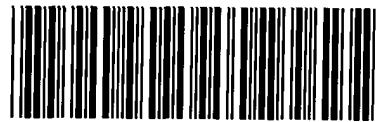


St Chad's Academy Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2017

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St Chad's Academy Trust
(A company limited by guarantee)

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Reference and Administrative Details
For the Year Ended 31 August 2017

Members	S Hannam C Hopkins The Venerable M Parker Dr A Primrose M Revel
Trustees	Prof R J Anderson (appointed 21 May 2017) The Revd H D Bishop J M Jones Dr M Lowe (appointed 6 June 2017) The Revd A M Morris Dr A F Primrose, Chair C G Randles S Read (appointed 22 May 2017) S M Wedgwood
Chief executive officer	S Wedgwood
Chief Financial Officer and Head of Operations	H Steel
Company registered number	08526973
Company name	St Chad's Academy Trust
Principal and registered office	St. Marys House The Close Lichfield Staffordshire WS13 7LD
Senior management team	S Wedgwood, Chief Executive Officer J Austin, Head of School Performance H Steel, Head of Operations
Company secretary	H Steel
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 22 Conduit Street Lichfield WS13 6JS
Solicitors	Geldards LLP Number One Pride Place Pride Park Derby DE24 8QR

St Chad's Academy Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2017

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

St Chad's Academies Trust is a Multi Academy Trust serving the Diocese of Lichfield. Geographically, the Diocese covers the 7 local authorities of Walsall, Wolverhampton, Sandwell, Shropshire, Stoke, Staffordshire and Telford and Wrekin. The Trust comprised of 11 Primary academies to 31 August 2017.

Structure, governance and management

a. Constitution

St Chad's Academies Trust is a company limited by guarantee with no share capital and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of St Chad's Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as St Chad's Academies Trust and its main regulator is the DfE.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees, directors and officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The limit of this indemnity is £5m for trustees' liabilities and £2m for libel and slander.

d. Method of recruitment and appointment or election of Trustees

The Articles of Association requires that the Members of the Company shall comprise of;

- a. The signatories of the Memorandum, who shall be;
 - i. The Diocesan Board of Education acting corporately by hand of its Director; and
 - ii. Two individual members of the Diocesan Board of Education nominated by it for the purpose;
- b. The chairman of the Directors; and
- c. And person appointed under Article 16.

Each of the persons entitled to appoint Members in Article 12 shall have the right from time to time, by written notice delivered to the Office, remove any Member appointed by them and to appoint a replacement Member to fill a vacancy whether resulting from such removal or otherwise. If any of the persons entitled to appoint Members in Article 12:

- a. In the case of an individual, die or become legally incapacitated;
- b. In the case of a corporate entity, cease to exist and are not replaced by a successor institution; or
- c. Becomes insolvent or makes any arrangement or composition with their creditors generally, their

St Chad's Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2017

right to appoint Members under these Articles shall vest in the remaining Members.

Membership will automatically terminate if:

- a. A Member (which is a corporate entity) ceases to exist and is not replaced by a successor institution;
- b. A Member (who is an individual) dies or becomes incapable by reason of illness or injury of managing and administering his or her own affairs; or
- c. A Member becomes insolvent or makes any arrangement or composition with that Member's creditors generally.

The Members with the written consent of the Diocesan Board of Education may agree by passing a Special Resolution in writing to appoint such additional Members as they think fit and may agree by passing a Special Resolution in writing to remove any such additional Members provided that such appointment or removal is in the interests of the Company.

Every person nominated to be a Member of the Company shall either sign a written consent to become a Member or sign the register of Members on becoming a Member.

Any Member may resign provided that after such resignation the number of Members is not less than three. A Member shall cease to be one immediately on the receipt by the Company of a notice in writing signed by the person or persons entitled to remove him under Articles 10 or 16 provided that no such notice shall take effect when the number of Members is less than three unless it contains or is accompanied by the appointment of a replacement Member.

Subject to Articles 48-49, the Company shall have no fewer than 5 Directors, appointed under Article 50. The number of Directors shall be not less than three, but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

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

Induction for new Trustees is tailored according to their experience and background. Trustees are provided with information about the Multi Academy Trust by the Clerk to Trustees. New Trustees requiring guidance on the roles of Trustees are provided with training and guidance through internal meetings and discussion with staff and other Trustees.

f. Organisational structure

The Trust is a multi-academy trust and at 31st August 2016 ran 11 academies as follows;

- Birchills Church of England Community Academy, Walsall (sponsored)
- Havergal Church of England Primary Academy Shareshill, Staffordshire (sponsored)
- St Matthew's Church of England Primary Academy, Stoke (converter)
- St John's Church of England Primary Academy, Wednesbury (sponsored)
- All Saints National Academy, Walsall (sponsored)
- St Peter's Church of England Primary Academy, Staffordshire (converter)
- St John's Church of England Primary Academy, Stafford (converter)
- St James Church of England Primary Academy, Longdon, Staffordshire (converter)
- Bishop Lonsdale Church of England Primary Academy, Eccleshall, Staffordshire (converter)
- Churchfield Church of England Primary Academy, Rugeley, Staffordshire (converter)
- Holy Trinity Church of England Primary Academy, Oswestry (converter)

The aim is to expand the number of academies in the Trust to allow the academies to work collaboratively, sharing resources to improve efficiencies and pool expertise, as well as enable peer to peer support and challenge.

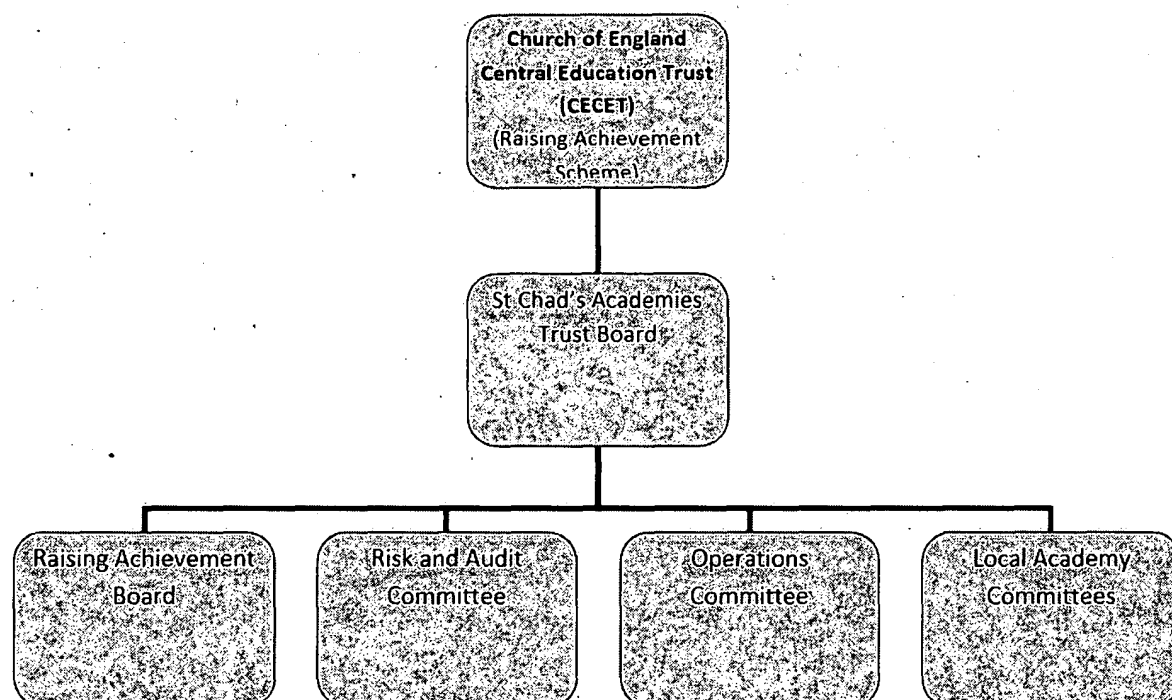
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Trustees' Report (continued)
For the Year Ended 31 August 2017

