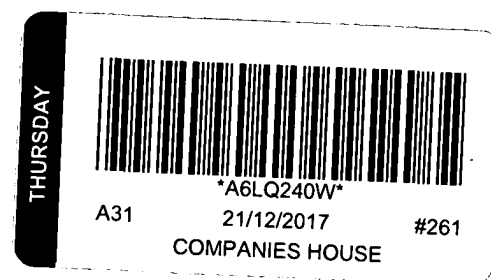


**Community Schools Alliance
Trust (previously Cheney School
Academy Trust)**

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2017



Period of account: 1 September 2016 – 31 August 2017

**Company Registration Number:
08319810 (England and Wales)**

Community Schools Alliance Trust

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Community Schools Alliance Trust
Reference and Administrative Details

Members

Dr Ann Childs
Mrs Lynn Douglas
Dr Bridget Durning
Prof. Richard Huggins
Mr Bob Price
Mr Tim Wainwright

Trustees'

Dr Bridget Durning (Chairperson)
Dr Ann Childs (appointed September 2017)
Sir Tim Brighthouse (resigned August 2017)
Ms Liz Nuttal (appointed September 2017)
Mr Ian Busby
Dr Nicholas Hindley (resigned December 2016)
Mrs Jolie Kirby
Mr Richard Stamper (resigned September 2017)

Pay and audit committee

Mr Ian Busby
Mrs Jolie Kirby
Sir Tim Brighthouse
Mr Richard Stamper
Mr Martin Broderick

Company Secretary

Gemma Flegg

Community Schools Alliance Trust
Reference and Administrative Details (continued)

Senior Trust Management Team:

- | | |
|---|---------------------------|
| • Jolie Kirby | Chief Executive Officer |
| • Ben Hegedus (appointed April 2017) | Head of HR and Compliance |
| • Undine Bruckner (resigned March 2017) | Senior HR Manager |
| • Chris Honey | Senior Operations Manager |
| • Ketlin Stroo (resigned June 2017) | Senior Finance Manager |
| • Shane Carter (appointed September 2017) | Head of Finance |
| • Martin Simpson (appointed October 2016) | Head of IT |

Company Name Community Schools Alliance Trust

Principal and Registered Office
Cheney Lane
Headington
Oxford
OX3 7QH

Company Registration Number 08319810 (England and Wales)

Independent Auditor
Critchleys Audit LLP
Beaver House
23-38 Hythe Bridge Street
Oxford
OX1 2EP

Bankers
Lloyds Bank Plc
87 London Road
Headington
Oxford
OX3 9AB

Solicitors
Knights
Seacourt Tower
West Way
Oxford
Oxfordshire
OX2 0FB

Community Schools Alliance Trust

Trustees' Report

The Trustees' present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Academy Trust operates as two schools (Cheney School and Bayards Hill Primary School) for pupils aged 5 to 18 serving a catchment area in East Oxford. It has a pupil capacity of 1,920 and had a roll of 1,805 in the school census on 31 January 2017. In addition, the Academy had 37 nursery children on roll.

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 Trustees of Communities Schools Alliance Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as CSAT.

Details of the Trustees' who served during the year 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

There were no provisions required for third party indemnity. In accordance with normal commercial practice, the Academy Trust purchased insurance to protect Trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business. The limit of this indemnity is £25,000,000 for Public and Employers Liability and £1,000,000 for Professional Indemnity.

Method of Recruitment and Appointment or Election of Trustees'

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

- Up to 9 Trustees' who are appointed by the Members;
- Maximum of 2 Parent Trustees' (unless there are Local Governing Bodies which include at least two Parent Members) who are elected by the parents of registered pupils at the Academy Trust;
- The total number of Trustees', including the CEO, who are employees of the Academy Trust should not exceed one third of the total number of Trustees';
- The CEO who is treated for all purposes as being an ex-officio Trustee.

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

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

Community Schools Alliance Trust

Trustees' Report (continued)

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

The training and induction provided for new Trustees' will depend upon their existing experience and is tailored specifically to the individual but would always include a tour of the schools within the Academy Trust and a chance to meet staff and pupils. All Trustees' are regularly provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents they will need to undertake their role as Trustees'.

Organisational Structure

The structure of the Academy Trust consists of a Board of Trustees' comprising the directors who act as the Trustees' of Community Schools Alliance Trust (see p.1) and two local Governing Bodies (one for each school).

The Board of Trustees' normally meets five times a year. The Board of Trustees' establishes an overall framework for the governance of the Academy Trust and determines membership, terms of reference and procedures of Committees of the Board of Trustees' and the local Governing Bodies to which it devolves a number of responsibilities through Schemes of Delegation. The Board of Trustees' may from time to time establish working groups to perform specific tasks over a limited timescale.

There is one committee of the Board of Trustees':

- The Pay and Audit Committee

The Local Governing Bodies also each have one committee which are Local Finance and Resource Committees who are responsible for monitoring budget expenditure of each school.

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

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

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

The Trustees' have devolved the day-to-day management of the Schools within the Academy Trust to the CEO and the Senior Management Team formed of senior staff within the two schools. The senior management team implement the policies laid down by the Trustees' and report back to them on performance.

The CEO is the Accounting Officer for the Trust. There is a Trust Central Service Team which is comprised of the Head of Finance, Senior Operations Manager, Head of IT, and Head of HR and Compliance. The purpose of this core team is to provide high quality expertise on all matters pertaining to the roles of financial regulation and oversight, quality assurance on health and safety compliance and human resources policy, practice and compliance. This central service team is line managed by CEO and reports to both the Trust committees and the relevant Governing Body Committees.

Community Schools Alliance Trust

Trustees' Report (continued)

The accountability for the line management of the CEO lies with the Trustees'. Each school has a Head teacher and the line management of Cheney School and Bayards Hill head teacher is with the CEO.

Within the scheme of delegation, the day to day management decisions are delegated to the local Governing Bodies, the CEO provides regular updates on the performance of schools within the Academy Trust to the Trustees' and the Local Governing Bodies.

Arrangements for setting pay and remuneration of key management personnel

The Trustees' are responsible for setting the pay and remuneration of the CEO. The procedure for setting the salary is conducted through benchmarking with like for like CEO roles in other Academy Trusts. The performance management and setting of targets is conducted by Trustees'. Targets, and progress against those targets, is reviewed through the CEO reporting key performance indicators.

The pay and remuneration of Head teachers within the trust is conducted by the Local Governing Body with an external adviser to support and provide additional challenge. Performance management of CEO and Head teachers is in line with the usual process of setting quantifiable performance targets in line with the 5 year CSAT strategic plan and the school improvement plan targets. Performance management of all senior posts across the trusts schools is conducted with a 6 month review point and all pay decisions are made in regard to performance against performance management targets.

The line management of the Senior Core team, Head of Finance, Senior Operations Manager, Head of IT and Head of HR and Compliance is conducted by the CEO and follows rigorous pattern of performance targets and regular review of progress against this.

