

Registered number: 09061804 (England & Wales)

**CHILDREN'S ACADEMY TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2016**

TUESDAY



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**CHILDREN'S ACADEMY TRUST**  
**(A company limited by guarantee)**

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**CHILDREN'S ACADEMY TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Members**

A Holmes  
M Parker  
D Ridgway (resigned 11 January 2016)  
K Bottomley (appointed 12 April 2016)

**Trustees**

K Bottomley, Chair of Trustees  
A Holmes, Vice Chair  
R Lake (resigned 31 March 2016)  
C Roberts, Accounting Officer/Headteacher of Listerdale Primary School (resigned  
20 June 2016)  
R Mault  
J Dyson (resigned 22 April 2016)  
A Wirth, Interim Accounting Officer from 30 September 2015/Headteacher of  
Anston Greenlands Primary School from 1 September 2015 (appointed 1  
September 2015)  
M Parker

**Company registered number**

09061804

**Principal and registered office**

Listerdale Primary School  
Beech Avenue  
Brecks  
Rotherham  
South Yorkshire  
S65 3HN

**Company secretary**

A Humphries

**Senior management team**

Anston Greenlands Primary School:  
A Wirth, Headteacher  
J Taylor, Deputy Headteacher  
J Croot, Business Manager  
Listerdale Primary School:  
C Roberts, Headteacher (to 20 June 2016)  
R Malton, Deputy Headteacher  
D Curran, Interim Senior Leader (from 1 December 2015)  
L Selkirk, Interim Senior Leader (from 1 December 2015)  
K Bothamley, Business Manager  
M Catling, Interim Business and Finance Manager (from 1 December 2015)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

**Advisers (continued)**

**Independent auditors**

Harris & Co Limited  
Chartered Accountants  
Registered auditors  
Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

**Bankers**

Lloyds Bank Plc  
232 Bawtry Road  
Wickersley  
Rotherham  
S66 1AA

**Solicitors**

Taylor Bracewell  
17-23 Thorne Road  
Doncaster  
DN1 2RP

**CHILDREN'S ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company known as the Children's Academy Trust Limited (the Trust) for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report including a strategic report under company law.

The Trust is a multi academy trust (MAT) comprising two schools, Anston Greenlands Primary and Listerdale Primary.

**Anston Greenlands Primary School** is situated at the southern edge of Rotherham Local Authority. Historically, most pupils have come from backgrounds that are neither advantaged nor deprived, although this profile is constantly changing as the school draws from a wider area. There are currently 214 pupils on roll, arranged in seven single year group classes from Foundation Stage 2 (FS2) to Year 6 (Y6), with equal numbers of boys and girls. The school is currently oversubscribed and is regularly the subject of appeals for FS2 entry. Children enter from a variety of pre school settings, coming from a minimum of 11 preschool providers from both the private and maintained sectors. Additionally, there has been an increase in mobility over recent years, almost entirely due to children joining from other local schools. The majority of pupils at the school are White British. The proportion of pupils with SEN and / or disabilities is broadly in line with the national average. The proportion of children eligible for Free School Meals is below the national average.

**Listerdale Primary School** serves an area of Rotherham where adults generally have good levels of educational achievement. Consequently most parents have high expectations of themselves, of school and of their children. This means that many children are well supported at home and parents are keen to understand how to help their children in school and with homework. There are currently 294 pupils on roll, arranged in 11 year group classes (three of which are FS1 and 2 who are all located within the Foundation Unit). The school is currently oversubscribed and is often the subject of appeals through school admissions. The vast majority of families are white British (83.9% compared to 69.3% nationally), but the school has pupils of a range of other ethnicities and backgrounds, and diversity is celebrated. The school has a growing number of children with special needs, and an increasing number of education and health care plans in place. There is a low percentage of Free School Meals because many households are working. 5.5% of pupils receive SEN support compared with 12.1% nationally. However, the percentage of pupils with a higher level of SEN need (a statement or Education and Health Care Plan) is slightly higher than national.

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

#### *Constitution*

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Children's Academy Trust Ltd are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Children's Academy Trust Ltd.

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

#### *Members' Liability*

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

#### *Trustees' Indemnities*

The Academy Trust has purchased Trustees'/Governors' and Officers' liability insurance which covers them for any legal action brought against them. The current insurance provides cover up to £5,000,000 on any one claim.

