.65
% of disadvantaged pupils entering the English Baccalaureate	13%
% of disadvantaged pupils achieving English Baccalaureate	5%
% of disadvantaged pupils achieving a good pass in English and maths	36%

GCSE and equivalent achievements of pupils at the end of key stage 4	
% entering the English Baccalaureate	17.70%
% achieving the English Baccalaureate	7%
% achieving a good pass in English and maths	47%
% entering more than one language	0%
% entering three single sciences	0%
Year on year comparison (2015 opt-in schools only)	
Progress 8 score 2015	NA

Headline Measures	
Cohort information for students at the end of 16-18 studies	
Number of students at the end of 16-18 studies	56
A level cohort and results	
Number of students entered for A level qualifications (for average grade measure)	49
Average point score per A level entry expressed as a grade	B
Average point score per A level entry (new point system, see guide)	38.97
Academic cohort and results	
Number of students entered for academic qualifications (for average grade measure)	49
Average point score per academic entry expressed as an A level grade	B
Average point score per academic entry (new point system, see guide)	38.97
Applied general cohort and results	
Number of students entered for applied general qualifications (for average grade measure)	45
Average point score per applied general entry expressed as a vocational grade	Dist*
Average point score per applied general entry (new point system, see guide)	47.44
Tech level cohort and results	
Number of students entered for tech level qualifications (for average grade measure)	2
Average point score per tech level entry expressed as a vocational grade	Dist-
Average point score per tech level entry (new point system, see guide)	30



# The Cathedral Church of England Academy Trust (Wakefield)

## Trustees' Report (continued)

English and maths progress measure	
Number of students included in English progress measure (without at least an English GCSE grade C by end of key stage 4)	4
Average progress made in English	0.75
Number of students included in maths progress measure (without at least a maths grade C by end of key stage 4)	10
Average progress made in maths	0.3

A level Attainment	
Number of students included in AAB measure	0
% of students who achieve three GCE A levels at grades AAB or higher, with two in facilitating subjects	0%
Number of students included in best three A levels measure	0
Average points per entry in best three A levels expressed as a grade	null
Average point score per entry in best three A levels (new point system, see guide)	0
TechBacc	
Number of students achieving the TechBacc	0

### Attendance

Average attendance figures for the academic year ended 31 August 2016 was 94.55% for Years 7 -13.

### Going Concern

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

### Financial Review

The majority of the Academy's income is obtained from the EFA in the form of the General Annual Grant (GAG). The Academy also receives other grants such as pupil premium and Special Needs funding. In accordance with SORP (Statement of Recommended Practice) these items are shown as restricted funding. The Academy also receives unrestricted funds which include facility hire and school to school consultancy and other services.

During the year ended 31 August 2016 the total restricted expenditure (excluding capital expenditure) of £4,991,000 exceeded GAG and other restricted incoming resources (excluding capital grants) of £4,917,000 by £74,000. The balance of GAG carried forward is £nil. The excess of income over expenditure on unrestricted funds was £22,000 for the year. The balance of unrestricted funds carried forward is £231,000 and this can be used for any purposes within the Academy's charitable objects.

The Academy also received capital funding of £17,000 during the year.

The Academy opted into the DfE's RPA scheme from 1 September 2014. The RPA aims to protect academy trusts against losses due to any unforeseen and unexpected event. The intention is that the RPA will, as a minimum, cover risks normally included in a standard schools insurance policy.

The RPA includes enhanced levels of protection including:

- advance payments under the material damage protection
- unlimited employers liability and public liability

There is no cost or premium to join the RPA. EFA deduct £25 per pupil at source from an academy's general annual grant (GAG). This equated to a cost of £18,875.

### Reserves Policy

The trustees of the Academy consider it prudent that the Academy Trust maintains sufficient reserves to meet unexpected expenditure, but a formal target level of reserves has not been calculated. At 31 August 2016, the Academy held £231,000 in unrestricted free reserves and £nil in restricted GAG reserves. The trustees believe that these funds are sufficient for future operational requirements.

The deficit in the Local Government Pension Scheme (LGPS) of £2,065,000, is recognised in the balance sheet as per the requirements of FRS102. The pension deficit is not expected to have any material impact on the financial viability of the organisation.

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Trustees' Report (continued)**

#### **Investment Policy**

The funds of the Academy are held in bank deposit and current accounts, which are low risk investments. £250,000 was deposited into a high interest account for a period of 9 months and accrued an annual interest of £1,512

#### **Principal Risks and Uncertainties**

The academy has in the past faced the difficulty of a falling roll as a consequence of stable numbers entering in Year 7 but larger groups departing in Year 11. In response to this risk, the academy has developed an alternative Year 7 curriculum to ensure stability of numbers at Year 7 and has also ensured a surplus position to safeguard against the financial consequences of declining numbers. September 2015 has seen the Year 7 number increase from previous years as a response to the new curriculum being embedded but also an increase in the local population. The reduction in the Education Services Grant also poses a financial risk which again has been managed through the surplus position of the academy.