St Chad's Academies Trust is part of the "Umbrella" structure of the Church of England Central Education Trust (CECET). CECET is a partnership between the Diocese of Lichfield and the University of Wolverhampton. During the year, the sponsorship of the relevant academies within the Trust novated from CECET to St Chad's Academies Trust itself.

St Chad's Academies Trust is managed by a Board of Directors (also referred to as the Trustees) who meets regularly and provides strategic leadership and vision to the academies. The Trust provides support and challenge to the academies within it through a "Raising Achievement Board", a sub-committee of the Board which monitors the performance. During the year the Trust Board approved the formation of two further sub-committees; the Risk and Audit Committee and the Operations Committee. The Board appoints a Local Academy Committee to be an advisory body for each academy. The members of the Local Academy Committee are referred to as Committee Members to distinguish them from the Directors of the Trust.

The organisational structure is illustrated below:-



g. Pay policy for key management personnel

Performance Management of Principals is managed via the Raising Achievement Board and subsequent pay awards are awarded in line with School Teachers Pay and Conditions and the scope of individual leadership bands upon successful achievement of performance targets. Targets and pay are approved by the Board of Trustees.

h. Connected organisations, including related party relationships

The Trustees of St Chad's Academies Trust receive no remuneration for their activities as Trustees. The remuneration and pay of the CEO is settled by the Directors of Lichfield Diocesan Academies Services Limited (Company no. 08384751), who are the CEO's employer. Terms and Conditions of Service for the CEO, including remuneration, follow the conventions established by Lichfield Diocesan Board of Finance for diocesan staff.

Remuneration for staff employed at academies within St Chad's Academies Trust follows the national terms and conditions of service for teachers or the terms and conditions of service for support staff that pertained in the relevant Local Authority on the date of the individual Academy's conversion. Remuneration for the Principal is determined following a process of performance management which is undertaken by the Trust.

St Chad's Academies Trust is connected to the Church of England Central Education Trust (CECET) as explained above. The Trust is also connected to Lichfield Diocesan Academies Services Limited, which acts in effect as the "trading arm" of CECET. There is a connection to the Lichfield Diocesan Board of Education, which has strategic responsibility for Church of England schools within the Diocese of Lichfield and is the majority member of CECET.

Objectives and Activities

a. Objects and aims

The principal activities of St Chad's Academies Trust are to provide an inclusive, balanced and broadly based curriculum and education in line with the principles of the Church of England for children and young people of all abilities. The Trust provides free education for young people (currently 4-11) who live mainly within the Diocese of Lichfield.

The Company's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- (i) Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- (ii) other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

b. Objectives, strategies and activities

The Trust's educational vision is founded upon its commitment to promoting a distinctively Christian approach to education alongside a rigorous and systematic approach to sustained and continual improvement of the outcomes for children and young people. Each academy is assigned its own Christian Distinctiveness Adviser, whose role is to support the continuance of the Christian distinctiveness of the academy and to provide a whole-school approach to monitoring progress.

The overarching principles adopted by CECET and St Chad's Academies Trust are that:-

- All academies can improve to become good and outstanding.
- All pupils have the right to the best education that can be provided so that standards continually rise resulting in all children and young people achieving their best.
- All children and young people in our care have an entitlement to spiritual care and guidance. By continuing and

developing the historical role of the church in education the Trust champions the ethos and values enabling children and young people clearly to identify themselves as children of God.

- All staff and academy committee members should have access to support for their spiritual welfare.
- All staff should have access to a well-planned and strong career progression route. This professional development will be tailored to meet the needs of the academy and the individual teacher, resulting in a professional body of the highest quality.
- Presence, partnership and participation of academies and their leaders will bring about significant improvement and help to develop system leaders of the future.

The Trust's strategy is to drive academy improvement, encouraging academies to support other individual academies, or groups of academies, within a family network. This strategy embraces senior leaders, governors and teachers. The Trust is committed to high quality continuous professional development for staff, and to ensuring that leaders and staff can become key agents of change. The Trust's aim is to establish vibrant learning communities, where all children and young people are able to achieve their God-given potential.

The "Raising Achievement Board" provides challenge and support to academies on a termly basis. Each academy has an assigned Diocesan Improvement Adviser, whose role is to add capacity to the leadership team in an academy and also to provide on-going advice, support and challenge to Principals.

c. Public benefit

The Trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by St Chad's Academies Trust is the maintenance and development of a high quality education, which is free of charge. It is the Trustees' aim to deliver outstanding learning to all of its students during the journey of improvement towards excellence. It is a priority to ensure the public benefit for all young people in the areas in which the Trust operates.

In doing this, St Chad's Academies Trust not only offers a broadly based academic education but aims to educate the whole individual and to encourage their spiritual development. A wide-range of extra-curricular activities and educational trips and visits are offered to students.

Strategic report

a. Achievements and performance

Progress and Attainment

PERFORMANCE DATA - KEY STAGE TWO – 2017 UNVALIDATED DATA

Academy	Reading	Writing	Mathematics	Combined	Progress measures			
NATIONAL AVERAGE	71%	76%	75%	61%	Progress	R	W	M
					2017	5	7	5
St John's, Wednesbury	83%	73%	97%	73%	Progress	R	W	M
					2016	-3.1	+0.1	-1.4
					2017	+7.8	+2.9	+10.4
Havergal, Shereshill	90%	87%	87%	73%	Progress	R	W	M
					2016	+1	+1.8	+2
					2017	+2.3	+2	+2.6
St Matthew's, Stoke on Trent (small cohort)	81%	75%	69%	63%	Progress	R	W	M
					2016	-1.2	-2.7	-1.6
					2017	-0.2	0.0	-1.5
All Saints National, Walsall	44%	56%	36%	31%	Progress	R	W	M
					2016	-4.4	-1.8	-1.9
					2017	-4.9	-2.4	-5.1
Birchills, Walsall	48%	66%	64%	48%	Progress	R	W	M
					2016	-2.9	-2.6	-2.1
					2017	-1.9	+1.7	+2.2