Qualifying third party indemnity provisions (as defined by s236 of the Companies Act 2006) were in force during the period and remain in force in relation to certain losses and liabilities which the Trustees/Governors or other

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

*Method of Recruitment and Appointment or Election of Trustees*

Members and Directors were initially drawn from within the existing governance structures of the two schools forming the Trust. Each school nominated and elected one Member and an equal number of Directors. The third Member (an independent non-Director) resigned the appointment on 11 January 2016. The role was offered to existing Trustees and the appointment of the nominee was ratified by the Board on 12 April 2016.

The capacity of the Board is currently set at twelve Directors. This allows for any future expansion of the Trust to take on additional academies. In the event of expansion, the composition of the Board will be adjusted so that the principle of equal representation for each school can continue to be fulfilled. However, the Trust is mindful of emerging views on effective governance indicating a preference for smaller, more strategic Boards. During the reporting period, the Board has considered the effect of individual resignations on its ability to provide rigorous governance. It concluded that its current structure, comprising three Members and five Trustees, was appropriate for a two-school MAT. However, the structure of the Board will be reviewed during 2016/17 with a particular focus on independent Trustees.

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

All appointed Members and Directors were issued with a formal letter of appointment setting out role and responsibilities and confirming the instrument of government as the Articles of Association of the Children's Academy Trust. The Trust's governance framework is based on a Local Governing Body (LGB) at each school, operating on the basis of agreed authorities delegated by the Trust Board. Each school has in place its own service level agreements (SLAs) for access to and provision of dedicated training and development for staff and Governors. The Trust's Directors are able to access ongoing training and development against needs directly through the appropriate SLA.

During the period of this report, the Trust Board has needed specific independent, professional advice to manage some elements of its business. The Trust sought advice where it could through its legal and Human Resources (HR) service level agreements. However, where additional and more specific advice was needed to ensure impartiality for example, the Board approved purchase of additional professional services.

The Trust has continued to arrange bespoke briefings for the Board of Directors, particularly on financial accountability with the Accountants delivering a presentation on the Audit plan. This ensured that all Trustees and senior management staff were able to directly question the professionals on any aspect of their individual or the Trust's accountability and understand the processes involved in preparing and auditing the financial statements.

Due to the need to focus on some specific management issues during the reporting period, the Trust did not undertake a planned review of its performance during the year. However, the Trust has worked closely with both the Department for Employment (DfE) and the Education Funding Agency (EFA) during the period and has been able to demonstrate its commitment to delivering effective and robust governance through its actions and the submission of regular compliance and progress reports.

*Organisational Structure*

There is a three tier structure for the management of the Trust and the schools that it encompasses. The allocation of responsibilities across the three levels is articulated through the Articles of Association and terms of reference for the Trust and local governing bodies. The levels are these:

**overall strategic management of the Trust** - Trust Board of Directors (comprising Members and Directors);

**arm's length overview** – the three Members looking to the Trust's adherence to its aims and objects;

**local application and management of Trust policy** - a Local Governing Body in place at each school operating and reporting against Authorities delegated by the Trust.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

A full description and breakdown of the governance arrangements is included in the Governance Statement section of the report.

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

The Children's Academy Trust has opted to continue to follow nationally agreed recommendations for pay and remuneration. The pay and remuneration of the Trust's key management personnel therefore reflect the benchmarks, parameters and criteria set at a national level. The adoption of the national agreements was a recommendation of the Local Authority with which the Trust has a Service Level Agreement for Human Resources services, including pay and conditions and payroll.

*Related Parties and Other Connected Charities and Organisations*

The two schools that form the Trust operate independently but share terms of reference and operate against authorities agreed and delegated by the Trust. There are however connections between the schools to achieve economy of scale (eg joint funding for service level provision). The Trust has used its powers to make provision for school to school financial support on the basis of short term loans.

During the period, the former Head Teacher of Listerdale school was a Director of the Open Minds Theatre Company (South Yorkshire) with which Listerdale School had transacted. Details of related party transactions are disclosed at note 23 to the financial statements.