These risks have been identified by the trustees and have been reviewed and systems/procedures have been established to manage these risks.

#### **Risk Management**

The trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to teaching, provision of facilities, financial, health and safety and other operational areas of the Academy. Systems, policies, procedures and training have been established to manage those risks.

#### **Financial and Risk Management Objectives and Policies**

The Academy's dealings with financial instruments are limited to bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature of the Academy's debtors (being principally Government bodies and other schools) and therefore the risk to cash flow is also minimal.

#### **Plans for Future Periods**

During the 2015/16 academic year, steps have been made in identifying a Multi Academy Trust which shares the same values and ethos as Cathedral Academy. The rationale being that the academy requires support in order to address the areas identified as requiring improvement in the Ofsted report including raising levels of student progress and performance, developing consistent teaching and learning and providing the best possible facilities and opportunities for students.

Following an intensive review of all potential Diocesan MATs, the governing body unanimously agreed that Trinity MAT, Halifax were best placed to support Cathedral. Trinity Academy has a similar context to Cathedral Academy and the KS2 levels on entry are also similar yet their students perform and make much better progress. They are also an Outstanding Academy. The MAT is still in its infancy and has supported The Maltings over the last year who are formally joining the Trust in October 2016.

Cathedral Academy will formally join Trinity Multi Academy Trust, Halifax in the next accounting period.

As part of Trinity's commitment to support Cathedral, they have provided specialist Maths support in 2015/16 and identified potential collaboration projects for moving forward. From September 2016, a number of Trinity Academy staff will be seconded to Cathedral Academy, primarily into key areas where recruitment and performance has previously been an issue including Maths, English, Science and Humanities. Trinity will also provide an Acting Principal, R Marsh, with effect from 1 September 2016 following the resignation of T Warren and due to the Senior Vice Principal going on maternity leave from 28 August 2016. The Acting Principal will take on the role of Accounting Officer and sign the Annual Report and Financial Statements as required.

A bespoke CPD programme combined with joint INSET days will provide further development of staff at all levels as well as specialist support from The White Rose Maths Hub.

Joining the MAT will also secure cost efficiencies at a time when education budget cuts are impacting on the financial stability of the organisation. Shared staffing and a review of structures will be imperative moving forward.

The Academy launched CAPA Juniors in 2013 which is aimed at attracting students into an alternative performing arts pathways at Year 7. CAPA Juniors will continue as part of the strategy to secure Year 7 intake. It is also anticipated that the population will start to stabilise and grow from 2016/17.

In the next accounting period a decision will be taken regarding the future of the sixth form provision at Cathedral Academy. In 2015 a bid for a performing arts Free School was successful and is presently in the pre-opening phase under Enhance MAT with an opening date currently unknown. The Free School will be located in Leeds but delays in identifying a site have meant that the opening date may be deferred. If deferred, the sixth form provision will remain within Cathedral Academy until a new opening date is agreed and will be managed by the Academy with a service level agreement in place with Enhance MAT for any provisions offered.

#### **Funds Held as Custodian Trustee for Others**

The academy trust does not hold any funds as custodian trustee for other persons or organisations.

**The Cathedral Church of England Academy Trust (Wakefield)**

**Trustees' Report (continued)**

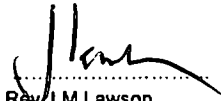
**Auditors**

In so far as the Trustees are aware:

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

Gibson Booth, will be proposed for re-appointment as auditor at the forthcoming Annual General Meeting.

The trustees' report, incorporating a strategic report, was approved by order of the members of the Board of Trustees on 12 December 2016 and signed on its behalf by:



Rev J M Lawson  
Chair of Trustees

## The Cathedral Church of England Academy Trust (Wakefield)

### Governance Report

#### Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Cathedral Academy 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 Governing Body has delegated the day-to-day responsibility to the Principal, 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 Cathedral Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 five times from September 2015 to August 2016.