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Academy	Reading	Writing	Mathematics	Combined	Progress measures			
St Peter's Stroodall	85%	81%	89%	81%	Progress	R	W	M
					2016	-3.1	+0.1	-1.4
					2017	+7.8	+2.9	+10.4
St John's, Stafford	72%	81%	74%	61%	Progress	R	W	M
					2016	-3.8	-4.2	-2.9
					2017	-2.6	-2.2	-1.8
St James, Longdon (small cohort)	85%	77%	69%	69%	Progress	R	W	M
					2016	-1.6	-5.5	-4.4
					2017	-6.1	-4.6	-4.8
Bishop Lonsdale, Ecclesball	77%	68%	86%	68%	Progress	R	W	M
					2016	+1.8	-2.4	-0.7
					2017	+3.2	-0.4	+2.8
Churchfield, Staffordshire	86%	71%	71%	62%	Progress	R	W	M
					2016	-2.8	-0.1	-2.9
					2017	0.6	0.1	-1.6
Holy Trinity Oswestry	46%	58%	62%	46%	Progress	R	W	M
					2016	-2.3	-1.4	-2.1
					2017	-3	-0.1	-0.4

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Achievements:

Consolidated outcomes for pupils across the two Diocesan Trusts as below;

	St Chad's (11 academies) 2017 outcomes	Wulfrun (2 academies) 2017 outcomes	Overall MAT 13 academies 2017/16 outcomes
Combined 2017 RWM	62% (NA 61%) up 9% (NA 9%) up	69% (NA 61%) 7% (NA 9%)	66% (NA 61%)
Reading overall 2017 attainment	EXS 73% (NA 71%) GD 20% (NA 25%)	EXS 81% (NA 71%) GD 32% (NA 25%)	EXS 77% (NA 71%) GD 26% (NA 25%)
Reading overall progress	-0.44	+4.66	+0.34
Reading Disadvantaged progress	+1.30	+4.52	+1.75
Reading EAL progress	+0.63	+8.13	+1.63
Writing overall 2017 attainment	EXS 72% (NA 76%) GD 14% (NA 18%)	EXS 76% (NA 76%) GD 19% (NA 18%)	74% (NA 76%) 17% (NA 18%)
Writing progress	-0.12	+2.9	+0.21
Writing disadvantaged progress	-0.59	+1.78	-0.27
Writing EAL progress	+1.44	+4.52	+1.85
GPS attainment	EXS 74% (NA 77%) GD 36% (NA 31%)	EXS 72% (NA 77%) GD 32% (NA 31%)	73% (NA 77%) 34% (NA 31%)
Maths overall 2017 attainment	EXS 73% (NA 75%) GD 23% (NA 23%)	EXS 83% (NA 75%) GD 23% (NA 23%)	78% (NA 75%) 23% (NA 23%)
Maths progress	+0.37	+3.70	+0.88
Maths disadvantaged progress	+0.93	+2.61	+1.15
Maths EAL progress	+4.15	+8.71	+4.72

The ratio of partner schools to sponsored schools in St Chad's Academies Trust has continued to increase (7 partner converter academies to 4 sponsored).

The four academies in the Trust which have been inspected in year and are now judged to be good, some with outstanding features, these are Birchills Church of England Community Academy in Walsall, St Matthew's Church of England Primary Academy in Stoke, Havergal Church of England Primary Academy in Shareshill, and St John's Church of England Primary Academy in Wednesbury.

The three academies in the Trust which have been inspected for SIAMs during the year were judged to be good, there are St Matthew's Church of England Primary Academy in Stoke, Havergal Church of England Primary Academy in Shareshill and All Saints National Academy in Walsall.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Regional School Commissioner / DfE have agreed continued growth of St Chad's Academies Trust in light of current performance. The Trust has developed Executive Principal roles to support the small school strategy.

Key Performance Indicators

KPIs for all academies within the St Chad's Academies Trust:

1. Quality of Teaching to be consistently good or better
2. To be judged Good at the first inspection following conversion
3. Outcomes for pupils at KS1 and KS2 to be in line or above national in reading, writing and mathematics
4. Governance to be judged as Good
5. Attendance to be in line with national
6. All academies are compliant with safeguarding legislation

KPI's are integrated into Principal's performance management targets determined by the Raising Achievement Board (Autumn Term).

b. Going concern

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

Financial review

a. Overview

The majority of the Trust's income is received from the Department for Education via the Education and Skills Funding Agency in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objects of the Trust. The GAG received during the period covered by this report and the associated expenditure is shown in the restricted funds in the Statement of Financial Activity.

The Trustees agreed the following key financial performance indicators for 2016-17:-

- Achieving a balanced budget at year-end. The Trustees monitor the financial position regularly by reviewing financial year-end projections which are supported by management accounts and budget monitoring.
- Achieving value for money through effective financial management procedures and procurement initiatives;
- Academies and the Trust comply with the Trust's Financial Regulations.
- Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure.
- Production of 5 year forecasts for all academies
- Local Academy Committee monitoring of monthly Management Accounts

b. Reserves policy

The Trustees review the reserve levels annually. This review details the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. Reserves are held to provide sufficient working capital to cover delays between spending and the receipt of grants and to allow for unexpected situations such as urgent maintenance work. Under normal situations the Trustees would aim to maintain reserves of between 5%-10% of GAG as an appropriate cushion. The Raising Achievement Board support the process and ensure that plans are provided for any potential spend of reserves for approval.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

c. Investments policy

St Chad's Academies Trust has no realisable investments; all cash is held for operational activities. With respect to cash holdings, the Board of Trustees has adopted a low risk strategy. The Academy Trust maintains a current account with its bankers. The Trustees will review the Trust's investments for forthcoming financial years to ensure maximum efficiency for cash balances.

d. Principal risks and uncertainties

The principle risks to the Trust are financial and result from a projected deficit on the Local Government Pension Scheme. In addition, the unknown future of school funding in relation to the National Funding Formula may have a negative effect on financial planning. There are also the usual risks in respect of fraud, reputational damage and failure to deliver school improvement, but controls and systems are in place to mitigate all manageable risks.

In 2016 there was an actuary review of the pension contribution rates payable by employers to ensure sufficient assets are held to pay benefits as and when they become due. The new valuation rates were published and implemented by April 2017. This change had a significant effect on some academy budgets during the year. Under Financial Reporting Standard 17 ("Retirement Benefits") it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the restricted general fund. This results in reducing the reserves shown in the total funds. However this does not present any current liquidity problem.

Risk Management

The Trust has undertaken a comprehensive assessment of possible risks to the Trust. The potential risks that have been identified are being included in the Trust's Risk Register. The areas covered will include Spirituality, Strategic, Compliance, Regulatory, Standards, Operational, Financial, Safeguarding, Health and Safety, Governance, Reputation, Staffing and ICT. The Risk Register is a standing item on Board meeting agendas to ensure regular review.