The Trust has a Pay and Audit committee which scrutinises all staff performance and reports directly to the Board of Trustees'.

Related Parties and other Connected Charities and Organisations

CSAT Schools are part of a number of partnerships with other educational institutions. These include being a partner of Oxfordshire Teaching School Alliance, a member of Oxford City Learning, Headington Partnership and the Jubilee Network. The CEO is Vice Chair of the Radcliffe Academy Trust, which provides alternative provision for students across the county of Oxfordshire.

For further details of related parties and transactions during the year see Notes 11 and 30.

Objectives and Activities

The Vision: Schools in the heart of the community working in partnership together.

Key elements of our vision:

We will:

- be driven by a moral purpose to transform the opportunities and life chances of children and young people.
- work in partnership with learners, their families, communities, and FE/HE and businesses to raise further aspirations, foster great expectations and achieve ambitious goals.
- further develop and sustain a robust model of school improvement to deliver world class education across all our schools.
- ensure our academies are inclusive and aspirational.

Community Schools Alliance Trust

Trustees' Report (continued)

Objects and Aims

CSAT will achieve its vision through focusing on four strategic objectives that will be reviewed and measured annually:

- Objective One: Raise attainment and improve progression
- Objective Two: Supporting excellent standards of teaching and learning
- Objective Three: Ensure strong leadership and governance
- Objective Four: Build a strong infrastructure in the MAT to support the drive for every CSAT academy to be an exceptional school

Both Schools within the Academy Trust have their own distinct school improvement plans.

Objectives, Strategies and Activities

The Key priorities for the period are contained in each School's Improvement Plan 2016-17.

The main objectives of Cheney School for the period ended 31 August 2017 were as follows:

1. At least 70% of 5+ A*-C GCSE (or equivalent) grades including English and Mathematics
2. In English and Mathematics, the school secures at least 10% higher than the national average in terms of levels of progress in Key Stage 2 to Key Stage 4 performance
3. All post 16 students achieve or exceed their target grades
4. Student attendance from year 7-11 is at least 96%
5. 45% of students secure the English Baccalaureate suite of qualifications
6. To be in the top 25% of schools in the progress 8 measure
7. The rate of progress for Pupil Premium and SEND students is significantly accelerated so the gap closes by at least 15% in English

The main objectives of Bayards Hill School for the period ended 31 August 2017 were as follows:

- Priority 1 - Accelerate pupils progress so that all pupils make good progress.
- Priority 2 - Improve the quality of teaching so that across the school it is judged no less than good.
- Priority 3 - Develop middle leaders to ensure they can effectively manage their areas.
- Priority 4 - Improve behaviour for learning so that it impacts positively on progress.
- Priority 5 - Improve SEN provision.
- Priority 6 - To develop effective parent partnership.

The strategies for achieving these aims was through a rigorous programme of School Improvement which was set out through the School Improvement Plans for both Schools in 2016-17. These identified key actions under the core sections for School Improvement of quality teaching and learning and assessment, pupil behaviour and well-being, school curriculum, leadership and management and pupil outcomes. All departments and key stages had their own detailed improvement plans, which spanned all of these areas as well as aspects of school improvement such as site, HR and Finance. External validation of School Improvement processes was undertaken across the Trust Schools to provide a further rigour and robustness to School Improvement strategies.

Public Benefit

The Trustees of Community Schools Alliance Trust confirm that they have complied with their duty in Section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

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

Community Schools Alliance Trust

Trustees' Report (continued)

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

School facilities were made available to the local community in 2016-17 to support a range of educational and recreational activities. These included adult education classes, a very wide range of sporting activities and the use of facilities for general community lettings.

The admissions arrangement of the Academy Trust School's follow OCC guidelines and OCC oversee admission arrangements.

Strategic Report

Achievements and Performance

Notable achievements for the Trust:

During the reporting year excellent progress was made to ensure the Trust remains financially viable. Well established procurement practices mean that value for money and our investments in site and resources resulted in improvements to site and ways of working.

More extended use of the site, energy efficiencies, and health and safety are three areas where excellent practice is embedded. External reviews of health and safety show very good progress in this area.

Progress against pupil attendance remains a key area of improvement, with steady improvement across both schools. Progress against student progress into employment, training or University was excellent.

Pupil attainment in GCSE English and Mathematics exceeded the national average with Cheney students securing 70% for Level 4 or above in Mathematics, and English achievement being 80% or above for level 4.

At Bayards Hill, although the school attainment did not meet the national floor, progress of pupils was very good and exceeded the national.

Both schools are fully staffed and the Trust has been proactive in securing and retaining high quality staff.

Bayards Hill Primary School Performance Data 2016 – 2017 (Percentage of pupils working at the expected standard or above)

KS1 Outcomes	School 2016				School 2017			
	Reading	Writing	Spag	Maths	Reading	Writing	Spag	Maths
Cohort	45%	13%	--	20%	61%	29%	45%	61%
Blues	--	--	--	--	46%	26%	26%	42%
Rhythm	--	--	--	--	73%	34%	65%	80%
Boys	38%	6%	--	17%	51%	16%	37%	62%
Girls	56%	24%	--	24%	72%	44%	56%	64%
Pupil Premium	30%	3%	--	9%	53%	30%	38%	53%
Non Pupil Premium	64%	25%	--	32%	61%	36%	46%	64%
SEN	18%	0%	--	0%	62%	25%	62%	62%
Non SEN	52%	25%	--	17%	63%	61%	45%	34%

Community Schools Alliance Trust

Trustees' Report (continued)

KS2 Outcomes	School 2016					RWM	School 2017					RWM
	Reading	Writing	SPaG	Math			Reading	Writing	SPaG	Math		
National	66%	74%	73%	70%		53%	71%	76%	77%	75%		61%
Cohort (49)	29%	23%	45%	32%		18%	43%	72%	57%	49%		33%
Elgar (25)	--	--	--	--		--	56%	73%	64%	48%		40%
Sibelius (24)	--	--	--	--		--	29%	71%	50%	55%		25%
Boys (25)	31%	23%	46%	42%		20%	36%	68%	52%	52%		28%
Girls (24)	29%	23%	39%	23%		10%	50%	75%	63%	46%		37%
Pupil Premium (33)	17%	17%	23%	20%		6%	36%	66%	51%	30%		21%
N Pupil Premium (16)	33%	31%	65%	46%		27%	56%	82%	68%	75%		56%
SEN (5)	10%	0	0	0		0	20%	20%	20%	20%		20%
Non SEN (44)	33%	28%	52%	32%		18%	45%	75%	59%	50%		32%
Average scaled score	64.5		98	95.6			96.2		101	95.4		
National ASS	103		104	103			104		106	104		

Cheney School's achievements can be summarised below:

- Averages over the last 3 years in terms of English and Mathematics show very good progress with attainment at GCSE at grade A*-C/equivalent: English 76% (National 69%), Maths 74% (National 67%). Results for English in 2017 were the best ever in the school's history with 80% securing a level 4 or above.
- University progression remained very good with 5 students progressing to Oxbridge and 45% of students progressing to Russell group universities.
- Cheney School extended the already rich enrichment programme to establish over 50 students securing Duke of Edinburgh Gold Award. Even more students took part in our enrichment activities with notable experiences extending beyond the UK with successful and well attended visits to CERN and India.
- The performance gap between free school meals and the rest of the student population narrowed considerably in the results obtained in 2017. This was and remains a key priority for the school.