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

Trustee	Meetings Attended	Out of a possible
Rev J M Lawson (Chair)	5	5
J Hanson (Vice Chair)	5	5
S H Trout (Staff trustee)	3	5
T Warren (Principal & Accounting Officer)	5	5
S A Wing	4	5
A Sheard (Staff trustee)	3	5
C L Young	1	5
J Sweeney (Staff trustee)	5	5
A Dean	3	5
N Bowen	2	5
L O'Brien	5	5
H David	4	5
R Fox	3	5

The Finance Committee is a sub-committee of the main governing body. Its purpose is to ensure value for money and financial planning and compliance, and ensure the effective use of resources. During the year Alison Dean who has considerable financial experience from working at HMRC joined the committee as the Chair. Attendance at meetings in the year was as follows:

Trustee	Meetings Attended	Out of a possible
A Dean (Chair)	5	6
Rev J M Lawson	6	6
H David	4	5
J Sweeney	6	6
N Bowen	2	6

#### Review of Value for Money

As accounting officer of The Cathedral Church of England Academy Trust, the principal has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayers resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during the academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by :

#### Improving educational results

##### Targeted Improvement

The staffing structure is reviewed on an annual basis in line with budget planning and the curriculum review. Subject mentors are deployed to support targeted intervention strategies for students identified as at risk of underachievement. The curriculum model is reviewed annually and a new pathway was introduced at Key Stage 3 (KS3) to allow students to specialise in the performing arts area.

##### Focus on Individual Students

As detailed above mentors are deployed to provide targeted intervention. The Academy provides language and learning support programs for students with specific English as an Additional Language (EAL) needs and a Learning Support provision for students with specific learning needs. Guided choices at KS4 are made to ensure more able students make the most appropriate option choices.

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Governance Report (continued)**

#### **Collaboration**

The Academy has an onsite behaviour unit called CASCADE. The aim of CASCADE is to minimise exclusions and promote restorative practice. This provision is available for other schools to use therefore reducing costs for all.

The Academy works within a network of secondary schools and with its primary feeder schools and shares training events for all staff.

#### **Robust governance and oversight of Academy Trust finances**

The Academy receives support throughout the year from its External Auditors on compliance and accounting practices.

The Accounting Officer and Director of Business Operations receive monthly financial monitoring reports and monthly management accounts are also produced. The Finance and Personnel Committee receive copies of these financial reports and also receive verbal reports from the Finance Manager about the academy's expenditure compared to its budget.

The Trustees approve the budget each year and is mindful of the need to balance expenditure against income and ensure the Academy Trust remains a 'going concern'. The budget is then reviewed termly to ensure efficiencies are balanced.

The Trust also receives and approves the Annual Accounts and the External Auditors Management Report.

#### **Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources**

The Academy regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3 to 5 years) remain competitive. The Academy benefitted from funding secured through the Academies Capital Maintenance Fund and worked with an externally appointed Project Manager to ensure all work undertaken was competitively sourced.

For purchases above £2,500, but below the tender limit, at least 3 quotes are required.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cathedral Academy for the period ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2016 and up to the date of approval of the annual report and financial statements. A Risk Register is in place and responsibility lies with the Finance & Personnel Sub Committee to review the register taking into consideration feedback from the Chairs of the other sub-committees. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive half termly budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- clearly defined purchasing guidelines;
- open accounting procedures;
- monthly reviews of all delegated budgets with budget holders ensure that the financial information is accurate and expenditure is on track;
- delegation of authority and segregation of duties;
- identification and management of risks.

## The Cathedral Church of England Academy Trust (Wakefield)

### Governance Report (continued)

#### Review of Effectiveness

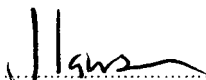
As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


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

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

The arrangements made to safeguard the resources and assets of Cathedral Academy are, in the trustees' opinion, robust and fit for purpose. However, the current arrangements can provide only reasonable and not absolute assurance.

Approved by order of the members of the board of trustees on 12 December 2016 and signed on its behalf by:

  
Rev J M Lawson  
Chair of Trustees

  
R Marsh  
Accounting Officer

## The Cathedral Church of England Academy Trust (Wakefield)

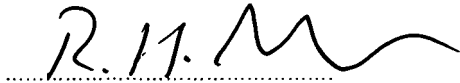
### Statement of Regularity, Propriety and Compliance

As accounting officer of Cathedral Church of England Academy Trust, Wakefield 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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.

Retrospective approval has been sought from the EFA for a special payment which has been made that is in excess of the £50,000 threshold. The special payment was made following independent advice sought by the Board of Governors from an external HR company in relation to a matter where there was a potential internal conflict of interest. A subsequent review of this advice highlighted the advisors' misinterpretation of the guidance provided by the EFA on making such payments.

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 Governing Body and EFA.