The principal risks currently identified are outlined below.

Potential Risk	Mitigating controls
Strategic – - delays in the growth of the Trust.	The aim is to grow the Trust on a managed growth basis, in line with its developing capacity. Regular contact with DfE is in place.
Standards – Academies performing consistently below the national average or floor targets resulting in damage to reputation and restricts further Trust growth	Robust performance management targets are set to ensure leadership is focused on results. Monitoring and review processes maintain a clear understanding of performance and drive school improvement plans. Academies are supported by dedicated, appropriately experienced central staff.
Operational – Failure to attract and retain key staff. Failure to establish succession planning for academies and the Trust	Succession strategies are in place and will be developed further for key members of the Trust's senior leadership team and academy Principals. School to school support provides opportunities for staff development at all levels and a focus on growing leaders is a key focus. The Trust can access expertise in the Diocese of Lichfield's 207 schools and academies. It has close links with consultants and associates that can provide additional resource if necessary.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Compliance – Failure to ensure safeguarding procedures are robust enough to assure that all reasonable action is taken to protect our pupils and staff	Relevant training has been completed; policies and procedures have been updated and will be reviewed every 12 months. Training will be updated in line with current guidance. Commissioned services have been secured to provide termly Designated Safeguarding Lead updates going forward, termly input at principal's forum with a newsletter. This service will also provide an annual report to the Board on safeguarding across the Trust. A Principal has now been accredited as a safeguarding trainer and lead through the NSPCC and is conducting safeguarding reviews across the Trust.
Governance – Local Academy Committees ("LAC") not working in line with the core vision and aspirations of the Trust and not able to deliver effective governance	The Trust has appointed one member of the Local Academy Committee (usually a Trust or diocesan officer) to provide a strong link to the Trust in order to facilitate communication and strategic planning. Governor training programs are in place. The Trust has devised a Governor Handbook which clearly sets out expectations and responsibilities. This is updated annually. Additional capacity for governance has been secured centrally. Chair's briefings take place every half term.
Compliance – Buildings do not meet Health and Safety requirements or become unfit for purpose	The Trust carries out regular audits of buildings. The Trust can access expertise within the Diocese to ensure that its estates strategy is sound. The Trust will aim to access capital investment as appropriate.
Financial – Pension Fund changes and deficits become a major drain on Trust resources. Unknown future of funding in the education sector	The Trust carries out regular reviews, in line with regulatory requirements, and accesses regular advice from its consultants and auditors in order to proactively manage risks. The Trust met the auto enrolment staging date of July 2017 to complete the declaration to the Pensions Regulator and implement appropriate measures to bring eligible employees into the respective Schemes on a monthly basis; LGPS and TPS.
Financial – Budget constraints	Financial planning and monitoring systems are in place to provide robust financial testing and planning for the future. Updates are sought in relation to NFF whenever possible.

Financial and Risk Management Objectives and Policies

Financial operations are supported and monitored monthly by the Trust via (at least) monthly on site visits and management account production and review. Individual academy management accounts are presented to Local Academy Committees regularly and consolidated management accounts are presented to the Board on a termly basis.

All academies have received and work to the Trust's Financial Regulations which are updated annually and are in line with the most recent ESFA Financial Handbook. All Academies have also received and work to the Trust's Scheme of Delegation.

All financial operating offices receive termly visits from the Trust's appointed Internal Auditors. Termly reports are analysed by the Trust, the Board and the Local Academy Committee, and progress is measured and recorded.

Termly forums for Principals and Academy Business Managers operate to reinforce effective financial control and risk management. The Raising Achievement Board quality assures these controls each term.

Plans for future periods

a. Future developments

As a Multi Academy Trust, St Chad's Academies Trust aims to increase the number of academies within the Trust through a managed growth plan.

At year end there were three schools in the project management phase of academy conversion. One school is a sponsored school in Staffordshire, one school is a converter school in Heath Town, Wolverhampton, and the other school is a converter in Stoke. It is expected that these schools will convert in December 2017 and January 2017. Two other schools have voted to join the Trust, and it is expected that these schools will join the Trust around Easter. Other conversations are ongoing with schools investigating academisation options in the Diocese.

Further work is taking place to develop school improvement strategies, operational support and procedures and to enhance the corporate governance and strategic capacity of the Trust. A Trust realignment paper was submitted to the Regional Schools Commissioner (RSC) for presentation to the Headteacher Board (HTB) which outlined the proposal to novate Wulfrun Academy Trust in to St Chad's Academies Trust. This proposal was approved by the HTB and RSC and will bring a further two academies in to the Trust; Dawley Church of England Primary Academy in Telford, and St Jude's Church of England Primary Academy in Wolverhampton. This change will enable streamlining of corporate activities and provide significant cost efficiencies.

Funds held as custodian

The trust holds no funds on behalf of others as a custodian trustee.

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 Multi Academy Trust 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 Multi Academy Trust 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 Multi Academy Trust's Equal opportunities policy, the Multi Academy Trust 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 Multi Academy Trust's offices.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2017

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2017 and signed on its behalf by:



Dr A F Primrose
Chair of Trustees

Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that St Chad's 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 Chief Executive, 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 St Chad's 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
Prof R J Anderson (appointed 21 May 2017)	2	2
The Revd H D Bishop	1	3
J M Jones	2	3
Dr M Lowe (appointed 6 June 2017)	0	2
The Revd A M Morris	3	3
Dr A F Primrose, Chair	2	3
C G Randles	1	3
S Read (appointed 22 May 2017)	1	2
S M Wedgwood	3	3

During the year the Board of Trustees decided to establish a Risk and Audit Committee and an Operations Committee. These committees will provide internal scrutiny and assurance over the suitability of, and compliance with, its financial systems and operational controls. In the corporate structure, the CECET Board sits above the St Chad's Academies Trust Board and is there to provide appropriate support and challenge.

A development day was facilitated by Cambridge Education as part of a self-review in January 2017 as a joint event with Wulfrun Academies Trust. This was considered a timely activity to review current performance as new Trust members had been appointed to the Board.

The day focussed on:

<u>Focus</u>	<u>Activity</u>
Our purpose and responsibilities as Board Directors, Trustees and Members	Including a review from: 1. Academy Financial Handbook 2. Memorandum & Articles 3. Companies Act 4. Charity Commission (ESFA)
Clarity on the relationship between CECET / SCAT /WAT and the DBE	And some example policy areas: a. Safeguarding b. Health and Safety c. SEND d. Admissions & Appeals e. Employment

Governance Statement (continued)

Decision Making	How must a decision be made? How do you make decisions? Means of delegating decision making
Delegated decision making in SCAT	Key questions exploring your current delegated decision making
Developing a reporting framework	What do you need to know, and how frequently? What does a reporting pack look like?
Reviewing our strategic priorities	What context are we operating in? What challenges do we face? What should our strategic effort and attention be focussed on.
Summary, agreed actions and agreeing next steps	

Review of Value for Money

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

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

- Joint procurement ventures with Wulfrun Academies Trust. Procurement partners ESPO have been introduced to the academies to help review current procurement practices and establish joint procurement opportunities throughout the Trust.
- Ongoing contract reviews for centrally managed services including re-evaluation of the HR/payroll/recruitment/advertising.
- Establishing system leadership models utilising staff from within the Trust and utilising the expertise within the Trust to help academies in need of additional support and capacity.
- Utilising the support of local academy chairs across the Trust to support with committees where impartiality was key.
- Developed the role of Diocesan Improvement Adviser to serving Principals and Headteachers within the Trust and Diocese.
- Investigated and procured a Trust wide finance system which will provide better value for money in relation to both system cost, and staff time; system will be implemented in the 2017/18 year.
- Begun investigations in to HRMS systems with the view to establish a self-managed system in the 2018/19 year; this will reduce the need for external SLA based support and therefore reduce costs.

