

**The South Cheshire Catholic Multi-Academy Trust**

Trustees report and financial statements

For the Year Ended 31 August 2016



**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

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**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Reference and administrative details**  
**For the Year Ended 31 August 2016**

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**Members**

Canon D Roberts  
Father J Fagan  
Bishop M Davies

**Trustees**

Canon D Roberts, Chair  
Father J Fagan  
Mrs C Hogg, Acting Headteacher and Acting Accounting Officer (from 1 November 2015) Headteacher and Accounting Officer (from 3 February 2016) (appointed 1 November 2015)  
Mr E Byrne (appointed 1 September 2015)  
Mr D Cunningham (appointed 1 April 2016)  
Mrs S Fau-Goodwin  
Miss N Brown  
Mrs S Claridge (resigned 15 January 2016)  
Mr P Davies, Staff Trustee (resigned 22 February 2016)  
Ms C Lawrence (resigned 24 February 2016)  
Mr E McHugh, Head Teacher and Accounting Officer (until 31 October 2015) (resigned 31 October 2015)  
Mr S O'Niel (appointed 21 June 2016)

**Company registered number**  
08518704

**Company name**  
The South Cheshire Catholic Multi-Academy Trust

**Principal and registered office**  
St Thomas More Catholic High School, Danebank Avenue, Crewe, Cheshire, CW2 8AE

**Senior management team**

Mr E McHugh, Headteacher (until 31 October 2015)  
Mrs C Hogg, Acting Headteacher (from 1 November 2016)  
Headteacher (from 3 February 2016)  
Mrs D Brown, Assistant Headteacher (until 31 August 2016)  
Deputy Headteacher (from 1 September 2016)  
Mrs T Madden, Assistant Headteacher (until 31 August 2016)  
Mrs K Packham, Temporary Assistant Headteacher (until 31 August 2016)  
Assistant Headteacher (from 1 September 2016)  
Mrs A Roberts, Business Manager (until 31 August 2016)  
Mr M Hardacre, Assistant Headteacher (from 1 September 2016)  
Mr B McKeown, Assistant Headteacher (from 1 September 2016)

**Independent auditors**

Dains LLP, Suite 2, Albion House, 2 Etruria Office Village, Forge Lane, Etruria, Stoke on Trent, ST1 5RQ

**Bankers**

Lloyds Bank, PO Box 1000, Andover, BX1 1LT

**Solicitors**

Brown Jacobson, Mowbray House, Castle Meadow Road, Nottingham, NG2 1BJ

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report**  
**For the Year Ended 31 August 2016**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16. The pupil capacity of the Trust is 640, and the number of pupils on roll in the January 2016 census was 647.

**Structure, governance and management**

**Constitution**

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

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

The Trustees of The South Cheshire Catholic Multi-Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The South Cheshire Catholic Multi-Academy Trust.

The principal object of the Academy is to provide a faith based education to 11 to 16 year olds.

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**

In accordance with normal commercial practice, insurance has been purchased to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2 million on any one claim.

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Trustees' report (continued)**  
**For the Year Ended 31 August 2016**

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**Method of recruitment and appointment or election of Trustees**

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

All members of the Academy Trust are appointed and/or elected in accordance with the Articles of Association of The South Cheshire Catholic Multi Academy Trust.

In summary : -

- The members may appoint up to 1 Director save that no more than one third of the total number of individuals appointed as Directors shall be employees of the Academy Trust (including the Executive Principal and the Principals)
- The Diocesan Bishop shall appoint a minimum of 5 Foundation Directors provided that the number of Foundation Governors and Academy Directors together shall be 2 more than the total number of other Directors (excluding Foundation Directors and Academy Directors)
- The chairman of the Local Governing Body shall be an Academy Director for as long as he remains in office as such and shall be appointed by the Directors of the Company. They shall however appoint as the chairman of the Local Governing Body someone other than the Executive Principal
- There will be a minimum of 2 Parent Directors
- The Executive Committee shall make all necessary arrangements for, and determine all matters relating to the election and removal of the Staff Directors
- The Executive Principal shall be a Director for as long as he remains in office as such.

**Policies and procedures adopted for the induction and training of Trustees**

Persons who are appointed as trustees will be party to an induction process determined by their experience, background and knowledge.

**Organisational structure**

The Local Governing Body have been delegated responsibilities, by the Board of Trustees, for monitoring all aspects of St Thomas More Catholic High School ('the Academy') and its management. This involves ensuring it maintains its Catholic ethos setting general policy, adopting annual and now triennial improvement plans and budgets, regular monitoring of progress, the quality of teaching, attendance, special need provision and safeguarding procedures. The Local Governing Body determines staffing structures, makes decisions about capital expenditure, and senior appointments.

The Local Governing Body also ensures the Academy meets all its statutory obligations and through the Headteacher and Business Manager ensures that it complies with financial regulations.

The day to day activities of the Academy are managed by the Headteacher and the Senior Leadership Team.