R Marsh  
Accounting Officer

12/12/16

## The Cathedral Church of England Academy Trust (Wakefield)

### Statement of Trustees' Responsibilities

The trustees (who act as governors of The Cathedral Church of England Academy Trust (Wakefield) 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 published 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:

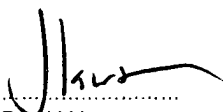
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2016 and signed on its behalf by:



Rev J M Lawson  
Trustee



## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Independent Auditor's Report to the Members of The Cathedral Church of England Academy Trust (Wakefield)**

We have audited the financial statements of The Cathedral Church of England Academy Trust (Wakefield) for the year 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 academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the financial statements**

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

#### **Opinion on financial statements**

In our opinion the financial statements:

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

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

In our opinion the information given in the Trustees' Annual Report including the Strategic Report for the financial year 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;
- 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.

*AJR Russell*

Alistair Russell FCA  
For and on behalf of  
Gibson Booth Chartered Accountants  
and Statutory Auditors  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

19/12/16

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Independent Reporting Accountant's Assurance Report on Regularity to The Cathedral Church of England Academy Trust (Wakefield) and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 8 September 2014 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 The Cathedral Church of England Academy Trust (Wakefield) during the period from 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **Respective responsibilities of The Cathedral Church of England Academy Trust (Wakefield)'s accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Cathedral Church of England Academy Trust (Wakefield)'s funding agreement with the Secretary of State for Education dated 21 December 2011 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 from 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

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

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

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

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

The work undertaken to draw our conclusions includes:

- an initial risk assessment, the results of which were used to tailor a specific work programme to ensure sufficient appropriate evidence could be obtained to support the conclusion;
- a review of the academy trust's accounting and internal control procedures; and
- consideration and review of the evidence supporting the accounting officer's statement on regularity, propriety and compliance.

**The Cathedral Church of England Academy Trust (Wakefield)**

**Independent Reporting Accountant's Assurance Report on Regularity to The Cathedral Church of England Academy Trust (Wakefield) and the Education Funding Agency (continued)**

**Conclusion**

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

As described on page 13 a staff severance payment exceeding £50,000 was made during the year without prior approval from the Education Funding Authority. The payment was approved by the trustees and the academy trust has applied, but not yet received, retrospective approval for this payment from the Education Funding Agency.

*Gibson Booth*

Gibson Booth Chartered Accountants  
and Statutory Auditors  
New Court  
Abbey Road North  
Shepley  
Huddersfield  
HD8 8BJ

19/12/16

**The Cathedral Church of England Academy Trust (Wakefield)**

**Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure Account)**

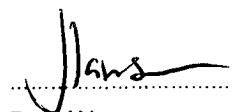
		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	Total 2015
	Note	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	2	1	10	7	18	319
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	3	-	4,714		4,714	4,640
Other trading activities	4	122	193	-	315	312
Investments	5	2	-	-	2	2
<b>Total</b>		<u>125</u>	<u>4,917</u>	<u>7</u>	<u>5,049</u>	<u>5,273</u>
<b>Expenditure on:</b>						
Raising funds	6	103	45	-	148	212
<b>Charitable activities:</b>						
Academy trust educational operations	7	-	4,946	417	5,363	5,692
<b>Total</b>		<u>103</u>	<u>4,991</u>	<u>417</u>	<u>5,511</u>	<u>5,904</u>
<b>Net income / (expenditure)</b>		22	(74)	(410)	(462)	(631)
<b>Transfers between funds</b>	15	(20)	(28)	48	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes	15,20	-	(1,333)	-	(1,333)	21
<b>Net movement in funds</b>		<u>2</u>	<u>(1,435)</u>	<u>(362)</u>	<u>(1,795)</u>	<u>(610)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>229</u>	<u>(630)</u>	<u>14,538</u>	<u>14,137</u>	<u>14,747</u>
Total funds carried forward		<u>231</u>	<u>(2,065)</u>	<u>14,176</u>	<u>12,342</u>	<u>14,137</u>

**The Cathedral Church of England Academy Trust (Wakefield)**

**Balance Sheet as at 31 August 2016**

		2016	2015
	Note	£000	£000
<b>Fixed assets</b>			
Tangible assets	11	14,176	14,538
<b>Current assets</b>			
Stock	12	3	1
Debtors	13	114	119
Cash at bank and in hand		417	426
		<u>534</u>	<u>546</u>
Creditors: Amounts falling due within one year	14	<u>(303)</u>	<u>(317)</u>
<b>Net current assets</b>		<u>231</u>	<u>229</u>
<b>Total assets less current liabilities</b>		<u>14,407</u>	<u>14,767</u>
<b>Net assets excluding pension liability</b>		<u>14,407</u>	<u>14,767</u>
Defined benefit pension scheme liability	20	<u>(2,065)</u>	<u>(630)</u>
<b>Total assets</b>		<u><u>12,342</u></u>	<u><u>14,137</u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>			
Fixed asset fund	15	14,176	14,538
Restricted income fund	15	-	-
Pension reserve	15	<u>(2,065)</u>	<u>(630)</u>
<b>Total restricted funds</b>		<u>12,111</u>	<u>13,908</u>
<b>Unrestricted income funds</b>	15	<u>231</u>	<u>229</u>
<b>Total funds</b>		<u><u>12,342</u></u>	<u><u>14,137</u></u>