**Objectives and Activities**

*Objects and Aims*

The Trust's objects are specified in its Articles of Association:

*"To advance for the public benefit.....by establishing....and developing schools ...to provide full or part time education for children of compulsory school age"*

Within this context, the Trust has developed and agreed a set of Aims which it believes not only fulfils its legal requirements but sets the framework for providing first rate educational outcomes and allows children to grow into rounded and grounded, confident adults. The Aims, which apply to all schools which form part of the Trust, are as follows:

to provide the infrastructure and expertise to allow every child to fulfil their potential and **achieve success**, regardless of their starting points or circumstances.

to ensure that every child and adult within each academy understands their responsibility to become **responsible global citizens**.

to provide an **innovative, stimulating and creative** curriculum to enable our children to develop into **inquisitive, independent and confident** learners.

for each school community to understand and believe in the secure foundations of **respect, equality, challenge and support**.

*Objectives, Strategies and Activities*

The period of the statement covers the Trust's first full year of operation. There have been three areas of focus for the Trust: to continue to prioritise improvements in teaching and learning across both schools; to bring to balance the budget of Listerdale school, and to address management issues at Listerdale school to ensure a stable environment for growth.

*Public Benefit*

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Charity Commission in exercising their powers. The principal public benefit delivered by the Trust is the provision of high quality education to pupils that contributes to improving educational outcomes. The Trustees believe that the school admissions policies and achievements and performance this year provide evidence that the Trust is meeting its obligations as a charity to deliver public benefit.

The Trust is proud of its ethical values and has introduced policies which exemplify its green credentials and encourage interaction with the local community.

The Trust's timely, robust and ongoing response to managing a prospective budget imbalance at Listerdale School is also evidence of its commitment to children and families, the local community and to the providers of public funding.

**Strategic report**

**Achievements and Performance**

Notwithstanding the Trust's significant and ongoing efforts to understand and remedy the budget position at Listerdale School, the Trust has continued throughout to focus attention on standards and performance in its two schools. 2015 Key Stage 1 (KS2) and Key Stage 2 (KS2) comparative information has not been included as the Department for Education has confirmed that 2016 results are not comparable with 2015. This is because of changes in the national curriculum, together with the new higher expected standard of attainment and new national tests. The positive engagement of parents/carers in their child's education remains strong and the Trust recognises this contribution. The headline results for each school are as follows:

**Anston Greenlands – KS2 Outcomes 2016 (National Figures in brackets)**

**Percentage of children achieving the expected standard in:**

Reading, writing and maths combined: 47% (53%)

Reading: 59% (66%)

Writing: 97% (74%)

Maths: 72% (70%)

Grammar, punctuation and spelling: 72% (72%)

**Percentage of children achieving the higher standard / working at a greater depth in:**

Reading, writing and maths combined: 3% (5%)

Reading: 25% (19%)

Writing: 44% (15%)

Maths: 3% (17%)

Grammar, punctuation and spelling: 6% (23%)

Reading progress score: 0.4

Writing progress score: 6.0

Maths progress score: -1.3

**FS2 Outcomes 2016**

74% of children achieved a Good Level of Development (compared to the 2015 national average of 66%).

**Y1 Outcomes 2016**

90% of children passed the phonics screening check (compared to the national average of 81%).

**KS1 Outcomes 2016**

80% achieved the expected standard in reading (compared to the national average of 74%).

77% achieved the expected standard in writing (compared to the national average of 65%).

77% achieved the expected standard in maths (compared to the national average of 73%).

**Listerdale – KS2 Outcomes 2016 (National Figures in brackets)**



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**Percentage of children achieving the expected standard in:**

Reading, writing and maths combined: 48% (53%)

Reading: 64% (66%)

Writing: 91% (74%)

Maths: 64% (70%)

Grammar, punctuation and spelling: 70% (72%)

**Percentage of children achieving the higher standard / working at a greater depth in:**

Reading, writing and maths combined: 3% (5%)

Reading: 9% (19%)

Writing: 9% (15%)

Maths: 12% (17%)

Grammar, punctuation and spelling: 12% (23%)

Reading progress score: -0.8

Writing progress score: 2.05

Maths progress score: -0.76

**FS2 Outcomes 2016**

82% of children achieved a Good Level of Development (compared to the 2015 national average of 66%).

**Y1 Outcomes 2016**

85% of children passed the phonics screening check (compared to the national average of 81%).

**KS1 Outcomes 2016**

74% achieved the expected standard in reading (compared to the national average of 74%).