Key Performance Indicators

- Teaching quality across the Trust is good which is securing a conducive environment across the schools to accelerate pupil outcomes and progress.
- Attendance is good at both schools, with Bayards Hill significantly increasing attendance to 96%.
- Careful measures are in place to make sure there is tight control of staffing costs in relation to total costs, which were 80% of total expenditure across the Trust.
- All students in year 11, 12 and 13 progress onto suitable employment, training or education provision and that year 6 pupils are secondary ready. The recent OFSTED report at Bayards reported positively on the latter point.
- Behaviour of pupils is good with external verification validating our view that well thought out policy is being carefully implemented to bring about rising standards of behaviour demonstrated by a decline in exclusions, rise in attendance and significantly less disruption in lessons. External verification was conducted at both schools by educational consultants engaged across the Trust.

Community Schools Alliance Trust

Trustees' Report (continued)

Going Concern

Over 94% of the Trusts funding is provided by the Department for Education through the Education and Services Funding Agency.

The Trustees' have confidence in the Trust 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 the Academy Trust has adequate resources to be able 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 continued to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Financial Review

The Trustees' examine the financial health of the Academy Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all Board of Trustees' and Pay and Audit Committee meetings.

Most of the Trust's income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during 2016/2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Over the year revenue funding received was £9,625,683 (2016: £9,580,340). Capital funding received was £570,588 (which included £532,744 relating to Condition Improvement Funding). Non-funding income was £644,894 and total revenue expenditure was £10,213,046.

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

The Trust held balances at 31 August 2017 of £28,387,862 (2016: £27,780,331). This represents an increase in funds of £607,531 of which £582,000 relates to a reduction in the Trust's pension deficit.

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

The key financial policies reviewed and adopted during the period included the Financial Procedures Manual Policy which lays out the framework for the Academy's financial management, including financial responsibilities of the Governing Body, CEO, managers, budget holders and other staff, as well as the delegated authorities for spending. The other financial policies reviewed and adopted during the period included Charges and Remission, Investment and Insurance.

Community Schools Alliance Trust

Trustees' Report (continued)

Reserves Policy

The Trustees' and Local Governing Bodies need to consider the level of reserves the school should hold. Levels of reserves which are too high tie up money which should be spent on current school activities. Levels of reserves which are too low may put the future activities of the school at risk.

The reserves policy should both inform and be informed by:

- strategic and operational planning including considering how new projects or activities will be funded
- the budget process considering whether reserves need to be used during the financial year or built up for future projects
- the risk management process by identifying any uncertainty in future income streams

When considering an appropriate level of reserves, the Trustees' consider:

- the risk of unforeseen emergency or other unexpected need for funds
- covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence
- a fall in a source of income
- planned commitments, or designations, that cannot be met by future income alone, for example contributions towards a major capital project
- the need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received
- the level of budget sensitivity (uncertainty/ range of possible outcomes in budget)
- other risks on the risk register which may have a financial implication

The financial risks identified determine the amount of reserves the academy targets to hold.

During the financial year the Trustees' identify:

- when reserves are drawn on, so that they understand the reasons for this and can consider what corrective action, if any, needs to be taken
- when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any that needs to be taken
- where the reserves level is below target and consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves

In-year reports to the Trustees' and the Pay and Audit Committee:

- compare the amount of reserves held with the target amount or target range set for reserves
- explain any shortfall or excess in reserves against target set
- explain any action being taken or planned to bring reserves into line with target

The level of reserve will be reviewed and set on an annual basis as part of the budget setting plan.

This policy will be monitored regularly for any changes in legislation or directions from the DFE which may have an effect and evaluated in the light of any comments made by the DFE, ESFA, auditors and any other interested parties.

Community Schools Alliance Trust

Trustees' Report (continued)

On 31 August 2017 the Academy Trust held the following Reserves (excluding Fixed Asset Fund which represents Net Book Value and Pension Deficit):

	£
Unrestricted General Funds	1,067,073
Restricted Capital Funds	620,824
Restricted General Funds	-
Reserves at 31 August 2017	1,687,897

The LGPS Pension Deficit is likely to be met in the longer term from any combination of increased employer contributions, increased government funding or change to scheme benefits. The restricted funds will be spent in accordance with the terms of the particular funds.

Investment Policy

All funds surplus to immediate requirements are invested to optimal effect by the Academy Trust with the objective of ensuring maximum return on assets invested but with minimal risk. CSAT are currently only investing in bank accounts.

All the Trust's funds to date have been held in Lloyds Bank accounts which attract a return of 0.05% above Base Rate. The Trust's investment policy has been reviewed and consideration given to the use of short-term deposits.

For the period ended 31 August 2017, the Trust's cash balances generated an income of £2,979 (2016: £5,739).

Principal Risks and Uncertainties

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA. In the period, approximately 94% of the trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and / or management

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

Reputational

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

Safeguarding and child protection

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

Community Schools Alliance Trust

Trustees' Report (continued)

Staffing

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

Fraud and mismanagement of funds

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

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

Plans for Future Periods

The Board has considered and produced a 5-year strategic plan which identifies the rate of growth and growth opportunities. These can be summarised by reference to the following in the 5-year Strategic plan:

- Following the positive OFSTED at Bayards Hill the school focus is on securing even better teacher and learning outcomes which in turn impacts on improving pupil outcomes.
- The school will continue to develop the wider curriculum so that pupils are even more engaged in their learning.
- Staff development is a key priority across both schools with professional development involving joint training opportunities across the Trust's schools.
- At Cheney school, following very good results at GCSE, the school will continue to focus on quality of teaching and learning so that student outcomes continue on the upward trajectory. A key area for further development is in post 16 provision to further accelerate good progress and high levels of student attainment.
- 2013-16 Cheney School and Bayards Hill provide local academies to Oxford city families.
- New Barton primary to be opened 2020.
- Staffing review and structure is produced and implemented which provides for expansion and effective services to local academies.
- Along with the growth of academies within geographical clusters the Trust will develop further the infrastructure to provide both support and challenge.
- 2016-2020 Opening of new build school within the MAT and growth of local schools joining CSAT as partners who share the same visions and ambitions.

Funds Held as Custodian Trustee on Behalf of Others

The trust holds no Assets and Funds as Custodian Trustee on behalf of others.