The financial statements on pages 18 to 36 were approved by the trustees, and authorised for issue on 12/12/16 and are signed on their behalf by:

  
 Rev J M Lawson  
 Trustee

Company Registration Number: 07846823

**The Cathedral Church of England Academy Trust (Wakefield)**  
**Statement of Cash Flows for the year ended 31 August 2016**

	Note	2016 £000	2015 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	61	115
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		2	2
Proceeds from sale of tangible fixed assets		-	2
Purchase of tangible fixed assets		(55)	(218)
Capital grants from DfE/EFA		(17)	(319)
		<u>(70)</u>	<u>(533)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(9)</u>	<u>(418)</u>
<b>Cash and cash equivalents at 1 September 2015</b>		426	844
<b>Cash and cash equivalents at the 31 August 2016</b>		<u>417</u>	<u>426</u>

## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Notes to the Financial Statements for the period ended 31 August 2016**

#### **1 Statement of Accounting Policies**

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

##### **Basis of Preparation**

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 (FRS102), 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 (FRS102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

*The Cathedral Church of England Academy Trust (Wakefield) meets the definition of a public benefit entity under FRS 102.*

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 22.

##### **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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

##### **Income**

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

##### **Grants**

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

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

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

##### **Donations**

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

##### **Other Income**

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

## The Cathedral Church of England Academy Trust (Wakefield)

### Notes to the Financial Statements for the period ended 31 August 2016

#### 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.

#### Expenditure on Raising Funds

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

#### Charitable Activities

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

#### Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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.

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

Leasehold land	Over 125 years, the term of the lease
Leasehold buildings	2% straight line
Computer equipment	25% straight line
Fixtures & fittings	25% reducing balance
Motor Vehicles	25% reducing balance

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.

#### Liabilities

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

#### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

#### Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

#### 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 part 11, chapter 3 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.



## **The Cathedral Church of England Academy Trust (Wakefield)**

### **Notes to the Financial Statements for the period ended 31 August 2016**

#### **Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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.

#### **Fund Accounting**

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

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

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

#### **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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pensions liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the tangible assets, and accounting policies for the depreciation rates used for each class of assets.

##### *Critical areas of judgement*

No significant judgements have been made in the process of applying the entity's accounting policies.

The Cathedral Church of England Academy Trust (Wakefield)

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Capital Grants	-	17	17
Donations	1	-	1
	<u>1</u>	<u>17</u>	<u>18</u>

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
Capital Grants	-	319	319
	<u>-</u>	<u>319</u>	<u>319</u>

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
<b>DfE / EFA grants</b>			
General Annual Grant (GAG)	-	4,326	4,326
Pupil premium	-	310	310
Other DfE/EFA grants	-	42	42
	<u>-</u>	<u>4,678</u>	<u>4,678</u>

<b>Other Government grants</b>			
SEN funding	-	31	31
Other grants	-	5	5
	<u>-</u>	<u>36</u>	<u>36</u>
	<u>-</u>	<u>4,714</u>	<u>4,714</u>

	Unrestricted Funds £000	Restricted Funds £000	Total 2015 £000
<b>DfE / EFA grants</b>			
General Annual Grant (GAG)	-	4,289	4,289
Pupil premium	-	238	238
Other DfE/EFA grants	-	81	81
	<u>-</u>	<u>4,608</u>	<u>4,608</u>

<b>Other Government grants</b>			
SEN funding	-	31	31
	<u>-</u>	<u>31</u>	<u>31</u>
<b>Other income from the academy trust's educational operations</b>			
	-	1	1
	<u>-</u>	<u>4,640</u>	<u>4,640</u>

The Cathedral Church of England Academy Trust (Wakefield)

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

4 Other trading activities

	Unrestricted Funds	Restricted Funds	Total 2016
	£000	£000	£000
Performances	43	-	43
Hire of facilities	10	-	10
Consultancy	53	-	53
School trips	-	42	42
Catering	-	151	151
Other income	16	-	16
	<u>122</u>	<u>193</u>	<u>315</u>
	Unrestricted Funds	Restricted Funds	Total 2015
	£000	£000	£000
Performances	46	-	46
Hire of facilities	9	-	9
Consultancy	8	-	8
School trips	-	110	110
Catering	-	124	124
Other income	15	-	15
	<u>78</u>	<u>234</u>	<u>312</u>