65% achieved the expected standard in writing (compared to the national average of 65%).

77% achieved the expected standard in maths (compared to the national average of 73%).

*Marcliff Family Centre at Listerdale School*

The Marcliff Centre has been used by external groups as well as a school transition group over the period September 2015 to August 2016. It has been utilised by, and continues to be used by, a local Childminders' Network group every Wednesday morning and three out of every four Thursday mornings. The fourth Thursday morning is used by a Foster Carers' Network group. The latter half of the academic year 2015/16 saw the Centre used by Listerdale Primary School's Foundation Stage team on a Friday morning for 'Little Caterpillars', a transition programme for pupils coming to FS1 in September 2016.

*Attendance*

The Local Authority attendance target was 96.4%

**Anston Greenlands 2015/16**

Total Attendance	96.5%
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Authorised Absences	2.3%
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Unauthorised Absences	1.3%
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**Listerdale – 2015/16**

Total Attendance	95.9%
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Authorised Absences	3.0%
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Unauthorised Absences	0.9%
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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

Performance has been discussed at the level of the Local Governing Bodies and by the Trust Board of Directors. The focus for areas of development in the coming year have also been identified and captured in each school's School Improvement Plan.

The Trust has worked hard to ensure that the needs of children in its schools remain the focus of its attention. It has done this by constantly reviewing performance and aspirations. It has successfully managed a period of change at one of its schools, ensuring that suitably experienced staff have been on hand to provide leadership and support for staff and to help continue to drive standards. It has also overseen the successful induction of a new Head Teacher at its other school which has resulted in a significant positive impact on whole school development.

During the period of this report, the Trust has experienced periods of industrial action at one of its schools. This has included both action short of strike action and strike action itself, declared by one trade union. In total, there were nine proposed strike days officially notified to the Trust, covering a period of three weeks. Despite considerable efforts on the part of the Trust to avert the strike action, the school was closed to FS1, FS2, Y4, Y5 & Y6 on five of the proposed nine days. Parents and carers were kept informed of developments throughout this time to the extent that the Trust was authorised to share details by written correspondence and through briefing sessions for parents hosted by the Chair and Vice-Chair of the Trust. The Trust very much regrets the impact of the school closures on children and their families and offers apologies to all those affected by the industrial action instituted by the union involved. The contribution of officers of the Advisory Conciliatory and Arbitration Service (ACAS) is acknowledged and the Trust is very grateful for the impartial advice and guidance received in seeking to achieve a resolution to the industrial action at Listerdale School.

*Going Concern*

In the previous reporting period (to 31 August 2015), the Board of Trustees had identified an imbalance in and projected overspend on the budget at Listerdale School. It therefore instituted a review of income and expenditure at the school, to include both staffing and non staffing costs. The outcomes of the review led to the introduction of some restructuring at Listerdale School which was implemented in January 2016. This has served to bring about sustainable balance between income and expenditure.

The Trust's overarching responsibility for governance meant that it had to address some specific management issues at Listerdale School. In order to minimise disruption to the children and their families and to ensure continuity for staff, it brokered support for the school at senior leadership level to cover an absence from duty of the Head Teacher and other key staff. The support comprised two experienced senior leaders with additional support from a Business & Finance Manager. This school to school support was provided by Aston Academy (part of the Aston Community Education Trust – ACET) without charge to Listerdale School. The children at Listerdale School further benefitted from ACET's involvement through being given access to booster provision prior to SATs and specialist maths sessions at schools within the ACET family. The Trust is extremely grateful to the Board of ACET, its Executive Head Teacher and the individual staff who have worked with Listerdale School for their time and support.

Due to the structural changes at Listerdale School and a full-scale review of finance and accounting systems, the Board has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future, subject to the agreement of terms for the management of an outstanding negative budget balance on the school's conversion to Academy status in 2014 (to the amount of £36,612).

In relation to Anston Greenlands School, the Board has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future.

Taking into account the above, in terms of the consolidated position of the Trust, the Board of Trustees has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future.

**Financial Review**

The largest proportion of the Trust's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA and associated expenditure for the

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

year-ended 31 August 2016 are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants from the EFA and from other government bodies. In accordance with SORP 2015 such grants are also shown in the Statement of Financial Activities as restricted income.