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 Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Chad's Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The CEO has undertaken appropriate training specifically in relation to Risk Management and how to effectively control and monitor risk. The establishment of the Risk and Audit Committee and Operations Committee provide additional layers of risk management and mitigation, and provide appropriate challenge and support to the CEO in relation to elements of risk.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Local Academy Committee and the Trust's Operational Support team 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 Academy Advisory Limited as internal auditor.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing of debtors' systems
- contract testing
- reports and returns testing.

On a termly basis, the internal auditor reports to the Board of Trustees and Head of Operations on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned and provided details of any issues as a result of the internal audit processes. No significant control issues were found during the course of the year.

To ensure compliance with Safeguarding Regulations, the Trust provides training and regular updates to all relevant staff, governors and children. Safeguarding checks are performed as part of our annual review processes.

Governance Statement (continued)

Review of Effectiveness

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

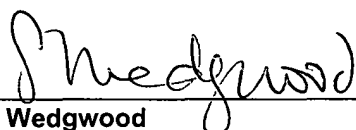
- the work of the internal auditor;
- the work of the external auditors;
- review of Local Academy Committee minutes and Raising Achievement Board;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 8 December 2017 and signed on their behalf, by:



Dr A F Primrose
Chair of Trustees



S Wedgwood
Accounting Officer


St Chad's Academy Trust
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



S Wedgwood
Accounting Officer

Date: 8 December 2017

St Chad's Academy Trust
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

The Trustees (who act as governors of St Chad's 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

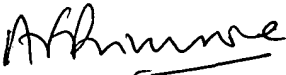
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 8 December 2017 and signed on its behalf by:



Dr A F Primrose
Trustee

Independent Auditors' Report on the Financial Statements to the Members of St Chad's Academy Trust

Opinion

We have audited the financial statements of St Chad's Academy Trust for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Independent Auditors' Report on the Financial Statements to the Members of St Chad's Academy Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Multi Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Multi Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Multi Academy Trust's or to

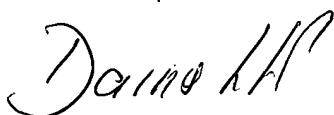
Independent Auditors' Report on the Financial Statements to the Members of St Chad's Academy Trust

cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
8 December 2017

St Chad's Academy Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to St Chad's Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 6 January 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by St Chad's Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of St Chad's Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of St Chad's Academy Trust's funding agreement with the Secretary of State for Education dated 1 July 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

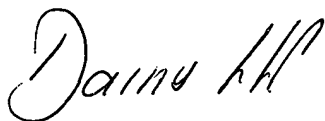
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Independent Reporting Accountants' Assurance Report on Regularity to St Chad's Academy Trust and the Education and Skills Funding Agency (continued)

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 2016 to 31 August 2017 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
Birmingham

8 December 2017

St Chad's Academy Trust
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	500,028	(2,385,233)	6,821	(1,878,384)	(569,957)
Other donations and capital grants	2	49,156	99,116	62,156	210,428	58,465
Charitable activities:	5					
Funding for the multi academy trust's educational operations		-	11,132,088	-	11,132,088	6,452,031
Other trading activities	3	132,192	141,641	-	273,833	199,825
Investments	4	1,332	-	-	1,332	1,527
Total income		682,708	8,987,612	68,977	9,739,297	6,141,891
Expenditure on:						
Charitable activities:						
Multi academy trust educational operations		-	11,820,465	90,468	11,910,933	6,101,683
Total expenditure	6	-	11,820,465	90,468	11,910,933	6,101,683
Net income / (expenditure) before transfers		682,708	(2,832,853)	(21,491)	(2,171,636)	40,208
Transfers between Funds	17	-	(161,643)	161,643	-	-
Net income / (expenditure) before other recognised gains and losses		682,708	(2,994,496)	140,152	(2,171,636)	40,208
Actuarial gains/(losses) on defined benefit pension schemes	22	-	182,000	-	182,000	(1,041,000)
Net movement in funds		682,708	(2,812,496)	140,152	(1,989,636)	(1,000,792)
Reconciliation of funds:						
Total funds brought forward		645,439	(2,243,635)	205,808	(1,392,388)	(391,596)
Total funds carried forward		1,328,147	(5,056,131)	345,960	(3,382,024)	(1,392,388)

St Chad's Academy Trust
(A company limited by guarantee)
Registered number: 08526973

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	13		345,960		205,808
Current assets					
Debtors	14	849,213		1,093,318	
Cash at bank and in hand		2,440,898		1,289,457	
		<u>3,290,111</u>		<u>2,382,775</u>	
Creditors: amounts falling due within one year	15	<u>(1,254,804)</u>		<u>(936,971)</u>	
Net current assets			<u>2,035,307</u>		<u>1,445,804</u>
Total assets less current liabilities			<u>2,381,267</u>		<u>1,651,612</u>
Creditors: amounts falling due after more than one year	16		<u>(12,291)</u>		<u>-</u>
Net assets excluding pension scheme liabilities			<u>2,368,976</u>		<u>1,651,612</u>
Defined benefit pension scheme liability	22		<u>(5,751,000)</u>		<u>(3,044,000)</u>
Net liabilities including pension scheme liabilities			<u><u>(3,382,024)</u></u>		<u><u>(1,392,388)</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	694,869		800,365	
Restricted fixed asset funds	17	345,960		205,808	
Restricted income funds excluding pension liability		<u>1,040,829</u>		<u>1,006,173</u>	
Pension reserve		<u>(5,751,000)</u>		<u>(3,044,000)</u>	
Total restricted income funds			<u>(4,710,171)</u>		<u>(2,037,827)</u>
Unrestricted income funds	17		<u>1,328,147</u>		<u>645,439</u>
Total deficit			<u><u>(3,382,024)</u></u>		<u><u>(1,392,388)</u></u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:


Dr A F Primrose
Chair of Trustees

St Chad's Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	19	<u>1,317,643</u>	<u>510,884</u>
Cash flows from investing activities:			
Bank interest received		1,332	1,527
Purchase of tangible fixed assets		(229,690)	(118,578)
Capital grants from DfE/ESFA		62,156	47,063
Capital assets received on conversion		-	(76,140)
Net cash used in investing activities		<u>(166,202)</u>	<u>(146,128)</u>
Change in cash and cash equivalents in the year		1,151,441	364,756
Cash and cash equivalents brought forward		<u>1,289,457</u>	<u>924,701</u>
Cash and cash equivalents carried forward	20	<u><u>2,440,898</u></u>	<u><u>1,289,457</u></u>

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Chad's Academy Trust constitutes a public benefit entity as defined by FRS 102.