5 Investment income

	Unrestricted Funds	Total 2016	Unrestricted Funds	Total 2015
	£000	£000	£000	£000
Bank interest receivable	2	2	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

The Cathedral Church of England Academy Trust (Wakefield)

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2016
	£000	£000	£000	£000
Expenditure on raising funds	34	4	110	148
Academy's educational operations:				
Direct costs	3,310	416	332	4,058
Allocated support costs	739	209	357	1,305
	<u>4,083</u>	<u>629</u>	<u>799</u>	<u>5,511</u>

	Staff Costs	Non Pay Expenditure		Total
		Premises	Other	2015
	£000	£000	£000	£000
Expenditure on raising funds	6	4	202	212
Academy's educational operations:				
Direct costs	3,370	450	457	4,277
Allocated support costs	834	313	268	1,415
	<u>4,210</u>	<u>767</u>	<u>927</u>	<u>5,904</u>

Net income/(expenditure) for the period includes:

	2016	2015
	£000	£000
Operating lease rentals	27	26
Depreciation	417	448
Fees payable to auditor for:		
- audit	5	5
- other services	<u>4</u>	<u>5</u>

	2016	2015
	£000	£000
Included within expenditure are the following transactions:		
- unrecoverable debts	<u>-</u>	<u>1</u>

**The Cathedral Church of England Academy Trust (Wakefield)**

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**7 Charitable Activities**

	2016	2015
	£000	£000
Direct costs – educational operations	4,058	4,277
Support costs – educational operations	1,305	1,415
	<u>5,363</u>	<u>5,692</u>

**Analysis of support costs**

	2016	2015
	£000	£000
Support staff costs	739	834
Premises costs	209	313
Other support costs	336	244
Governance costs	21	24
<b>Total support costs</b>	<u>1,305</u>	<u>1,415</u>

**The Cathedral Church of England Academy Trust (Wakefield)**

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**8 Staff**

**a. Staff costs**

Staff costs during the period were:

	Total 2016 £000	Total 2015 £000
Wages and salaries	3,213	3,391
Social security costs	262	249
Operating costs of defined benefit pension schemes	492	482
	<u>3,967</u>	<u>4,122</u>
Supply staff costs	50	18
Staff restructuring costs	66	70
	<u>4,083</u>	<u>4,210</u>
Staff restructuring costs comprise:		
Severance payments	66	58
Other restructuring costs	-	12
	<u>66</u>	<u>70</u>

**b. Non statutory/non contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £65,667 (2015: £70,228). Individually, the payments were: £1,000, £7,040, £2,461 and £55,166.

Further details of the special payment of £55,000 are included in the statement of regularity, propriety and compliance on page 13.

**c. Staff numbers**

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

	2016 No.	2015 No.
Teachers	40	45
Administration and support	68	71
Management	8	7
	<u>116</u>	<u>123</u>

**d Higher paid staff**

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

	2016 No.	2015 No.
£60,001 - £70,000	4	4
£100,001 - £110,000	-	1
£160,001 - £170,000	1	-
	<u>1</u>	<u>-</u>

**e Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £644,235 (2015: £598,421).

## The Cathedral Church of England Academy Trust (Wakefield)

### Notes to the Financial Statements for the year ended 31 August 2016 (continued)

#### 9 Related Party Transactions - Governors' Remuneration and Expenses

One or more governors has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff governors only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

T Warren (principal and governor):

- Remuneration £160,000 - £165,000 (2015: £105,000 - £110,000)
- Employer's pension contributions paid £15,000 - £20,000 (2015: £15,000 - £20,000)

S Trout (staff governor):

- Remuneration £25,000 - £30,000 (2015: £25,000 - £30,000)
- Employer's pension contributions paid £Nil - £5,000 (2015: £Nil - £5,000)

H Kennedy (staff governor) (Resigned 31 August 2015):

- Remuneration £Nil (2015: £35,000 - £40,000)
- Employer's pension contributions paid £Nil (2015: £Nil - £5,000)

A Sheard (staff governor):

- Remuneration £40,000 - £45,000 (2015: £30,000 - £35,000)
- Employer's pension contributions paid £5,000 - £10,000 (2015: £Nil - £5,000)

J Sweeney (staff governor):

- Remuneration £40,000 - £45,000 (2015: £30,000 - £35,000)
- Employer's pension contributions paid £5,000 - £10,000 (2015: £Nil - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £124 was reimbursed 1 trustee (2015: £Nil to no governors).

Other related party transactions involving the trustees are set out in note 21.

#### 10 Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost of this insurance cannot be separately identified but is included in the total insurance cost.