During the year-ended 31 August 2016 total income was £2,226,698 (10 months-ended 31 August 2015: £1,620,895 excluding net assets transferred on conversion to academy status). Expenditure totalled £2,230,767 (10 months-ended 31 August 2015: £1,787,008), resulting in a net deficit for the period of £4,069 excluding pension scheme actuarial losses (10 months-ended 31 August 2015: £166,113 deficit excluding pension scheme actuarial losses and net assets transferred on conversion to academy status). This very significant reduction in the Trust's deficit position resulting in an almost break-even position for the year reflects the tireless efforts of the Trustees and senior leaders to ensure that the Trust is sustainable, as reported in last year's Trustees' Report and Financial Review.

An actuarial loss of £579,000 (10 months-ended 31 August 2015: £69,000) arose on the Trust's share of the Local Government Pension Scheme ("LGPS") during the year which, with other movements, has resulted in an LGPS deficit of £1,435,000 at 31 August 2016 (2015: £830,000). This very substantial increase in the deficit in the year reflects the collapse in corporate bond yields after the Brexit vote on 23 June 2016, as a result of which the discount rate used to calculate the present value of future pension scheme liabilities fell to 2.2% at 31 August 2016 (2015: 4.0%); this increase in scheme liabilities was partially offset by positive investment returns on the Trust's share of LGPS assets in the year. This substantial increase in the Trust's LGPS deficit is a significant issue shared by the whole academy schools sector. Based on initial actuarial advice following conversion to academy status, the pension deficit was being eliminated by additional LGPS pension contributions over an agreed period of 20 years. However, in view of the very sizeable increase in deficit this year, these additional contributions are likely to be required to increase in future years, although no changes to contributions have yet been notified by the actuary. This is a very important issue facing the Trust in future years, in common with the rest of the academy schools sector.

The Trust showed a net reduction of funds in the year of £583,069 (2015: £3,128,293 increase in funds including £3,363,406 net assets transferred on conversion to academy status) to £2,545,224 (2015: £3,128,293), comprising the actuarial loss of £579,000 together with the £4,069 shortfall of income over expenditure for the year.

At 31 August 2016 the Trust had fixed assets with a net book value of £3,860,054 (2015: £3,930,048), other assets of £282,092 (2015: £202,747) (including bank balances of £215,012 (2015: £145,104)) and liabilities (excluding the LGPS pension deficit) of £161,922 (2015: £174,502). Net current assets were £120,170 (2015: £28,245).

#### **Reserves Policy**

The Trust's activities in the reporting period have continued to focus on ensuring robust governance and financial systems and on achieving compliance. The achievement of a balanced budget at Listerdale has been a key priority for the Trust. The building and maintenance of reserves is an issue which the Trust will address in line with its plans for further development as a multi academy trust (MAT). A reserves policy, including free reserves, will be developed and based on the actual financial landscape at an identified point of critical mass. The Trust's unrestricted reserves at 31 August 2016 are £128,066 (2015: £88,090).

#### **Investment Policy**

The entirety of the Trust's funds are used directly in the achievement of its Objects and Aims. There are no unrestricted funds available for investment.

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

The Trust has considered and articulated what it considered to be its principal risks and uncertainties in a Risk Register. The Register is a standing item on the agenda of meetings of the Board of Directors.

The principal risks for the Trust have been two-fold. The first was the need to bring stability to Listerdale School

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

during a period of absence of the Head Teacher. This has been achieved through a brokered arrangement for the secondment of experienced staff from another Academy to provide leadership to maintain and improve standards and ensure the minimum of disruption to children and their families. The secondment arrangement has been achieved without charge to Listerdale School.

The second principal risk has been to manage the extent to which the financial position at Listerdale School could affect the Trust's status as a going concern. The Trust has also brokered additional support for the school on financial management, both to help in reviewing systems and processes and to cover staff absence. The Trust is pleased to report that the systems review is complete, with streamlining making systems more effective. The restructure of staffing has ensured that staff levels are appropriate to the school's income whilst still delivering against objectives in the School Improvement Plan and continuing to put the best interests of the children first.

*Financial and Risk Management Objectives and Policies*

The Trust recognises the importance of identifying and assessing the probability of financial and other risk. It has developed close working relationships with expert partners in the fields of accountancy and audit, HR and payroll to build internal capacity and understanding and to ensure that statutory returns are submitted within the necessary timescales. Though the Trust can confirm the strengthening of internal controls and financial reporting at Listerdale, it has not lifted its ban on any non-essential spending. This will remain in force until the Board considers that the financial position at the school is robust enough for the ban to be revoked.