**The South Cheshire Catholic Multi-Academy Trust**  
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**Trustees' report (continued)**  
**For the Year Ended 31 August 2016**

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**Arrangement for setting pay and remuneration of key management personnel**

Salary for the Head teacher is set by the school Pay and Progression committee (a group of 3 governors) which in conjunction with an external advisor reviews the objectives and targets set for the previous year and salary for the coming year based on this review. The recommendation is then made to the Finance Committee who are able to accept or reject the outcome. The leadership team and all other staff have a set of targets that are set in the beginning of the school year related to the School Development Plan. The success of these is measured by the Head but there is a sample reporting as with all staff to the Governors Pay and Progression committee for checking with the governors. The final approval again must go through the Finance Committee.

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

St Thomas More Catholic High School is a Catholic voluntary academy and part of The South Cheshire Catholic Multi-Academy Trust. At present it is the only Academy within this trust. It has strong links with its Catholic partner primary schools and the parishes of St Mary's, Crewe, St Anne's, Nantwich and St Gabriel's, Alsager.

**Objectives and Activities**

**Objects and aims**

The object and activity of the Trust is to provide a faith based education. It does this by operating a Catholic voluntary Academy, namely St Thomas More Catholic High School, which educates pupils of different abilities between the ages of 11 to 16.

St Thomas More Catholic High School has become a Multi Academy Trust framework in order to strengthen the effectiveness of the Catholic Church in education and to support our partner primary schools in academy conversion.

The Academy aims to provide:

An excellent inclusive education, maintaining a challenging environment which encourages high academic aspirations and achievements

- To identify and value the individual abilities and qualities of all pupils so that they can reach their full potential whilst promoting a spirit of respect and concern for others
- Make prayer, worship and liturgy meaningful experiences, which contributes to their understanding of the teaching of the Lord Jesus Christ and so the spiritual growth of all
- To engender a culture of vocation to help our pupils become confident, caring members of society, with an awareness of the needs of others

**The South Cheshire Catholic Multi-Academy Trust**  
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**Trustees' report (continued)**  
**For the Year Ended 31 August 2016**

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**Objectives, strategies and activities**

The Charitable Trust has agreed within the provisions of the Funding Agreement between the Secretary of State for Education to provide a free secondary school education with a balanced broad based curriculum for pupils of different abilities.

The pupils will mainly be drawn from the Catholic partner primary schools, but when possible, it will admit pupils from other schools who want an education in a Catholic setting.

The main objectives of the Academy during the period ending 31 August 2016 were to:

- Identify and value the individual abilities and qualities of all, whilst promoting a spirit of respect and concern for others
- Make prayer, worship and liturgy meaningful experiences for all members of the school community
- Maintain and develop a challenging environment, which encourages high academic aspirations and achievements for all
- Make pupils our confident, caring and contributing members of society

**Public benefit**

In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

**Strategic Report**

**Achievements and performance**

**Review of activities**

The Academy has implemented a variety of strategies to achieve its aims and improve performance:

- Analysis from external performance data
- Identified priorities from the school's own self-evaluation processes
- A review of the 2015-16 school improvement plan
- 'Soft' outcomes from Staff Development Day evaluation activities
- National priorities from the DfE and the CES
- Recommendations from the Diocese of Shrewsbury, Cheshire East Local Authority & other advisory bodies
- All targets are reviewed with the Governing body throughout the year

**Key performance indicators**

In 2016 the school was the top performing school in Cheshire East. Pupils at the school, on average, made more progress than in any other secondary school in the county. The school's Progress 8 score of 0.15 against a floor standard of -0.05.

The school maintained its high level of attainment. 67% of pupils achieved five or more A\*- C grades including English and Maths, which is above national figures.

There were very high attainment figures in English GCSE where 88% of pupils gained A\*- C grade. Other subjects with very high attainment included Art – 89%; Geography – 85%; ICT – 88%; German – 88%; Latin – 100%; Biology – 93%; Chemistry – 100% and Physics – 100% of pupils gaining A\*- C.

**The South Cheshire Catholic Multi-Academy Trust**  
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**Trustees' report (continued)**  
**For the Year Ended 31 August 2016**

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**Going concern**

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

**Financial review**

The Academy's key sources of funding are the General Annual Grant (GAG) from the Education Funding Agency (EFA). Funding from the EFA is shown as restricted funds in the Statement of Financial Activities. The analysis of the specific grants received can be seen within note 3 to the financial statements.

During the period to 31 August 2016, the Academy received GAG of £3,265,156.

The Academy also receives capital grants from the EFA. These include Condition Improvement Fund (CIF) and Devolved Formula Capital (DFC) grants. These grants are included within the Statement of Financial Activities in the restricted fixed asset fund column. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned and by the cost of property improvements expensed in the period relating to property owned by Shrewsbury Roman Catholic Diocese Trust. During the period to 31 August 2016, the Academy received CIF grants totalling £67,294 and DFC of £13,879.

The Local Government Pension Scheme (LGPS) opening deficit in the year totalled £927,000, at the 31 August 2016 the deficit had increased to £1,446,000.

At 31 August 2016, the net book value of tangible fixed assets totalled £183,092. During the year the Academy made additions of £49,099 of which £25,933 related to fixture and fittings and £23,166 related to computer equipment.

**Reserves policy**

The Trustees will review the reserves of the Academy annually. A policy of the Trustees will be to maintain a level of free reserves that will be adequate to provide a stable base to continue the operation of the Academy.