**The Cathedral Church of England Academy Trust (Wakefield)**

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**11 Tangible Fixed Assets**

	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 September 2015	14,973	563	449	31	16,016
Additions	3	21	31	-	55
Disposals	-	-	(1)	-	(1)
At 31 August 2016	<u>14,976</u>	<u>584</u>	<u>479</u>	<u>31</u>	<u>16,070</u>
<b>Depreciation</b>					
At 1 September 2015	911	212	334	21	1,478
Charged in year	254	91	89	3	417
Disposals	-	-	(1)	-	(1)
At 31 August 2016	<u>1,165</u>	<u>303</u>	<u>402</u>	<u>24</u>	<u>1,894</u>
<b>Net book values</b>					
At 31 August 2016	<u>13,811</u>	<u>281</u>	<u>77</u>	<u>7</u>	<u>14,176</u>
At 31 August 2015	<u>14,062</u>	<u>351</u>	<u>115</u>	<u>10</u>	<u>14,538</u>

**12 Stock**

	2016 £000	2015 £000
Clothing	1	1
Catering	2	-
	<u>3</u>	<u>1</u>

**13 Debtors**

	2016 £000	2015 £000
Trade debtors	18	5
VAT recoverable	4	22
Other debtors	7	6
Prepayments and accrued income	85	86
	<u>114</u>	<u>119</u>

**14 Creditors: Amounts Falling due within one year**

	2016 £000	2015 £000
Trade creditors	39	62
Other taxation and social security	78	73
Other creditors	2	2
Accruals and deferred income	184	180
	<u>303</u>	<u>317</u>
<b>Deferred income</b>		
	2016 £000	2015 £000
Deferred income at 1 September 2015	100	199
Released from previous years	(100)	(199)
Resources deferred in the year	87	100
Deferred Income at 31 August 2016	<u>87</u>	<u>100</u>

The deferred income represents funds received in advance from the DfE.



The Cathedral Church of England Academy Trust (Wakefield)

Notes to the Financial Statements for the year ended 31 August 2016 (continued)

15 Funds

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,326	(4,232)	(94)	-
Pupil Premium	-	310	(310)	-	-
Other DfE/EFA grants	-	42	(42)	-	-
Other government grants	-	31	(31)	-	-
Other grants	-	5	(5)	-	-
Catering	-	151	(216)	65	-
School trips	-	42	(43)	1	-
Devolved capital grant	-	10	(10)	-	-
Pension reserve	(630)	-	(102)	(1,333)	(2,065)
	<u>(630)</u>	<u>4,917</u>	<u>(4,991)</u>	<u>(1,361)</u>	<u>(2,065)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	13,592	-	(283)	-	13,309
Devolved capital grant	82	7	(13)	-	76
Capital maintenance grant	420	-	(57)	-	363
Capital expenditure from GAG	444	-	(64)	48	428
	<u>14,538</u>	<u>7</u>	<u>(417)</u>	<u>48</u>	<u>14,176</u>
<b>Total restricted funds</b>	<u>13,908</u>	<u>4,924</u>	<u>(5,408)</u>	<u>(1,313)</u>	<u>12,111</u>
<b>Total unrestricted funds</b>	<u>229</u>	<u>125</u>	<u>(103)</u>	<u>(20)</u>	<u>231</u>
<b>Total funds</b>	<u>14,137</u>	<u>5,049</u>	<u>(5,511)</u>	<u>(1,333)</u>	<u>12,342</u>

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

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

The other restricted general funds relate to grants and other income receivable from the DfE, EFA and other sources towards the operating activities of the academy trust.

The restricted fixed asset funds represent the net book values of donated fixed assets purchased out of income from other sources which are held for the continuing use of the academy trust.

Catering and school trips deficits are funded from the GAG and transfers between the funds of £65,000 and £1,000 respectively reflect this.

The transfer of £48,000 from the fixed asset fund represents fixed assets purchased out of GAG

A deficit of £20,000 on the GAG after the above transfers has been funded by a transfer from unrestricted general funds.

**The Cathedral Church of England Academy Trust (Wakefield)**  
**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**16 Analysis of Net Assets between Funds**

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	14,176	14,176
Current assets	231	303	-	534
Current liabilities	-	(303)	-	(303)
Pension scheme liability	-	(2,065)	-	(2,065)
Total net assets	<u>231</u>	<u>(2,065)</u>	<u>14,176</u>	<u>12,342</u>

**17 Commitments under operating leases**

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

	2016 £000	2015 £000
Amounts due within one year	28	25
Amounts due between one and five years	<u>48</u>	<u>59</u>
	<u>76</u>	<u>84</u>