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 Multi Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the Multi Academy Trust 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

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

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

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

Sponsorship income

Sponsorship income provided to the Multi Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

Donations

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

Other income

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.

Transfer on conversion

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

1. Accounting Policies (continued)

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

Expenditure on charitable activities are costs incurred on the Multi Academy Trust's educational operations, including support costs and those costs relating to the governance of the Multi Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible Fixed Assets

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

The multi academy trust occupies:

Land and buildings 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.

Having considered the fact that the multi academy trust 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 multi academy trust 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 Trustees have concluded that the value of the land buildings occupied by the multi academy trust will not be recognised on the balance sheet of the multi academy trust.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

1. Accounting Policies (continued)

Fixtures and fittings	- 20% straight line
Computer equipment	- 33% straight line

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

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

1.6 Operating leases

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

1.7 Taxation

The Multi Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Multi Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 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 and provisions 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 Multi Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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. Accounting Policies (continued)

1.11 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, 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.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1. Accounting Policies (continued)

1.13 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Bishop Lonsdale Church of England Primary School, St James Church of England Primary Academy, St John's Church of England Primary School (Stafford), Churchfield Church of England Primary Academy and Holy Trinity Church of England Primary Academy and Nursery to a multi academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 21.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency 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 and Skills Funding Agency.

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	500,028	(2,385,233)	6,821	(1,878,384)	(569,957)
Donations	49,156	99,116	-	148,272	11,402
Capital Grants	-	-	62,156	62,156	47,063
Subtotal	49,156	99,116	62,156	210,428	58,465
	549,184	(2,286,117)	68,977	(1,667,956)	(511,492)
<i>Total 2016</i>	21,305	(656,000)	123,203	(511,492)	

3. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	36,673	-	36,673	-
Music tuition	-	5,899	5,899	-
Other income	57,097	-	57,097	107,909
Insurance receipts	-	82,102	82,102	9,630
Kids club income	38,422	53,640	92,062	82,286
	132,192	141,641	273,833	199,825
<i>Total 2016</i>	199,825	-	199,825	

4. Income from investments

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	1,332	-	1,332	1,527
<i>Total 2016</i>	1,527	-	1,527	

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Notes to the Financial Statements
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5. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	8,953,583	8,953,583	5,368,728
Start up grants	-	161,382	161,382	107,793
Other DfE/ESFA grants	-	1,324,381	1,324,381	702,853
	-	10,439,346	10,439,346	6,179,374
Other government grants				
Local authority grants	-	198,752	198,752	42,821
Early years funding	-	299,880	299,880	148,470
	-	498,632	498,632	191,291
Other funding				
Other income	-	59,325	59,325	4,664
Catering income	-	134,785	134,785	76,702
	-	194,110	194,110	81,366
	-	11,132,088	11,132,088	6,452,031
<i>Total 2016</i>	-	6,452,031	6,452,031	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Activities:					
Direct costs	7,426,663	-	1,600,069	9,026,732	4,703,428
Support costs	1,132,985	824,150	927,066	2,884,201	1,398,255
	8,559,648	824,150	2,527,135	11,910,933	6,101,683
<i>Total 2016</i>	4,398,905	215,646	1,487,132	6,101,683	

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Notes to the Financial Statements
For the Year Ended 31 August 2017

7. Charitable activities

	Total funds 2017 £	Total funds 2016 £
Direct costs - educational operations		
Wages and salaries	5,687,536	3,008,259
National insurance	489,470	229,011
Pension cost	1,249,657	523,202
Depreciation	89,538	32,338
Pension income	105,000	61,000
Educational supplies	426,698	237,405
Staff development	60,863	42,249
Educational consultancy	633,673	264,278
Other direct costs	215,253	279,753
Supply teacher insurance	69,044	25,934
	<u>9,026,732</u>	<u>4,703,429</u>
Support costs - educational operations		
Wages and salaries	882,407	525,653
National insurance	49,568	24,533
Pension cost	201,009	88,246
Staff development	13,677	6,859
Travel and subsistence	14,135	13,590
Other direct costs	198,617	31,481
Maintenance of premises	244,904	166,192
Maintenance of equipment	154,675	39,598
Cleaning	213,873	60,852
Rates	56,276	18,905
Water rates	24,610	11,405
Energy	130,816	82,313
Insurance	82,941	42,851
Catering costs	490,510	199,694
Other occupancy costs	70,730	48,698
Governance costs	55,453	37,384
	<u>2,884,201</u>	<u>1,398,254</u>
	<u><u>11,910,933</u></u>	<u><u>6,101,683</u></u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

8. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	89,538	32,338
Auditor remuneration	26,975	16,750
Operating leases	7,378	1,789
	<u> </u>	<u> </u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

9. Staff

a. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	6,212,168	3,334,776
Social security costs	539,039	253,545
Operating costs of defined benefit pension schemes	1,450,666	611,448
	8,201,873	4,199,769
Supply teacher costs	357,775	199,136
	8,559,648	4,398,905

b. Staff numbers

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

	2017	2016
	No.	No.
Teachers	126	70
Support	312	184
	438	254

Average headcount expressed as a full time equivalent:

	2017	2016
	No.	No.
Teachers	109	66
Support	174	122
	283	188

c. Higher paid staff

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	3	1

The above employee participated in the Teachers' Pension Scheme.

9. Staff costs (continued)

d. Key management personnel

The key management personnel of the Multi Academy Trust comprise key trustees and the Chief Officers listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Multi Academy Trust was £nil (2015 - £nil).

10. Central services

The Multi Academy Trust has provided the following central services to its academies during the year:

- Payroll services
- Financial services
- Education services

The Multi Academy Trust charges for these services on the following basis:

5% of General Annual Grant

The actual amounts charged during the year were as follows:

	2017 £	2016 £
Havergal Church of England Primary School	34,715	35,593
Birchills Church of England Community School	86,839	90,047
St Matthew's Church of England Primary School	21,939	17,327
St John's Church of England Primary School	47,269	45,974
All Saints National Academy	62,362	64,455
St Peter's Church of England Primary School	32,824	5,463
Bishop Lonsdale Church of England Primary School	34,720	-
Churchfield Church of England Primary Academy	14,839	-
Holy Trinity Church of England Primary Academy & Nursery	20,673	-
St James Church of England Primary Academy	20,511	-
St John's Church of England Primary School (Stafford)	71,095	-
	<u>447,786</u>	<u>258,859</u>
Total		

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2016 - £NIL).