The Trust held deficit fund balance at 31 August 2016 of £814,527 comprising of £26,057 of restricted funds, £363,979 of unrestricted general fund, restricted fixed asset funds of £241,437 and pension reserve deficit of £1,446,000.

**Investments policy**

Investments are made in compliance with the Academy's Investment Policy. The Directors seek to invest surplus funds in a manner to obtain the best possible return and these are invested with reputable and ethical investors. The aim of the Investment Policy is to maximise returns in order to increase the resources available to our staff so that we can achieve our aim of increasing academic standards.

**Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.



**The South Cheshire Catholic Multi-Academy Trust**  
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**Trustees' report (continued)**  
**For the Year Ended 31 August 2016**

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**Plans for future periods**

**Future developments**

The Academy Trust has plans in place to improve the future of school, as follows:

- To continue to be a high achieving inclusive school where pupils, staff and parents have the opportunity to know Christ and love their neighbour;
- To create a Governing Body which is supportive but also provides constructive challenge, which holds the school to account for the quality of provision and the impact on outcomes for pupils;
- Leaders and Governors should ensure that they develop the skills of middle leaders further so that they evaluate teaching more rigorously. Ofsted 2016;
- To ensure quality assurance processes, monitoring and tracking information are used sharply and robustly by all;
- To improve the presentation of pupil's workbooks and raise the level and consistency of feedback to that of the best; and
- To ensure all pupils make at least good if not outstanding progress in every lesson.

**Funds held as custodian**

The Academy does not hold any funds as Custodian Trustees on behalf of others.

**Employee involvement and employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Academy's Equal opportunities policy, the Academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Academy's offices.

**The South Cheshire Catholic Multi-Academy Trust**  
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**Trustees' report (continued)**  
**For the Year Ended 31 August 2016**

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**Disclosure of information to auditors**

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

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

This report was approved by order of the board of trustees as the company directors, on 20 December 2016 and signed on its behalf by:

*F. J. Fagan A.P. Fagan*

**Father J Fagan**  
**Trustee**

**The South Cheshire Catholic Multi-Academy Trust**  
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**Governance Statement**

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**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher, 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 The South Cheshire Catholic Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Canon D Roberts, Chair	3	3
Father J Fagan	3	3
Mrs C Hogg, Acting Headteacher and Acting Accounting Officer (from 1 November 2015)	3	3
Headteacher and Accounting Officer (from 3 February 2016)		
Mr E Byrne	2	3
Mr D Cunningham	0	1
Mrs S Fau-Goodwin	3	3
Miss N Brown	0	3
Mrs S Claridge	0	1
Mr P Davies, Staff Trustee	1	1
Mrs C Lawrence	1	1
Mr E McHugh, Head Teacher and Accounting Officer (until 31 October 2015)	0	0
Mr S O'Neil	0	1

The day to day operation of the budget of St Thomas More Catholic High School is a delegated responsibility of the Local Governing Body. One member of the board of Trustees's is on the Local Governing Body to ensure continuity and ease of communication.

**The South Cheshire Catholic Multi-Academy Trust**  
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**Governance Statement (continued)**

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**Review of Value for money**

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

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

**Improving Education Outcomes**

The school has a 3 year rolling School Improvement Plan in place which is focused on ensuring the school continues to be a centre for inclusive high quality education, raising the standard of achievement of all pupils and improving the effectiveness of the Academy by the continual review of the curriculum and the quality of teaching.

The Academy conducts business in accordance with the highest standards of integrity, probity, and openness that always reflects its Christian ethos.

**Collaboration**

St Thomas More Catholic High School is a Catholic voluntary academy and part of The South Cheshire Multi Academy Trust Academy Trust. At present it is the only Academy within this trust. It has strong links with the Diocese of Shrewsbury and its Catholic partner primary schools and the parishes of St Mary's, Crewe, St Anne's, Nantwich and St Gabriel's, Alsager.

The Academy is a member of the Chimney House Alliance, which includes all local maintained and academy secondary schools in the Crewe area. The Alliance's mission is to "Raise Achievement through Collaboration". Strong connections are also maintained with South Cheshire College and Catholic sixth form colleges.

**Financial Governance and Oversight**

The Local Governing Body has a strong financial governance oversight. Over the year they have challenged decision making to ensure effectiveness of spending. The budget is approved annually and reviewed on a termly basis. A rolling three year budget plan is in place which reflects the objectives of the School Improvement Plan.

The Finance and Premises committee meet every term at which they receive management reports to review and challenge.

The Academy has appointed a Responsible Officer who is a Governor and also has termly internal themed audits carried out by HCSS Education.

**Better Purchasing**

The Academy conducts business in accordance with the highest standards of integrity, probity, and openness that always reflects its Christian ethos.

The academy wants to achieve the best value for money from all its purchases i.e. to get what it needs in the correct quality, quantity and time at the best price possible. A large proportion of its purchases will be paid for with public funds and it needs to maintain the integrity of these funds by following the general principals of:

Probity: it must be demonstrable that there is no corruption or private gain involved in the contractual relationships of the academy; Accountability: the academy is publicly accountable for its expenditure and the conduct of its affairs; Fairness: that all those dealt with by the academy are dealt with on a fair and equitable basis.