**18 Reconciliation of Net expenditure to Net Cash Flow from Operating Activities**

	2016 £000	2015 £000
Net expenditure for the reporting period	(462)	(631)
Adjusted for:		
Depreciation charges (note 11)	417	448
Capital grants from DfE and other capital income (note 2)	17	319
Interest receivable (note 5)	(2)	(2)
Defined benefit pension scheme cost less contributions payable (note 20)	80	92
Defined benefit pension scheme finance cost (note 20)	22	18
Increase in stock	(2)	-
Decrease in debtors	5	139
Decrease in creditors	(14)	(268)
Net cash provided by Operating Activities	<u>61</u>	<u>115</u>

**19 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.

## The Cathedral Church of England Academy Trust (Wakefield)

### Notes to the Financial Statements for the period ended 31 August 2016 (continued)

#### 20 Pension and Similar Obligations

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

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a 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 year the employer contribution rate was 14.1% The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £306,000 (2015: £267,000).

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

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

**The Cathedral Church of England Academy Trust (Wakefield)**

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**20 Pension and Similar Obligations (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £168,000 (2015: £193,000), of which employer's contributions totalled £106,000 (2015: £123,000) and employees' contributions totalled £62,000 (2015: £70,000). The agreed contribution rates for future years are 10.70% for employers and between 5.50% and 6.80% for employees depending on earnings.

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.

The academy trust has no agreement to make additional contributions to WYPF to reduce the scheme deficit.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.40%	3.60%
Rate of increase for pensions in payment/inflation	1.90%	2.10%
Rate of revaluation in pension account	1.90%	2.10%
Discount rate for scheme liabilities	2.00%	3.80%
Inflation assumption (CPI)	1.90%	2.10%
Commutation of pensions to lump sums	50.00%	50.00%

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

	At 31 August 2016	At 31 August 2015
<i>Retiring today</i>		
Males	22.7	22.6
Females	25.6	25.5
<i>Retiring in 20 years</i>		
Males	24.9	24.8
Females	28.0	27.8

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

	Fair value at 31 August 2016	Fair value at 31 August 2015
	£000	£000
Equity instruments	2,810	2,308
Bonds	576	456
Property	180	137
Other	176	140
Total market value of assets	3,742	3,041
Present value of scheme liabilities		
- funded	(5,807)	(3,671)
Deficit in scheme	(2,065)	(630)

The actual return on scheme assets was £586,000 (2015: £41,000).

**The Cathedral Church of England Academy Trust (Wakefield)**

**Notes to the Financial Statements for the year ended 31 August 2016 (continued)**

**20 Pension and Similar Obligations (continued)**

**Amounts recognised in the statement of financial activities**

	2016	2015
	£000	£000
Current service cost (net of employee contributions)	(186)	(215)
Net interest cost	(22)	(18)
Total operating charge	<u>(208)</u>	<u>(233)</u>

**Changes in the present value of defined benefit obligations were as follows:**

	2016	2015
	£000	£000
At 1 September	3,671	3,384
Current service cost	186	215
Interest cost	140	126
Employee contributions	62	70
Actuarial loss/(gain)	1,801	(88)
Benefits paid	(53)	(36)
At 31 August	<u>5,807</u>	<u>3,671</u>

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

	2016	2015
	£000	£000
At 1 September	3,041	2,843
Return on plan assets (excluding net interest on the net defined pension liability)	118	108
Actuarial gain/(loss)	468	(67)
Employer contributions	106	123
Employee contributions	62	70
Benefits paid	(53)	(36)
At 31 August	<u>3,742</u>	<u>3,041</u>

**21 Related Party Transactions**

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

**Payments were made to the following related parties:**

	2016	2015
	£	£
The Diocese of Wakefield	15,000	12,000
W Kennedy Services Limited (a governor's spouse has an interest)	-	237
D Lunn Associates Limited (David Lunn, the network manager, has an interest)	21,577	19,430
Wakefield Glass and Aluminium Co (the spouse of a governor has an interest)	140	1,244
School Speakers (a governor has an interest)	-	218
Trinity Academy Halifax (J Hanson is a governor)	11,187	-

**Balances due from/(to) related parties at the year end:**

	2016	2015
	£	£
D Lunn Associates Limited (David Lunn, the network manager, has an interest)	(9,425)	(4,493)

## The Cathedral Church of England Academy Trust (Wakefield)

### Notes to the Financial Statements for the period ended 31 August 2016

#### 22 Explanation of transition to FRS 102

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

Comparative figures have been restated to reflect the adjustments made.

There was no effect on total funds. Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on net expenditure for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of net income/(expenditure)	Notes	31 August 2015 £000
Net expenditure previously reported under UK GAAP		(548)
Change in recognition of LGPS interest cost	A	<u>(83)</u>
Net movement in funds reported under FRS 102		<u><u>(631)</u></u>

#### A – Change in recognition of LGPS interest cost

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the credit to expenses by £83,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.