Community Schools Alliance Trust
Trustees' Report (continued)

Auditor

Insofar 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on December 4th 2017 and signed on the board's behalf by:



Dr Bridget Durning
Chair of Trustees'

Community Schools Alliance Trust

Governance Statement

Scope of Responsibility

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

The board of Trustees' has delegated the day-to-day responsibility to the CEO, 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 Community Schools Alliance Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees' any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees' has formally met 5 times during the year.

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

Trustee	Meetings attended	Out of a possible
Dr Bridget Durning (Chairperson)	4	5
Mrs Jolie Kirby	5	5
Sir Tim Brighouse (resigned September 2017)	5	5
Dr Nicholas Hindley (resigned December 2016)	3	3
Mr Ian Busby	4	5
Mr Richard Stamper (resigned September 2017)	5	5

Governance Reviews

Both Governing bodies appoint governors based on their skill based approach so that governors are able to bring the right level of support and challenge alongside the robust governance required in CSAT Schools.

The Trustees' are appointed based on skills that they provide to conduct trustee roles and responsibilities in an effective manner. A skills audit approach is used in line with the National Governors Association guidelines and in line with the National College for Teaching and Leadership.

During the year Trustees' reviewed the skill levels of governors at both schools and steps were taken to secure high quality governors using a skills based appointment process. The quality of governance and its impact on Trustees' was highlighted in the recent OFSTED report at Bayards Hill School.

Committees

The Pay and Audit Committee is a sub-committee of the main board of Trustees'. Its purpose is to:

- Act as the Trust's audit committee

Key issues for the Pay and Audit Committee were:

- External and Internal auditors had minor recommendations to improve practice

Community Schools Alliance Trust

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Jolie Kirby	3	4
Mr Ian Busby	3	4
Sir Tim Brighouse	1	4
Mr Richard Stamper	4	4
Mr Martin Broderick (non-trustee)	4	4

Review of Value for Money

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

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

- Using approved purchasing and tendering frameworks to obtain value for money for all purchases across the Trust.
- Staffing review and restructuring in ICT and premises resulting in greater in-house expertise and less reliance on outsourced ICT and electrical services.
- The catering facility at Bayards primary school was brought in-house in order to increase the quality of provision and reduce the cost of providing schools meals.
- Restructuring of senior leadership team at Cheney School resulting in a reduced number of staff on the SLT pay scale.
- Sharing and utilising expertise across the Trust to support strong management across both educational and operational functions.

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 Communities Schools Alliance Trust for the period 1 September 2016 to 31 August 2017 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 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees'.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Trustees';
- regular reviews by the Pay and Audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trust appointed an independent Chartered Accountant with experience within an educational environment and the local authority. The first visit was conducted in June 2017 and covered a review of key financial controls across procurement, cash and banking, payroll and personnel, income, financial reporting, risk, and the Trusts website.

The report was presented to the Pay and Audit committee in July 2017 along with a number of medium risk recommendations that have either already been implemented, or are being implemented by the current Head of Finance for the Academy Trust. It has been agreed there will be 3 visits during the next financial year.

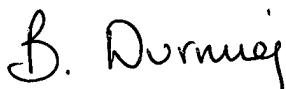
Review of Effectiveness

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

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

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

Approved by order of the members of the board of Trustees' on December 4th 2017 and signed on its behalf by:



Dr Bridget Durning
Chair of Trustees'



Mrs Jolie Kirby
Accounting Officer

Community Schools Alliance Trust

Statement on Regularity, Propriety and Compliance

As Accounting Officer of the Community Schools Alliance Trust I have considered my responsibility to notify the Academy Trust board of Trustees' and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust board of Trustees' are able to identify any material irregular or improper use of all 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 2016.

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



Mrs Jolie Kirby
Accounting Officer

December 4th 2017

Community Schools Alliance Trust

Statement of Trustees' Responsibilities

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

Company law requires the Trustees' to prepare 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:

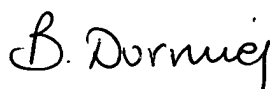
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees' on December 4th 2017 and signed on its behalf by:



Dr Bridget Durning
Chair of Trustees'

Community Schools Alliance Trust

Independent Auditor's Report to the members of Community Schools Alliance Trust

We have audited the financial statements of Community Schools Alliance Trust ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2016 to 2017 issued by the ESFA.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been properly prepared in accordance with the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Community Schools Alliance Trust

Independent Auditor's Report to the members of Community Schools Alliance Trust (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities (set out on page 18), the trustees (who are also the directors of the charitable company 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Andrew Rodzynski (Senior statutory auditor)
For and on behalf of Critchleys Audit LLP
Statutory Auditor
Oxford

Date:

18/12/17



Critchleys Audit LLP is eligible to act as an auditor in terms of sections 1212 of the Companies Act 2006.

Community Schools Alliance Trust

Independent Reporting Accountant's Assurance Report on Regularity to Community Schools Alliance Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by Community Schools Alliance Trust during the period 1 September 2016 to 31 August 2017 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 Board of Trustees and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Community Schools Alliance Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Community Schools Alliance Trust and the ESFA, for our review work, for this report, or for the conclusion we have formed.

Respective responsibilities of Community Schools Alliance Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Community Schools Alliance Trust's funding agreement with the Secretary of State for Education dated 1 October 2014 and the Academies Financial Handbook, extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Community Schools Alliance Trust

Independent Reporting Accountant's Assurance Report on Regularity to Community Schools Alliance Trust and the Education and Skills Funding Agency (continued)

The work undertaken to draw to our conclusion includes:

1. Reviewing of minutes of meetings of the Board of Trustees and obtaining representations concerning access to information, disclosure and provision of information
2. Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity
3. Assessment and testing of a sample of the specific control activities over regularity of a particular activity.
4. Carrying out substantive testing to cover authorisation of expenditure within internal delegated authorities and externally imposed limits.
5. Consideration of whether activities carried out are within the charitable objects.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Critchleys Audit LLP.