**The South Cheshire Catholic Multi-Academy Trust**  
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**Governance Statement (continued)**

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The Academy Procurement, Quotations and Tendering Policy ensures that tenders/quotes are obtained as appropriate to ensure Value for Money with all major projects.

The trust has benchmarked against secondary schools in the local alliance.

**Maximising Income Generation**

The Academy bid for capital money and was successful in its 2015 CIF bid. A grant of £681,049 was received which allows for roof, guttering and soffits to be replaced throughout the school during 2015/16.

The Academy explores every opportunity to generate income through letting its facilities and placing bids wherever possible.

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The South Cheshire Catholic Multi-Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**The South Cheshire Catholic Multi-Academy Trust**  
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**Governance Statement (continued)**

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**The Risk and Control Framework**

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase system
- testing of control account

On a termly basis, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditors have delivered their schedule of work as planned, and no material control issues have been identified.

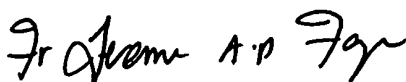
**Review of Effectiveness**

As Accounting Officer, the Head Teacher 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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the local governing body 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 20 December 2016 and signed on their behalf, by:



**Father J Fagan**  
**Trustee**



**Mrs C Hogg**  
**Accounting Officer**

**The South Cheshire Catholic Multi-Academy Trust**  
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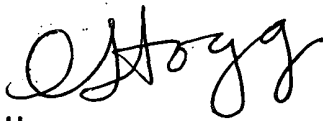
**Statement on Regularity, Propriety and Compliance**

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

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

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



**Mrs C Hogg**  
**Accounting Officer**

Date: 20 December 2016

**The South Cheshire Catholic Multi-Academy Trust**  
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**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2016**

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

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


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

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

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

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

Approved by order of the members of the board of trustees on 20 December 2016 and signed on its behalf by:



**Father J Fagan**  
**Trustee**



**The South Cheshire Catholic Multi-Academy Trust**  
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**Independent auditors' report on the financial statements to the members of The South Cheshire Catholic Multi-Academy Trust**

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

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

**Respective responsibilities of Trustees and auditors**

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

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

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

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

**Opinion on financial statements**

In our opinion the financial statements:

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

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Independent auditors' report on the financial statements to the members of The South Cheshire Catholic Multi-Academy Trust**

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

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

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; 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.



Jonathan Dudley (Senior statutory auditor)

for and on behalf of

**Dains LLP**

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 21 December 2016

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Independent reporting accountants' assurance report on regularity to The South Cheshire Catholic Multi-Academy Trust and the Education Funding Agency**

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In accordance with the terms of our engagement letter dated 1 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The South Cheshire Catholic Multi-Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**Respective responsibilities of The South Cheshire Catholic Multi-Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The South Cheshire Catholic Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 May 2013, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

## 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



## Dains LLP

Statutory Auditor  
Chartered Accountants

Suite 2, Albion House  
2 Etruria Office Village  
Forge Lane  
Etruria  
Stoke on Trent  
ST1 5RQ

Date: 21 December 2016

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Statement of financial activities incorporating income and expenditure account**  
**For the Year Ended 31 August 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Restated Total funds 2015 £
<b>Income from:</b>						
Donations and capital grants	2	75	-	81,173	81,248	724,364
Charitable activities	3	-	3,689,185	-	3,689,185	3,672,025
Other trading activities	4	35,663	-	-	35,663	56,544
Investments	5	791	-	-	791	749
<b>Total income</b>		<b>36,529</b>	<b>3,689,185</b>	<b>81,173</b>	<b>3,806,887</b>	<b>4,453,682</b>
<b>Expenditure on:</b>						
Charitable activities		-	3,851,297	815,930	4,667,227	3,944,226
<b>Total expenditure</b>	6	<b>-</b>	<b>3,851,297</b>	<b>815,930</b>	<b>4,667,227</b>	<b>3,944,226</b>
<b>Net income / (expenditure) before transfers</b>		<b>36,529</b>	<b>(162,112)</b>	<b>(734,757)</b>	<b>(860,340)</b>	<b>509,456</b>
Transfers between Funds	16	(71,042)	-	71,042	-	-
<b>Net income / (expenditure) before other recognised gains and losses</b>		<b>(34,513)</b>	<b>(162,112)</b>	<b>(663,715)</b>	<b>(860,340)</b>	<b>509,456</b>
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(473,000)	-	(473,000)	27,000
<b>Net movement in funds</b>		<b>(34,513)</b>	<b>(635,112)</b>	<b>(663,715)</b>	<b>(1,333,340)</b>	<b>536,456</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		398,492	(784,831)	905,152	518,813	(17,643)
<b>Total funds carried forward</b>		<b>363,979</b>	<b>(1,419,943)</b>	<b>241,437</b>	<b>(814,527)</b>	<b>518,813</b>

All of the academy's activities derive from countued operations.

All recognised gains and losses are included in the Statement of Financial Activities.

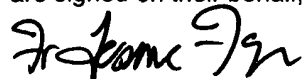
The notes on pages 22 to 43 form part of these financial statements.