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

Notes to the Financial Statements
For the Year Ended 31 August 2017

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity elements from the overall cost of the academy trusts insurance.

13. Tangible fixed assets

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2016	-	97,791	163,271	261,062
Additions	107,938	67,217	54,535	229,690
At 31 August 2017	107,938	165,008	217,806	490,752
Depreciation				
At 1 September 2016	-	10,421	44,833	55,254
Charge for the year	-	18,325	71,213	89,538
At 31 August 2017	-	28,746	116,046	144,792
Net book value				
At 31 August 2017	107,938	136,262	101,760	345,960
At 31 August 2016	-	87,370	118,438	205,808

14. Debtors

	2017 £	2016 £
VAT recoverable	329,755	131,057
Other debtors	153,379	758,656
Prepayments and accrued income	366,079	203,605
	849,213	1,093,318

Notes to the Financial Statements
For the Year Ended 31 August 2017

15. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Other loans	2,048	-
Trade creditors	398,741	431,536
Other creditors	382,110	364,844
Accruals and deferred income	471,905	140,591
	<u>1,254,804</u>	<u>936,971</u>

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	88,874	84,523
Resources deferred during the year	306,380	88,874
Amounts released from previous years	(88,874)	(84,523)
Deferred income at 31 August 2017	<u>306,380</u>	<u>88,874</u>

At the balance sheet date the Multi Academy Trust was holding funds received in advance for the following:

Free school meals funding
Devolved formula capital
Rates relief

16. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Other loans	12,291	-
	<u>12,291</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017	2016
	£	£
Repayable by instalments	4,099	-
	<u>4,099</u>	<u>-</u>

The loan included above relates to an Energy Efficiency loan held by Churchfield Church of England Primary Academy. The loan is to be repaid over 7 years through annual repayments of £2,048.

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Notes to the Financial Statements
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17. Statement of funds

	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	645,439	682,708	-	-	-	1,328,147
Restricted funds						
	Balance at 1 September 2016 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	800,365	8,947,598	(8,891,451)	(161,643)	-	694,869
Other DfE/EFA grants	-	1,559,840	(1,559,840)	-	-	-
Other government grants	-	498,632	(498,632)	-	-	-
Other restricted funds	-	375,542	(375,542)	-	-	-
Pension reserve	(3,044,000)	(2,394,000)	(495,000)	-	182,000	(5,751,000)
	<u>(2,243,635)</u>	<u>8,987,612</u>	<u>(11,820,465)</u>	<u>(161,643)</u>	<u>182,000</u>	<u>(5,056,131)</u>
Restricted fixed asset funds						
DfE/EFA Capital Grants	205,808	68,977	(90,468)	161,643	-	345,960
Total restricted funds	<u>(2,037,827)</u>	<u>9,056,589</u>	<u>(11,910,933)</u>	<u>-</u>	<u>182,000</u>	<u>(4,710,171)</u>
Total of funds	<u><u>(1,392,388)</u></u>	<u><u>9,739,297</u></u>	<u><u>(11,910,933)</u></u>	<u><u>-</u></u>	<u><u>182,000</u></u>	<u><u>(3,382,024)</u></u>

Statement of funds - prior year

	Balance at 1 September 2015 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	461,656	222,657	(38,874)	-	-	645,439
	<u>461,656</u>	<u>222,657</u>	<u>(38,874)</u>	<u>-</u>	<u>-</u>	<u>645,439</u>

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Notes to the Financial Statements
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17. Statement of funds (continued)

Restricted funds

	Balance at 1 September 2015 £	Incoming Resources £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	339,320	5,348,579	(4,816,019)	(71,515)	-	800,365
Other DfE/EFA grants	-	823,543	(823,543)	-	-	-
Other government grants	-	193,584	(193,584)	-	-	-
Other restricted funds	-	86,325	(86,325)	-	-	-
Pension reserve	(1,236,000)	(656,000)	(111,000)	-	(1,041,000)	(3,044,000)
	<u>(896,680)</u>	<u>5,796,031</u>	<u>(6,030,471)</u>	<u>(71,515)</u>	<u>(1,041,000)</u>	<u>(2,243,635)</u>
Restricted fixed asset funds						
DfE/EFA Capital Grants	43,428	123,203	(32,338)	71,515	-	205,808
	<u>43,428</u>	<u>123,203</u>	<u>(32,338)</u>	<u>71,515</u>	<u>-</u>	<u>205,808</u>
Total restricted funds	<u>(853,252)</u>	<u>5,919,234</u>	<u>(6,062,809)</u>	<u>-</u>	<u>(1,041,000)</u>	<u>(2,037,827)</u>
Total of funds	<u>(391,596)</u>	<u>6,141,891</u>	<u>(6,101,683)</u>	<u>-</u>	<u>(1,041,000)</u>	<u>(1,392,388)</u>

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

Restricted general funds

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants received from the DfE and ESFA to carry out works of a capital nature.

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17. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Birchills Church of England Primary School	313,095	411,944
Havergal Church of England Primary School	383,321	427,878
St Matthews Church of England Primary School	50,084	30,872
St Johns Church of England Primary School	291,180	285,615
All Saints National Academy	192,355	176,988
St Peter's Church of England Primary School	71,395	28,694
Bishop Lonsdale Church of England Primary School	61,801	-
Churchfield Church of England Primary Academy	155,988	-
Holy Trinity Church of England Primary Academy & Nursery	140,468	-
St James Church of England Primary Academy	55,726	-
St John's Church of England Primary School (Stafford)	124,040	-
Central Services	183,563	83,813
Total before fixed asset fund and pension reserve	2,023,016	1,445,804
Restricted fixed asset fund	345,960	205,808
Pension reserve	(5,751,000)	(3,044,000)
Total	<u>(3,382,024)</u>	<u>(1,392,388)</u>

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17. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Birchills Church of England Primary Community School	1,472,347	289,662	150,600	372,297	2,284,906	2,112,910
Havergal Church of England Primary School	484,057	92,452	93,206	100,336	770,051	757,254
St Matthews Church of England Primary School	313,852	45,855	34,768	124,383	518,858	515,682
St Johns Church of England Primary School	688,624	129,351	86,712	176,540	1,081,227	1,008,539
All Saints National Academy	890,788	132,421	129,688	316,316	1,469,213	1,322,288
St Peter's Church of England Primary School	525,866	78,600	41,423	131,896	777,785	93,230
Bishop Lonsdale Church of England Primary School	612,489	95,041	69,583	274,014	1,051,127	-
Churchfield Church of England Primary Academy	274,991	39,813	5,464	72,347	392,615	-
Holy Trinity Church of England Primary Academy & Nursery	358,730	54,355	21,430	118,442	552,957	-
St James Church of England Primary Academy	322,451	54,549	27,789	124,348	529,137	-
St John's Church of England Primary School (Stafford)	1,092,467	120,270	151,536	279,783	1,644,056	-
Central Services	-	-	495,620	2,493	498,113	259,442
	<u>7,036,662</u>	<u>1,132,369</u>	<u>1,307,819</u>	<u>2,093,195</u>	<u>11,570,045</u>	<u>6,069,345</u>