Critchleys Audit LLP
Reporting Accountant
Oxford

Date: 18/12/17

Community Schools Alliance Trust
Statement of Financial Activities
For the year ended 31 August 2017
(including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	5,641	9,526	570,588	585,755	2,429,918
Charitable activities						
Funding for the academy trust's educational operations	3	-	9,625,683	-	9,625,683	9,580,340
Other income for educational operations	4	561,805	-	-	561,805	489,626
Other trading activities	5	80,110	-	-	80,110	97,660
Investments	6	2,979	-	-	2,979	5,739
Total		650,535	9,635,209	570,588	10,856,332	12,603,283
Expenditure on:						
Raising funds	7	27,798	-	-	27,798	44,599
Charitable activities:						
Academy trust educational operations	8	567,446	9,617,802	737,755	10,923,003	10,757,533
Total		595,244	9,617,802	737,755	10,950,801	10,802,132
Net income / (expenditure) before transfers		55,291	17,407	(167,167)	(94,469)	1,801,151
Transfers between funds	17	(100,753)	(137,407)	238,160	-	-
Net income / (expenditure) for the period		(45,462)	(120,000)	70,993	(94,469)	1,801,151
Other recognised gains / (losses):						
Actuarial (losses) / gains on defined benefit pension schemes	17, 29	-	702,000	-	702,000	(2,200,000)
Net movement in funds		(45,462)	582,000	70,993	607,531	(398,849)
Reconciliation of Funds						
Funds brought forward at 1 September 2016		1,112,535	(4,777,000)	31,444,796	27,780,331	28,179,180
Funds carried forward at 31 August 2017		1,067,073	(4,195,000)	31,515,789	28,387,862	27,780,331

All of the Academy's activities derive from continuing operations.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Community Schools Alliance Trust
Balance sheet
As at 31 August 2017

Company number:
08319810

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	13		21,332		27,158
Tangible assets	14		30,873,633		31,179,046
Current assets					
Debtors	15	315,593		904,942	
Cash at bank and in hand		<u>2,046,815</u>		<u>1,363,914</u>	
		2,362,408		2,268,856	
Liabilities					
Creditors: Amounts falling due within one year	16	<u>(674,511)</u>		<u>(917,729)</u>	
Net current assets			1,687,897		1,351,127
Total assets less current liabilities			32,582,862		32,557,331
Net assets excluding pension liability			32,582,862		32,557,331
Defined benefit pension scheme liability	29		<u>(4,195,000)</u>		<u>(4,777,000)</u>
Total net assets			28,387,862		27,780,331
Funds of the academy trust:					
Restricted fixed asset funds	17		31,515,789		31,444,796
Restricted funds					
Restricted funds excluding pension liability	17	-		-	
Pension reserve	17	<u>(4,195,000)</u>	<u>(4,195,000)</u>	<u>(4,777,000)</u>	<u>(4,777,000)</u>
Total restricted funds			27,320,789		26,667,796
Unrestricted funds	17		1,067,073		1,112,535
Total funds			28,387,862		27,780,331

The financial statements on pages 23 to 46 were approved by the trustees and authorised for issue on 4 December 2017 and are signed on their behalf by



Dr Bridget Durning
Chair of Trustees

Community Schools Alliance Trust
Statement of Cash Flows
For the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	23	535,850	1,514,355
Cash flows from investing activities	25	147,051	(2,385,581)
Cash flows from financing activities	24	-	-
Change in cash and cash equivalents in the reporting period		<u>682,901</u>	<u>(871,226)</u>
Reconciliation of net cash flow to movement in net funds			
Cash and cash equivalents at 1 September 2016		1,363,914	2,235,140
Cash and cash equivalents at 31 August 2017	26	<u>2,046,815</u>	<u>1,363,914</u>

All of the Academy's activities derive from continuing operations.

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 (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Community Schools Alliance Trust meets the definition of a public benefit entity under FRS 102.

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

Donations

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

Other Income

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

Donated goods, facilities and services

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

1 Statement of Accounting Policies (continued)

Income (continued)

Donated fixed assets (excluding Transfers on conversion/into trust)

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

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.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Purchased computer software

3 years

1 Statement of Accounting Policies (continued)

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.

The property transferred on conversion has been valued on a depreciated replacement cost basis which is not representative of market value (see note 14 for further details).

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 on a straight-line basis over its expected useful life, as follows:

Leasehold buildings	50 years from conversion
Leasehold improvements	10-30 years
Plant and machinery	10 years
Fixtures, fittings and equipment	5 years
ICT equipment	4 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Cash

Cash at bank and in hand includes cash held in notice deposits of less than 12 months which can be accessed at short notice if required. The amount held in notice deposits can be seen in note 26.

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 the 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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Leased Assets

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

1 Statement of Accounting Policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised costs as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

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.

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 29, 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 gains and losses.

1 Statement of Accounting Policies (continued)

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 and Skills 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 estimate 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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Critical areas of judgement

The academy trust participates in the Teacher's Pension Scheme (TPS) for qualifying employees. Under the definitions set out in FRS 102, this is a multi-employer pension scheme. There is insufficient information about the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets in the financial statements and therefore the plan is accounted for as a defined contribution scheme (see note 29).

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 31.

Community Schools Alliance Trust
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2 Donations and capital grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA capital grants				
Devolved formula capital grant	-	37,844	37,844	37,087
Condition Improvement Funding	-	532,744	532,744	352,941
Academies Capital Maintenance Fund	-	-	-	442,755
	-	570,588	570,588	832,783
Other Government grants				
Local authority capital funding	-	-	-	1,565,000
	-	-	-	1,565,000
Other donations	5,641	9,526	15,167	32,135
	5,641	580,114	585,755	2,429,918

The income from donations and capital grants was £585,755 (2016: £2,429,918) of which £5,641 was unrestricted (2016: £2,820), £9,526 restricted (2016: £29,315) and £570,588 restricted fixed assets (2016: £2,397,783).

3 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	8,670,953	8,670,953	8,533,931
Other DfE grants	-	714,070	714,070	732,319
	-	9,385,023	9,385,023	9,266,250
Other Government grants				
Early Years funding	-	114,769	114,769	191,880
Local authority revenue funding	-	125,891	125,891	122,210
	-	240,660	240,660	314,090
	-	9,625,683	9,625,683	9,580,340

The funding for the academy's educational operations was £9,625,683 (2016: £9,580,340) of which £Nil was unrestricted (2016: £Nil), £9,625,683 restricted (2016: £9,580,340) and £Nil restricted fixed assets (2016: £Nil).

Community Schools Alliance Trust
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4 Other income for educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Trip and activity income	165,357	-	165,357	160,246
Catering income	242,774	-	242,774	227,323
Other income	153,674	-	153,674	102,057
	<u>561,805</u>	<u>-</u>	<u>561,805</u>	<u>489,626</u>

The other income for educational operations was £561,805 (2016: £489,626) of which £561,805 was unrestricted (2016: £489,626), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

5 Other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Hire of facilities	80,110	-	80,110	97,660
	<u>80,110</u>	<u>-</u>	<u>80,110</u>	<u>97,660</u>

The other trading activities income was £80,110 (2016: £97,660) of which £80,110 was unrestricted (2016: £97,660), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

6 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Short term deposits	2,979	-	2,979	5,739
	<u>2,979</u>	<u>-</u>	<u>2,979</u>	<u>5,739</u>

The investment income was £2,979 (2016: £5,739) of which £2,979 was unrestricted (2016: £5,739), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

Community Schools Alliance Trust
Notes to the financial statements
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7 Expenditure

	Staff Costs £	Non Pay Premises Costs £	Expenditure Other Costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	14,321	9,698	3,779	27,798	44,599
Academy's educational operations					
Direct costs (note 8)	6,937,172	-	613,230	7,550,402	7,532,511
Allocated support costs (note 8)	1,360,750	442,637	1,569,214	3,372,601	3,225,022
	<u>8,297,922</u>	<u>442,637</u>	<u>2,182,444</u>	<u>10,923,003</u>	<u>10,757,533</u>
	<u>8,312,243</u>	<u>452,335</u>	<u>2,186,223</u>	<u>10,950,801</u>	<u>10,802,132</u>

The expenditure on raising funds was £27,798 (2016: £44,599) of which £27,798 was unrestricted (2016: £44,599), £Nil restricted (2016: £Nil) and £Nil restricted fixed assets (2016: £Nil).