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**  
**Registered number: 08518704**

**Balance sheet**  
**As at 31 August 2016**

	Note	£	2016 £	£	Restated 2015 £
<b>Fixed assets</b>					
Tangible assets	13		183,092		198,533
<b>Current assets</b>					
Debtors	14	89,433		480,230	
Cash at bank and in hand		697,278		998,827	
		<u>786,711</u>		<u>1,479,057</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(338,330)</u>		<u>(231,777)</u>	
<b>Net current assets</b>			<u>448,381</u>		<u>1,247,280</u>
<b>Total assets less current liabilities</b>			<u>631,473</u>		<u>1,445,813</u>
Defined benefit pension scheme liability	21		<u>(1,446,000)</u>		<u>(927,000)</u>
<b>Net (liabilities)/assets including pension scheme liabilities</b>			<u><u>(814,527)</u></u>		<u><u>518,813</u></u>
<b>Funds of the academy</b>					
Restricted income funds:					
Restricted income funds	16	26,057		142,169	
Restricted fixed asset funds	16	241,437		905,152	
		<u>267,494</u>		<u>1,047,321</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(1,446,000)</u>		<u>(927,000)</u>	
Total restricted income funds			<u>(1,178,506)</u>		<u>120,321</u>
Unrestricted income funds	16		<u>363,979</u>		<u>398,492</u>
<b>Total (deficit)/funds</b>			<u><u>(814,527)</u></u>		<u><u>518,813</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 20 December 2016 and are signed on their behalf, by:



**Father J Fagan**  
**Trustee**

The notes on pages 22 to 43 form part of these financial statements.

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Statement of cash flows**  
**For the Year Ended 31 August 2016**

	<b>Note</b>	<b>2016 £</b>	<b>Restated 2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	18	<b>(334,414)</b>	31,969
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>791</b>	749
Purchase of tangible fixed assets		<b>(49,099)</b>	(34,273)
Capital grants from DfE/EFA		<b>81,173</b>	346,944
<b>Net cash provided by investing activities</b>		<b>32,865</b>	313,420
<b>Change in cash and cash equivalents in the year</b>		<b>(301,549)</b>	345,389
Cash and cash equivalents brought forward		<b>998,827</b>	653,438
<b>Cash and cash equivalents carried forward</b>	19	<b>697,278</b>	998,827

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

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

The South Cheshire Catholic Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 25.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

The Trustees have taken into consideration that the Trust has net liabilities of £814,527, after the requirement to recognise the pension liability under Financial Reporting Standard 102. The Trustees are aware that the Trust will continue to make future pension contributions but consider this does not impact upon the Trust's ability to pay its debts as they fall due.



**1. Accounting policies (continued)**

**1.3 Income**

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

**1.4 Expenditure**

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting policies (continued)**

**1.6 Taxation**

The Academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**1.7 Tangible fixed assets and depreciation**

All assets costing more than £1,000 are capitalised.

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

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

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land	-	125 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 - 5 years straight line

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting policies (continued)**

The academy trust company occupies land (including buildings) which are owned by its Trustees who are Shrewsbury Roman Catholic Diocese Trust. Details of this are included in Accounting policies 1.15.

The academy trust company occupies:

- (a) land provided to it by the Local Authority under a 125-year lease;
- (b) provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period.

In respect of;

- (a) a figure is entered that reflects advice taken on the value of the lease;
- (b) Having considered the fact that the academy trust company occupies the land and such buildings as may be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

**1.8 Debtors**

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

**1.9 Cash at Bank and in hand**

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

**1.10 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**1.11 Financial instruments**

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.12 Operating leases**

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

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

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**1. Accounting policies (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 21, 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 Fund accounting**

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

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

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

**1. Accounting policies (continued)**

**1.15 Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

**Local Government Pension Scheme**

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Land and Buildings**

The academy trust company occupies land (including buildings) which are owned by its Trustees who are Shrewsbury Roman Catholic Diocese Trust. The Trustees are the providers of the academy on the same basis as when the academy was a maintained school. The academy trust company occupies the land (and buildings) under a mere licence. This continuing permission of their Trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Catholic Church's contribution since 1847 to provide State funded education in partnership with the State. The licence delegates aspects of the management of the land (and buildings) to the academy trust company for the time being, but does not vest any rights over the land in the academy trust company. The Trustees have given an undertaking to the Secretary of State that they will not give the academy trust company less than two years notice to terminate the occupation of the land (including buildings). Having considered the factual matrix under which the academy trust company is occupying the land (and buildings) the directors have concluded that the value of the land and buildings occupied by the academy trust company will not be recognised on the balance sheet of the company. The directors have also concluded that the cost of subsequent building improvements should not be recognised on the balance sheet and that these costs should be written off in the year that they are incurred.

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

**2. Income from donations and capital grants**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Restated Total funds 2015 £
Donations	75	-	-	75	17,746
Devolved Formula Capital	-	-	13,879	13,879	25,569
Conditions Improvements Fund	-	-	67,294	67,294	681,049
	<u>75</u>	<u>-</u>	<u>81,173</u>	<u>81,248</u>	<u>724,364</u>
Total donations and capital grants	75	-	81,173	81,248	724,364

In 2015, of the total income from donations and capital grants, £17,746 was to unrestricted funds, £ NIL was to restricted funds and £706,618 was to restricted fixed asset funds.