Notes to the Financial Statements
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18. Analysis of Net Assets between Funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	345,960	345,960
Current assets	1,328,147	1,919,990	41,975	3,290,112
Creditors due within one year	-	(1,212,830)	(41,975)	(1,254,805)
Creditors due in more than one year	-	(12,291)	-	(12,291)
Provisions for liabilities and charges	-	(5,751,000)	-	(5,751,000)
	<u>1,328,147</u>	<u>(5,056,131)</u>	<u>345,960</u>	<u>(3,382,024)</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	205,809	205,809
Current assets	645,439	1,721,377	15,958	2,382,774
Creditors due within one year	-	(921,012)	(15,959)	(936,971)
Provisions for liabilities and charges	-	(3,044,000)	-	(3,044,000)
	<u>645,439</u>	<u>(2,243,635)</u>	<u>205,808</u>	<u>(1,392,388)</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(2,171,636)	40,208
Adjustment for:		
Depreciation charges	89,538	32,338
Dividends, interest and rents from investments	(1,332)	(1,527)
Decrease/(increase) in debtors	244,105	(772,892)
Increase in creditors	330,124	492,820
Capital grants from DfE and other capital income	(62,156)	(47,063)
Defined benefit pension scheme cost less contributions payable	495,000	111,000
Net gain on assets and liabilities from local authority on conversion	2,394,000	656,000
Net cash provided by operating activities	<u>1,317,643</u>	<u>510,884</u>

St Chad's Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	2,440,898	1,289,457
Total	<u>2,440,898</u>	<u>1,289,457</u>

21. Conversion to an academy trust

On 1 September 2016 Bishop Lonsdale Church of England Primary School, St James Church of England Primary Academy and St John's Church of England Primary School (Stafford) respectively converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academy Trust from Staffordshire County Council for £NIL consideration.

Similarly, on 1 April 2016 Churchfield Church of England Primary Academy and Holy Trinity Church of England Primary Academy & Nursery respectively converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to St Chad's Academy Trust from Staffordshire County Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Budget surplus on LA funds - Bishop Lonsdale Church of England Primary School	113,185	-	-	113,185
Budget surplus on LA funds - St James Church of England Primary Academy	45,498	1,027	-	46,525
Budget surplus on LA funds - St John's Church of England Primary School (Stafford)	80,487	-	-	80,487
Budget surplus on LA funds - Churchfields Church of England Primary Academy	108,463	7,740	-	116,203
Budget surplus on LA funds - Holy Trinity Church of England Primary Academy & Nursery	107,295	-	6,821	114,116
Budget surplus on LA funds - St Peter's Church of England Primary School	45,100	-	-	45,100
LGPS pension deficits	-	(2,394,000)	-	(2,394,000)
Net assets/(liabilities)	<u>500,028</u>	<u>(2,385,233)</u>	<u>6,821</u>	<u>(1,878,384)</u>
The above includes £515,616 that was transferred as cash.				

22. Pension commitments

The Multi Academy Trust'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 Walsall Metropolitan Borough Council. 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 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £581,861 (2016 - £298,694).

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).

Notes to the Financial Statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £568,000 (2016 - £323,000), of which employer's contributions totalled £443,000 (2016 - £251,000) and employees' contributions totalled £125,000 (2016 - £72,000). The agreed contribution rates for future years are 15.9% for employers and 5.5 - 12.5% 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:

	2017	2016
Discount rate for scheme liabilities	2.53 %	2.13 %
Rate of increase in salaries	3.26 %	3.13 %
Rate of increase for pensions in payment / inflation	2.46 %	2.05 %
Inflation assumption (CPI)	2.46 %	2.05 %

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

	2017	2016
Retiring today		
Males	22.1 years	22.6 years
Females	24.5 years	25.1 years
Retiring in 20 years		
Males	24.2 years	24.8 years
Females	26.6 years	27.3 years

Sensitivity analysis	At 31 August 2017 £	At 31 August 2016 £
Discount rate +0.1%	(250,000)	-
Discount rate -0.1%	259,400	-
Salary increase +0.1%	69,200	-
Salary decrease -0.1%	(62,600)	-
CPI rate +0.1%	195,000	-
CPI rate -0.1%	(192,000)	-

Notes to the Financial Statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,999,000	727,000
Gilts and bonds	348,000	147,000
Property	215,000	87,000
Cash / liquidity	250,000	67,000
Asset backed securities	-	6,500
Total market value of assets	<u>2,879,000</u>	<u>1,067,500</u>

The actual return on scheme assets was £122,000 (2016 - £68,000).

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

	2017 £	2016 £
Current service cost	(833,000)	(301,000)
Interest income	44,000	27,000
Interest cost	(149,000)	(88,000)
Total	<u>(938,000)</u>	<u>(362,000)</u>
Actual return on scheme assets	<u>122,000</u>	<u>68,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,137,000	1,776,000
Current service cost	833,000	301,000
Interest cost	149,000	88,000
Employee contributions	125,000	72,000
Actuarial losses	70,000	1,158,000
Benefits paid	(13,000)	-
Liabilities assumed in a business combination	3,262,000	742,000
Closing defined benefit obligation	<u>8,563,000</u>	<u>4,137,000</u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	1,093,000	540,000
Interest income	44,000	27,000
Actuarial losses	252,000	117,000
Employer contributions	443,000	251,000
Employee contributions	125,000	72,000
Benefits paid	(13,000)	-
Assets acquired in a business combination	868,000	86,000
	<u>2,812,000</u>	<u>1,093,000</u>
Closing fair value of scheme assets	<u>2,812,000</u>	<u>1,093,000</u>

23. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	323,629	7,378
Between 1 and 5 years	80,281	5,513
Total	<u>403,910</u>	<u>12,891</u>

24. Related party transactions

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

The following related party transactions took place in the period of account.

Lichfield Diocesan Board of Education

- During the year the multi academy trust made purchases of £24,671 (2016 - £5,965) from the Lichfield Diocesan Board of Education, a member of the Church of England Central Education Trust (CECET). At 31 August 2017, the academy trust owed £Nil (2016 - £Nil).

Lichfield Diocesan Academy Services Limited

- During the year the multi academy trust made purchases of £423,342 (2016 - £165,031) from Lichfield Diocesan Academy Services Limited, a subsidiary company of the Lichfield Diocesan Board of Education, a member of the Church of England Central Education Trust (CECET). Lichfield Diocesan Academy Services Limited provides a number of central services to all academies under the control of CECET. At 31 August 2017, the multi academy trust owed £126,472 (2016 - £275,687) shown within trade creditors in the financial statements.

In entering into the transaction above, the multi academy trust has complied with the requirements of the Academies Financial Handbook 2016.

25. Controlling party

The ultimate parent undertaking and ultimate controlling party at the balance sheet date is the Church of England Central Education Trust (CECET), a charity registered in England and Wales.

26. Members' liability

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