The expenditure on academy's educational operations was £10,923,003 (2016: £10,757,533) of which £567,446 was unrestricted (2016: £492,446), £9,617,802 restricted (2016: £9,644,825) and £737,755 restricted fixed assets (2016: £620,262).

Net income/(expenditure) for the period includes:

	2017 £	2016 £
Operating lease rentals	10,766	12,680
Depreciation	729,919	617,585
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	7,836	2,677
Fees payable to auditor for:		
Audit	7,650	7,000
Other services	<u>9,285</u>	<u>3,100</u>

8 Charitable activities

	Total 2017 £	Total 2016 £
Direct costs - educational operations	7,550,402	7,532,511
Support costs - educational operations	<u>3,372,601</u>	<u>3,225,022</u>
	<u>10,923,003</u>	<u>10,757,533</u>

Analysis of support costs

	Educational operations £	Total 2017 £	Total 2016 £
Support staff costs	1,240,750	1,240,750	1,091,369
Depreciation	737,755	737,755	620,262
Technology costs	132,093	132,093	174,605
Premises costs	442,637	442,637	692,710
Other support costs	671,334	671,334	687,451
Governance costs	28,032	28,032	17,625
Other pension costs	345,000	345,000	118,000
Other finance costs (FRS102 pension)	(225,000)	(225,000)	(177,000)
	<u>3,372,601</u>	<u>3,372,601</u>	<u>3,225,022</u>

Community Schools Alliance Trust
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9 Staff Costs

	2017	2016
	£	£
Staff costs during the period were:		
Wages and salaries	6,264,657	6,118,270
Social security costs	579,618	489,166
Operating costs of defined benefit pension schemes		
Employer contributions to pension schemes	1,040,593	973,322
FRS102 Other pension and finance costs	120,000	(59,000)
Apprenticeship levy	1,368	-
	<u>8,006,236</u>	<u>7,521,758</u>
Supply staff costs	272,080	266,270
Staff restructuring costs	33,927	74,792
	<u>8,312,243</u>	<u>7,862,820</u>
 Staff restructuring costs comprise:		
Redundancy payments	28,345	51,292
Severance payments	5,582	23,500
Other restructuring costs	-	-
	<u>33,927</u>	<u>74,792</u>

There are no non-statutory/non-contractual severance payments included in staff restructuring costs for 2017 (2016: £23,500). Individually, the payments in the year ended 31 August 2016 were: £20,000 and £3,500.

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

	2017 No.	2016 No.
Teachers	99	106
Administration and support	153	147
Management	18	16
	<u>270</u>	<u>269</u>

The average number of persons (including senior leadership team) employed by the academy during the period expressed as full time equivalents was as follows:

	2017 No.	2016 No.
Teachers	94	101
Administration and support	99	112
Management	17	16
	<u>210</u>	<u>229</u>

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

	2017 No.	2016 No.
£60,001 - £70,000	2	2
£80,001 - £90,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on pages 1-2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £342,715 (2016: £257,189).

10 Central services

The academy trust has provided central services to its academies during the period to cover the following areas; both strategic and operational support from the CEO, finance; premises, ICT, human resources and compliance.

The basis of these costs is agreed by the Pay and Audit committee. For the year under review, it was agreed the costs would be apportioned on the following basis; 79% Cheney School and 21% Bayards Primary.

The actual amounts charged during the period were as follows:

	2017 £	2016 £
Cheney School	73,329	64,765
Bayards Hill	53,787	31,500
	<u>127,116</u>	<u>96,265</u>

11 Related Party Transactions - Trustees' remuneration and expenses

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

	2017 £	2016 £
J Kirby, Chief Executive Officer and Accounting Officer		
Remuneration	£110k-£115k	£100k-£105k
Employer's pension contributions paid	£15k-£20k	£15k-£20k
J Ewen, Staff Trustee		
Remuneration	-	£10k-£15k
Employer's pension contributions paid	-	£0k-£5k

During the period ended 31 August 2017, travel and subsistence expenses totalling £148 were reimbursed or paid directly to 1 trustee (2016: £85 to 1 trustee).

12 Trustees and officers insurance

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. Up to 31 December 2016 the insurance cover was with a private company and provided cover up to £1m (2016: £1m) on any one claim. The cost of this insurance is included in the total insurance cost but has not been separately identified.

From 1 January 2017, the academy trust opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Community Schools Alliance Trust
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13 Intangible fixed assets

	Computer Software £	Total £
Cost		
As at 1 September 2016	29,835	29,835
Additions	2,010	2,010
As at 31 August 2017	31,845	31,845
Amortisation		
As at 1 September 2016	2,677	2,677
Charged in year	7,836	7,836
As at 31 August 2017	10,513	10,513
Carrying amount		
As at 31 August 2017	21,332	21,332
As at 1 September 2016	27,158	27,158

14 Tangible fixed assets

	Leasehold Land and Buildings £	Plant and Machinery £	Furniture and Equipment £	Computer Equipment £	Total £
Cost					
As at 1 September 2016	31,775,774	231,893	343,491	632,076	32,983,234
Additions	303,502	39,386	21,138	60,480	424,506
As at 31 August 2017	32,079,276	271,279	364,629	692,556	33,407,740
Depreciation					
As at 1 September 2016	1,267,588	43,673	153,793	339,134	1,804,188
Charged in year	508,213	25,722	71,238	124,746	729,919
As at 31 August 2017	1,775,801	69,395	225,031	463,880	2,534,107
Net book values					
As at 31 August 2017	30,303,475	201,884	139,598	228,676	30,873,633
As at 1 September 2016	30,508,186	188,220	189,698	292,942	31,179,046

Leasehold land and buildings

The freehold of these land and buildings is owned by the respective Local Authorities. These are recognised in the accounts as the academy trust has the right to use the property.