**3. Funding for Academy's educational operations**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Restated Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	3,265,156	3,265,156	3,263,631
Pupil Premium	-	94,212	94,212	90,834
Other DfE/ EFA grants	-	-	-	27,096
	<u>-</u>	<u>3,359,368</u>	<u>3,359,368</u>	<u>3,381,561</u>
<b>Other government grants</b>				
High Needs Topup	-	55,799	55,799	68,437
	<u>-</u>	<u>55,799</u>	<u>55,799</u>	<u>68,437</u>
<b>Other funding</b>				
Trip income	-	165,241	165,241	130,025
Catering	-	108,777	108,777	92,002
	<u>-</u>	<u>274,018</u>	<u>274,018</u>	<u>222,027</u>
	<u>-</u>	<u>3,689,185</u>	<u>3,689,185</u>	<u>3,672,025</u>

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £3,672,025 was to restricted funds.

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

**4. Other trading activities**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Restated Total funds 2015 £
Lettings	5,585	-	5,585	905
Other income	27,928	-	27,928	1,330
Supply teacher reimbursement	2,150	-	2,150	54,309
	<u>35,663</u>	<u>-</u>	<u>35,663</u>	<u>56,544</u>

In 2015, of the total income from other trading activities, £56,544 was to unrestricted funds and £ NIL was to restricted funds.

**5. Investment income**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Restated Total funds 2015 £
Investment income	791	-	791	749

In 2015, of the total investment income, £ 749 was to unrestricted funds and £ NIL was to restricted funds.

**6. Expenditure**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Restated Total 2015 £
Educational Operations:					
Direct costs	2,478,046	-	533,899	3,011,945	3,048,761
Support costs	408,447	200,618	1,046,217	1,655,282	895,465
	<u>2,886,493</u>	<u>200,618</u>	<u>1,580,116</u>	<u>4,667,227</u>	<u>3,944,226</u>

In 2016, of the total expenditure, £NIL (2015 - £NIL) was to unrestricted funds, £3,851,297 (2015 - £3,877,167) was to restricted funds and £83,188 (2015 - £58,059) was to restricted fixed asset funds.

**The South Cheshire Catholic Multi-Academy Trust**  
**(A company limited by guarantee)**

**Notes to the financial statements**  
**For the Year Ended 31 August 2016**

**7. Charitable activities**

	<b>Total funds 2016 £</b>	<b>Restated Total funds 2015 £</b>
<b>Direct costs - educational operations</b>		
Wages and salaries	1,989,254	2,070,982
National insurance	162,717	151,048
Pension cost	326,075	308,361
Depreciation	63,617	57,171
Educational supplies	73,522	94,406
Examination fees	46,823	48,624
Staff development	31,783	22,697
Technology costs	52,779	55,372
Travel and subsistence	205,332	143,830
Other direct costs	43,871	82,369
Recruitment and support	16,172	13,901
	<b>3,011,945</b>	<b>3,048,761</b>
<b>Support costs - educational operations</b>		
Wages and salaries	313,202	303,639
National insurance	17,817	14,459
Pension cost	77,428	78,991
Depreciation	923	888
LGPS net finance cost	35,000	34,000
Maintenance of premises	898,169	130,902
Maintenance of equipment	27,564	28,225
Cleaning	4,752	9,585
Rent and rates	34,416	31,329
Bank interest and charges	304	288
Energy costs	43,227	48,006
Insurance	10,238	14,551
Security and transport	5,886	5,970
Catering	130,216	122,847
Other support costs	11,466	21,266
Governance costs	44,674	50,519
	<b>1,655,282</b>	<b>895,465</b>
	<b>4,667,227</b>	<b>3,944,226</b>



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**8. Net incoming resources/(resources expended)**

This is stated after charging:

	<b>2016</b>	<b>Restated</b>
	<b>£</b>	<b>2015</b>
		<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>64,540</b>	58,059
Auditors' remuneration - audit	<b>5,150</b>	5,000
Auditors' remuneration - other services	<b>1,175</b>	1,140
Operating lease rentals	<b>14,127</b>	14,127
	<b><u>89,032</u></b>	<b><u>78,326</u></b>

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**9. Staff costs**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>2,224,749</b>	2,296,449
Social security costs	<b>180,534</b>	165,507
Operating costs of defined benefit pension schemes	<b>403,503</b>	387,352
	<b>2,808,786</b>	2,849,308
Supply teacher costs	<b>33,907</b>	73,310
Staff restructuring costs	<b>43,800</b>	4,861
	<b>2,886,493</b>	2,927,479

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £43,800 (2015 - £4,861). Individually, the payments were £40,000 and £3,800.

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>43</b>	50
Administration and support	<b>46</b>	49
Management	<b>5</b>	6
	<b>94</b>	105

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

	<b>2016</b>	<b>2015</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>1</b>	2
In the band £70,001 - £80,000	<b>0</b>	2

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £368,316 (2015 - £379,183).

**10. Central services**

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

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**11. 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 Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Mrs C Hogg - Head Teacher and Accounting officer (from 1 November 2015)	Remuneration	<b>65,000-70,000</b>	n/a
	Pension contributions paid	<b>10,000-15,000</b>	n/a
Mr E McHugh - Head Teacher and Accounting officer (until 31 October 2015)	Remuneration	<b>50,000-55,000</b>	60,000-65,000
	Pension contributions paid	<b>0-5,000</b>	5,000-10,000
Mr P Davies - Staff Trustee	Remuneration	<b>40,000-45,000</b>	40,000-45,000
	Pension contributions paid	<b>5,000-10,000</b>	5,000-10,000

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year ended 31 August 2016, expenses totalling £355 (2015 - £134) were reimbursed to 1 Trustee (2015 - 1).

**12. Trustees' and Officers' Insurance**

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

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**13. Tangible fixed assets**

	Leasehold Land £	Fixtures and fittings £	Computer equipment £	Restated Total £
<b>Cost</b>				
At 1 September 2015 (restated)	111,000	22,188	182,216	315,404
Additions	-	25,933	23,166	49,099
At 31 August 2016	111,000	48,121	205,382	364,503
<b>Depreciation</b>				
At 1 September 2015 (restated)	888	5,859	110,124	116,871
Charge for the year	888	6,736	56,916	64,540
At 31 August 2016	1,776	12,595	167,040	181,411
<b>Net book value</b>				
At 31 August 2016	109,224	35,526	38,342	183,092
At 31 August 2015 (restated)	110,112	16,329	72,092	198,533

**14. Debtors**

	2016 £	2015 £
Trade debtors	600	14,901
VAT repayable	7,969	34,835
Prepayments and accrued income	80,864	430,494
	89,433	480,230

**15. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	51,948	92,426
Other taxation and social security	52,463	49,109
Other creditors	47,369	45,490
Accruals and deferred income	186,550	44,752
	338,330	231,777

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**15. Creditors: Amounts falling due within one year (continued)**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September	<b>40,182</b>	8,164
Resources deferred during the year	<b>15,805</b>	40,182
Amounts released from previous years	<b>(40,182)</b>	(8,164)
	<hr/>	<hr/>
Deferred income at 31 August	<b>15,805</b>	40,182
	<hr/>	<hr/>

At the balance sheet date the academy trust was holding funds received in advance for school trips in the 2016/17 academic year.

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**16. Statement of funds**

	<b>Restated Brought Forward £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfers in/out £</b>	<b>Gains/ (Losses) £</b>	<b>Carried Forward £</b>
<b>Unrestricted funds</b>						
Unrestricted funds	<b>398,492</b>	<b>36,529</b>	<b>-</b>	<b>(71,042)</b>	<b>-</b>	<b>363,979</b>
<b>Restricted funds</b>						
General Annual Grant (GAG)	-	3,265,156	(3,326,584)	87,485	-	26,057
Other DfE/ EFA	40,325	94,212	(134,537)	-	-	-
Trip income	101,844	165,241	(179,600)	(87,485)	-	-
Other Government Grants	-	55,799	(55,799)	-	-	-
Other income	-	108,777	(108,777)	-	-	-
Pension reserve	(927,000)	-	(46,000)	-	(473,000)	(1,446,000)
	<b>(784,831)</b>	<b>3,689,185</b>	<b>(3,851,297)</b>	<b>-</b>	<b>(473,000)</b>	<b>(1,419,943)</b>
<b>Restricted fixed asset funds</b>						
Transferred on conversion	163,059	-	(46,864)	-	-	116,195
DfE/ EFA capital grants	701,863	81,173	(751,390)	-	-	31,646
Capital expenditure from GAG/unrestricted funds	40,230	-	(17,676)	71,042	-	93,596
	<b>905,152</b>	<b>81,173</b>	<b>(815,930)</b>	<b>71,042</b>	<b>-</b>	<b>241,437</b>
Total restricted funds	<b>120,321</b>	<b>3,770,358</b>	<b>(4,667,227)</b>	<b>71,042</b>	<b>(473,000)</b>	<b>(1,178,506)</b>
Total of funds	<b>518,813</b>	<b>3,806,887</b>	<b>(4,667,227)</b>	<b>-</b>	<b>(473,000)</b>	<b>(814,527)</b>

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**Notes to the financial statements**  
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**16. Statement of funds (continued)**

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

**Unrestricted funds**

This fund represents those resources which may be used towards meeting any of the charitable objects of the multi-academy trust at the discretion of the Trustees.

**Restricted General Funds**

The restricted general funds represents grants received for the academy's operational activities and development, restricted trip income and other restricted income.

**Pension Reserve**

The pension reserve represents the academy's share of the pension liability arising on the LGPS pension fund.

**Restricted Fixed Asset Fund**

The restricted fixed asset fund relates to grant funding received from the EFA to carry out works of a capital nature, capital expenditure from GAG, and also the donation of the assets from the local authority on conversion.