The Trust took out a 125 year lease over the Cheney School land and buildings transferred from Oxfordshire County Council (OCC) following the original date of conversion and has since also taken out a similar lease over the Bayards Hill School land and buildings when it joined the Trust in 2014. The land and buildings transferred have been valued at an estimate of their fair value at conversion. In determining this value, the Trustees have referred to the desktop valuations of the land and buildings commissioned by the EFA as at 31 March 2013 (Cheney School) and 31 March 2015 (Bayards Hill School). The desktop valuations undertaken by Mouchel were carried out on a depreciated replacement cost basis. The Trustees also considered a separate valuation of the land and buildings of Bayards Hill Primary School prepared by OCC as at the date of transfer on 1 October 2014, which includes refurbishment work performed during the period that was not considered by Mouchel during their work. OCC have also performed additional refurbishment work on the Bayards Hill Primary School since 1 October 2014, but it is not possible for them to provide the Trust with a valuation of this work and so no value has been attributed to it in these financial statements.

Included in the value of land and buildings is land at a total value of £8,292,035, which is not depreciated.

Additions to land and buildings

Additions in the year represent capital works to existing buildings and the building of the new Science block at Cheney School.

Community Schools Alliance Trust
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15 Debtors

	2017 £	2016 £
Trade debtors	7,907	43,351
VAT recoverable	117,982	618,027
Prepayments and accrued income	189,704	243,564
	<u>315,593</u>	<u>904,942</u>

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	229,814	177,001
Other taxation and social security	163,291	159,612
Other creditors	152,531	137,302
Accruals and deferred income	128,875	443,814
	<u>674,511</u>	<u>917,729</u>

Deferred income

	2017 £	2016 £
Deferred income at 1 September	38,924	64,291
Released from previous years	(38,924)	(64,291)
Resources deferred in the period	31,620	38,924
Deferred income at 31 August	<u>31,620</u>	<u>38,924</u>

Deferred income represents funding received specifically for next financial year, together with trips and activities income received in advance.

17 Funds

	Balance at 1 Sept 2016 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	8,670,953	(8,533,546)	(137,407)	-
Pupil Premium funding	-	581,671	(581,671)	-	-
Other DfE funding	-	132,399	(132,399)	-	-
Local authority revenue funding	-	125,891	(125,891)	-	-
Early Years funding	-	114,769	(114,769)	-	-
Other restricted funds	-	9,526	(9,526)	-	-
Pension reserve (note 29)	(4,777,000)	-	(120,000)	702,000	(4,195,000)
	<u>(4,777,000)</u>	<u>9,635,209</u>	<u>(9,617,802)</u>	<u>564,593</u>	<u>(4,195,000)</u>
Restricted fixed asset funds					
Devolved Formula Capital	-	37,844	-	(37,226)	618
Condition Improvement Funding	238,592	532,744	-	(151,130)	620,206
Intangible asset fund (note 13)	27,158	-	(7,836)	2,010	21,332
Fixed asset fund (note 14)	31,179,046	-	(729,919)	424,506	30,873,633
	<u>31,444,796</u>	<u>570,588</u>	<u>(737,755)</u>	<u>238,160</u>	<u>31,515,789</u>
Total restricted funds	<u>26,667,796</u>	<u>10,205,797</u>	<u>(10,355,557)</u>	<u>802,753</u>	<u>27,320,789</u>
Unrestricted funds					
Unrestricted funds	1,112,535	650,535	(595,244)	(100,753)	1,067,073
Total unrestricted funds	<u>1,112,535</u>	<u>650,535</u>	<u>(595,244)</u>	<u>(100,753)</u>	<u>1,067,073</u>
Total funds	<u>27,780,331</u>	<u>10,856,332</u>	<u>(10,950,801)</u>	<u>702,000</u>	<u>28,387,862</u>

Under the funding agreement with the Secretary of State, the academy trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2017.

Community Schools Alliance Trust
Notes to the financial statements
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17 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	2017 £	2016 £
Cheney School	780,808	878,626
Bayards Hill	286,265	233,909
Central services	-	-
Total before capital, fixed assets and pension reserve	1,067,073	1,112,535
Capital reserves	620,824	238,592
Intangible asset fund (representing net book value of fixed assets - note 13)	21,332	27,158
Fixed asset fund (representing net book value of fixed assets - note 14)	30,873,633	31,179,046
Pension reserve	(4,195,000)	(4,777,000)
Total funds	28,387,862	27,780,331

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies (including all non staff direct costs) £	Other costs (excluding depreciation) £	Total 2017 £	Total 2016 £
Cheney School	5,554,570	1,005,916	470,580	806,660	7,837,726	7,952,320
Bayards Hill	1,353,350	191,830	142,650	440,374	2,128,204	2,192,285
Central services	29,252	57,325	-	40,539	127,116	96,265
	6,937,172	1,255,071	613,230	1,287,573	10,093,046	10,240,870
				Depreciation	737,755	620,262
				Other finance costs and pension costs	120,000	(59,000)
				Note 7	10,950,801	10,802,132

18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	21,332	21,332
Tangible fixed assets	-	-	30,873,633	30,873,633
Current assets	1,067,073	674,511	620,824	2,362,408
Current liabilities	-	(674,511)	-	(674,511)
Pension Scheme liability	-	(4,195,000)	-	(4,195,000)
Total net assets	1,067,073	(4,195,000)	31,515,789	28,387,862

Community Schools Alliance Trust
Notes to the financial statements
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19 Comparative Funds

	Balance at 1 Sept 2015 £	Income £	Expenditure £	Gains, losses and transfer £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	224,189	8,533,931	(8,620,418)	(137,702)	-
Pupil Premium funding	-	597,496	(597,496)	-	-
16-19 bursary funding	7,683	25,505	(33,188)	-	-
Other DfE funding	-	109,318	(109,318)	-	-
Local authority revenue funding	-	122,210	(122,210)	-	-
Early Years funding	-	191,880	(191,880)	-	-
Other restricted funds	-	29,315	(29,315)	-	-
Pension reserve (note 29)	(2,636,000)	-	59,000	(2,200,000)	(4,777,000)
	<u>(2,404,128)</u>	<u>9,609,655</u>	<u>(9,644,825)</u>	<u>(2,337,702)</u>	<u>(4,777,000)</u>
Restricted fixed asset funds					
Devolved Formula Capital	-	37,087	-	(37,087)	-
Academies Capital Maintenance Fund	643,055	442,755	-	(1,085,810)	-
Condition Improvement Funding	-	352,941	-	(114,349)	238,592
Local authority capital funding	-	1,565,000	-	(1,565,000)	-
Fixed asset fund (notes 13 & 14)	28,602,363	-	(620,262)	3,224,103	31,206,204
	<u>29,245,418</u>	<u>2,397,783</u>	<u>(620,262)</u>	<u>421,857</u>	<u>31,444,796</u>
Total restricted funds	<u>26,841,290</u>	<u>12,007,438</u>	<u>(10,265,087)</u>	<u>(1,915,845)</u>	<u>26,667,796</u>
Unrestricted funds					
Unrestricted funds	1,337,890	595,845	(537,045)	(284,155)	1,112,535
Total unrestricted funds	<u>1,337,890</u>	<u>595,845</u>	<u>(537,045)</u>	<u>(284,155)</u>	<u>1,112,535</u>
Total funds	<u>28,179,180</u>	<u>12,603,283</u>	<u>(10,802,132)</u>	<u>(2,200,000)</u>	<u>27,780,331</u>

20 Comparative analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Intangible fixed assets	-	-	27,158	27,158
Tangible fixed assets	-	-	31,179,046	31,179,046
Current assets	1,112,535	917,729	238,592	2,268,856
Current liabilities	-	(917,729)	-	(917,729)
Pension Scheme liability	-	(4,777,000)	-	(4,777,000)
Total net assets	<u>1,112,535</u>	<u>(4,777,000)</u>	<u>31,444,796</u>	<u>27,780,331</u>

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21 Capital commitments

	2017 £	2016 £
Contracted for, but not provided in the financial statements	<u>440,545</u>	<u>-</u>

These capital commitments relate to the asbestos removal project which is being funded through CIF funding.