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

**17. Analysis of net assets between funds**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Restated Total funds 2015 £
Tangible fixed assets	-	-	183,092	183,092	198,534
Current assets	363,979	364,387	58,345	786,711	1,479,056
Creditors due within one year	-	(338,330)	-	(338,330)	(231,777)
Provisions for liabilities and charges	-	(1,446,000)	-	(1,446,000)	(927,000)
	<u>363,979</u>	<u>(1,419,943)</u>	<u>241,437</u>	<u>(814,527)</u>	<u>518,813</u>

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

	2016 £	Restated 2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(860,340)	509,456
<b>Adjustment for:</b>		
Depreciation charges	64,540	58,059
Dividends, interest and rents from investments	(791)	(749)
Decrease/(increase) in debtors	390,797	(341,401)
Increase in creditors	106,553	93,548
Capital grants from DfE and other capital income	(81,173)	(346,944)
Defined benefit pension scheme adjustments	46,000	60,000
<b>Net cash (used in)/provided by operating activities</b>	<b>(334,414)</b>	<b>31,969</b>

**19. Analysis of cash and cash equivalents**

	2016 £	2015 £
Cash in hand	697,278	998,827
<b>Total</b>	<b>697,278</b>	<b>998,827</b>

**20. Capital commitments**

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	643,329

**21. Pension commitments**

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

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

Contributions amounting to £46,016 were payable to the schemes at 31 August 2016 (2015 - £45,490) and are included within creditors.



**21. Pension commitments (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £278,000 (2015 - £266,000).

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

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

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**21. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £156,000 (2015 - £152,000), of which employer's contributions totalled £126,000 (2015 - £121,000) and employees' contributions totalled £30,000 (2015 - £31,000). The agreed contribution rates for future years are 26.8% for employers and 5.5% - 8.5% for employees.

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:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.00 %</b>	3.80 %
Rate of increase in salaries	<b>3.10 %</b>	3.60 %
Rate of increase for pensions in payment / inflation	<b>2.10 %</b>	2.70 %
Commutation of pensions to lump sums	<b>75.00 %</b>	75.00 %

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.3</b>	22.3
Females	<b>24.4</b>	24.4
Retiring in 20 years		
Males	<b>24.1</b>	24.1
Females	<b>26.7</b>	26.7

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

	<b>Fair value at 31 August 2016 £</b>	<b>Fair value at 31 August 2015 £</b>
Equities	<b>662,000</b>	399,000
Bonds	<b>127,000</b>	103,000
Property	<b>59,000</b>	51,000
Cash	<b>-</b>	17,000
<b>Total market value of assets</b>	<b>848,000</b>	<b>570,000</b>

The actual return on scheme assets was £108,000 (2015 - £25,000).

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**21. Pension commitments (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Current service cost (net of employee contributions)	<b>(137,000)</b>	(147,000)
Net interest cost	<b>(35,000)</b>	(34,000)
Total	<b>(172,000)</b>	(181,000)
Actual return on scheme assets	<b>108,000</b>	25,000

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>1,497,000</b>	1,287,000
Current service cost	<b>137,000</b>	147,000
Interest cost	<b>60,000</b>	51,000
Contributions by employees	<b>30,000</b>	31,000
Actuarial losses/(gains)	<b>570,000</b>	(19,000)
Closing defined benefit obligation	<b>2,294,000</b>	1,497,000

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

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>570,000</b>	393,000
Return on plan assets (excluding net interest on the net defined pension liability)	<b>25,000</b>	17,000
Actuarial gains and (losses)	<b>97,000</b>	8,000
Contributions by employer	<b>126,000</b>	121,000
Contributions by employees	<b>30,000</b>	31,000
Closing fair value of scheme assets	<b>848,000</b>	570,000

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**22. Operating lease commitments**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	14,127	14,127
Between 1 and 5 years	11,654	25,781
Total	<u>25,781</u>	<u>39,908</u>

**23. Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

**24. Related party transactions**

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

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

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**25. First time adoption of FRS 102**

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>Reconciliation of total funds</b>	<b>Notes</b>	<b>Restated 1 September 2014 £</b>	<b>Restated 31 August 2015 £</b>
Total funds under previous UK GAAP		(17,643)	518,813
Total funds reported under FRS 102		<u>(17,643)</u>	<u>518,813</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>31 August 2015 £</b>
Net income previously reported under UK GAAP		518,456
Change in recognition of LGPS interest cost	1	(9,000)
Net income reported under FRS 102		<u>509,456</u>

Explanation of changes to previously reported funds and net income/expenditure:

1	Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the expense by £9,000 and decrease the other recognised gains and losses in the SoFA by an equivalent amount.
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**26. Prior year adjustment**

The prior year values have been restated for an adjustment to the policy for recognition of property improvement costs on the balance sheet. The Trustees have concluded that property improvements should not be recognised on the balance sheet as the academy trust occupies land (including buildings) which are owned by its Trustees who are Shrewsbury Roman Catholic Diocese Trust. An amendment has been made to remove the property improvement additions from the year ending 31 August 2014 totalling £164,684 and to include it within the cost of property repairs and maintenance. The associated depreciation charge for the years ending 31 August 2014 and 31 August 2015 (£2,745 and £8,234 respectively) have been reversed. These amendments have decreased total reported funds brought forward by £153,705 and decreased the net book value of fixed assets at 31 August 2015 by the same amount.