22 Commitments under operating leases

Operating leases

At 31 August 2017 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts due within one year	8,817	10,766
Amounts due between one and five years	11,263	20,080
Amounts due after five years	-	-
	<u>20,080</u>	<u>30,846</u>

23 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(94,469)	1,801,151
Adjusted for:		
Amortisation (note 13)	7,836	2,677
Depreciation (note 14)	729,919	617,585
Capital grants from DfE and other capital income	(570,588)	(832,783)
Interest receivable (note 6)	(2,979)	(5,739)
Defined benefit pension scheme cost less contributions payable (note 29)	345,000	118,000
Defined benefit pension scheme finance cost (note 29)	(225,000)	(177,000)
(Increase)/decrease in debtors	589,349	(122,428)
Increase/(decrease) in creditors	(243,218)	112,892
Net cash provided by operating activities	<u>535,850</u>	<u>1,514,355</u>

24 Cash flows from financing activities

	2017 £	2016 £
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>

25 Cash flows from investing activities

	2017 £	2016 £
Dividends, interest and rents from investments	2,979	5,739
Purchase of intangible fixed assets	(2,010)	(29,835)
Purchase of tangible fixed assets	(424,506)	(3,194,268)
Capital grants from DfE/ESFA	570,588	832,783
Net cash provided by/(used in) investing activities	<u>147,051</u>	<u>(2,385,581)</u>

26 Analysis of cash and cash equivalents

	At 1 Sept 2016	Cash flows	At 31 August 2017
	£	£	£
Cash at bank and in hand	963,914	796,661	1,760,575
Notice deposits (less than 12 months)	400,000	(113,760)	286,240
	<u>1,363,914</u>	<u>682,901</u>	<u>2,046,815</u>

27 Contingent liabilities

During 2016-17 Cheney School completed building improvements. An amount of £175k is disclosed as a contingent liability in relation to disputed building charges which may become payable. At this stage, the probability of payment is sufficiently remote that no provision has been made in the financial statements.

28 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.

29 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 Oxfordshire County Council. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £123,334 were payable to the schemes at 31 August 2017 (2016: £114,223) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme governed by the Teachers' Pension Regulations (2010) and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

29 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

Valuation of the Teachers' Pension Scheme

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 results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

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

The pension costs paid to TPS in the period amounted to £657,057 (2016: £644,292).

A copy of the valuation report and supporting documentation is on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on the reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed schedule include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to the State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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

29 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 2017 was £497,000 (2016: £429,000), of which employer's contributions totalled £380,000 (2016: £326,000) and employees' contributions totalled £117,000 (2016: £103,000). The agreed contribution rates for future years are 14.7% for employers and 5.5-12.5% for employees until 31 March 2020. In addition, employer top-up contributions of £83,000, £84,000 and £86,000 are due for the year ended 31 March 2018, 2019 and 2020 respectively. The next full triennial valuation will be carried out as at 31 March 2019 with new contribution rates set from 1 April 2020.

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

Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.20%	4.10%
Rate of increase for pensions in payment / inflation	2.70%	2.30%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.30%
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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.4	23.3
Females	25.5	25.8
<i>Retiring in 20 yrs</i>		
Males	25.7	25.6
Females	27.9	28.1

Sensitivity Analysis - Effect on Scheme Liabilities

	At 31 August 2017 £	At 31 August 2016 £
Present value of total obligation		
Discount rate +0.1%	8,085,000	7,749,000
Discount rate -0.1%	8,503,000	8,119,000
Mortality assumption - 1 year increase	8,568,000	8,144,000
Mortality assumption - 1 year decrease	8,023,000	7,726,000
CPI rate +0.1%	N/A	N/A
CPI rate -0.1%	N/A	N/A

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	2,527,000	2,064,000
Gilts	609,000	398,000
Other bonds	198,000	113,000
Property	266,000	226,000
Cash	158,000	110,000
LLPs	133,000	115,000
Diversified growth fund	201,000	129,000
Alternative Assets	4,000	-
Total market value of assets	4,096,000	3,155,000
Present value of scheme liabilities		
- Funded	(8,291,000)	(7,932,000)
Surplus/(deficit) in the scheme	(4,195,000)	(4,777,000)

The actual return on scheme assets was £442,000 (2016: £381,000).

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Service cost	766,000	444,000
Net interest on the defined liability (asset)	102,000	99,000
Administration expenses	-	2,000
Total amount recognised in the SOFA	868,000	545,000

29 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £	2016 £
At 1 September	7,932,000	5,007,000
Current service cost	725,000	444,000
Interest cost	176,000	202,000
Employee contributions	117,000	103,000
Actuarial (gain)/loss	(625,000)	2,200,000
Estimated benefits paid net of transfers in	(75,000)	(24,000)
Past Service costs, including curtailments	41,000	-
At 31 August	8,291,000	7,932,000

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

	2017 £	2016 £
At 1 September	3,155,000	2,371,000
Interest income	74,000	103,000
Return on plan assets (excluding net interest on the net defined pension liability)	368,000	278,000
Other actuarial gains/(losses)	77,000	-
Administration expenses	-	(2,000)
Employer contributions	380,000	326,000
Employee contributions	117,000	103,000
Estimated benefits paid plus unfunded net of transfers in	(75,000)	(24,000)
At 31 August	4,096,000	3,155,000

Reconciliation of opening and closing deficit				
	2017		2016	
	£	£	£	£
Pension deficit at 1 September		(4,777,000)		(2,636,000)
Current service cost	(725,000)		(444,000)	
Employer contributions	380,000		326,000	
Additional pension cost		(345,000)		(118,000)
Other finance (gains) / costs		225,000		177,000
Actuarial gains/(losses)		702,000		(2,200,000)
Pension deficit at 31 August		(4,195,000)		(4,777,000)

30 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.

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

31 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2017 the trust received £28,364 (2016: £25,505) and disbursed £22,246 (2016: £10,108) from the fund. An amount of £29,197 (including brought forward from prior years) (2016: £23,079) is included in other creditors relating to undistributed funds that are repayable to EFA.