The Trust has completed all mandatory processes and submitted mandatory returns correctly and on time, including financial and governance monitoring returns to the EFA, internal and external audits, and pensions' returns.

**Plans for Future Periods**

The priority for the Trust in 2016/17 is to continue to focus on achieving ever higher standards of teaching and learning and to work with the EFA and the office of the Regional Schools Commissioner to develop its plans as a MAT.

**Auditor**

In so far as the Trustees are aware:

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

This report was approved by order of the Board of Trustees on 5th December 2016 and signed on the Board's behalf by:

  
**K Bottomley**  
**Chair of Trustees**

  
**M Parker**  
**Trustee**

**CHILDREN'S ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**SCOPE OF RESPONSIBILITY**

As trustees, we acknowledge we have overall responsibility for ensuring that Children'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.

From 30 September 2015, the board of trustees has delegated the day-to-day responsibility to the Headteacher of Anston Greenlands Primary School, as Interim 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 Children's Academy Trust and the Secretary of State for Education. The Interim Accounting Officer is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. The permanent appointment of Accounting Officer will be considered as part of the Trust's proposals for development for consideration by the funding authority and the office of the Regional Schools Commissioner.

The driving imperative for governance in the Children's Academy Trust's first full year of operation has been the effective management of real issues, not enhancement of governance processes. It has been a year which has presented challenges and one which has required the Trust to demonstrate its professional integrity to its funding providers, its schools, children and families and to the public. It has drawn on the experience and expertise of its own Board and officers, but has consulted widely where necessary with professional organisations to ensure its governance actions have been immediate and robust. This has ensured that it has been possible to regularise the financial position at one of its schools and thereby protect the going concern status of the Trust.

**GOVERNANCE**

The Board of Directors comprises Members and Directors. There are three Members who, together, provide the arm's length overview of the Trust's adherence to its aims and objects and fulfil any mandatory reporting functions. During the period of this report, the Trust has not delegated functions to any sub-committees, but has instead dealt with all issues (including Audit) at Board level. This has ensured full and extensive consideration of all matters relating to finance, compliance, risk and performance.

The Board's membership and attendance record is as follows:

Trustee (* indicates a Member)	Meetings attended	Out of a possible
K Bottomley(* from 12 April 2016)	15	15
A Holmes *	15	15
R Lake (to 31 March 2016)	5	8
C Roberts(to 20 June 2016)	0	0
R Mault	10	14
J Dyson (to 22 April 2016)	10	10
A Wirth	14	14
M Parker *	15	15
D Ridgway * (to 11 January 2016)	3	3

**Article 58 - co opted Trustees**

During the reporting period, the Trust co-opted a number of Trustees to the Board, under the terms of Article 58 of its Articles of Association, for the sole purpose of fulfilling HR processes. The co-opted Trustees did not attend meetings of the Board of Directors and had no voting rights.

**Governance Reviews**

The Trust governance structure at local level operates through the existing Board of Governors at each school. The membership of the Trust Board of Directors has been drawn from the local governing bodies (LGBs) and therefore each LGB has representatives of the main Board on its own Board. The LGBs initially had their own terms of reference. The Trust has reviewed local governance procedures and has instituted important changes designed to strengthen Trust governance and bring coherence to local operations. A new single format for the LGBs terms of reference was agreed in 2015 and these, along with the Financial Authorities delegated by the

**CHILDREN'S ACADEMY TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (continued)**

Board to each LGB, now form the basis of management and operation at the level of the individual schools.

The Trust reviewed its arrangements for governance at local level in September 2016, keeping the system in operation without change.

The Trust will commission an external review of governance, both at strategic and local levels as part of its proposals for future development. This will run alongside a self evaluation of effectiveness which will also address composition of the Board and the most recent guidance proposing smaller, more strategic Boards.

**REVIEW OF VALUE FOR MONEY**

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

The Interim Accounting Officer considers how the 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.

In this period, the Trust has continued to address its key risk areas. Working closely with ACET, it has succeeded in bringing the budget at Listerdale School to balance by rationalising staffing and introducing other value for money savings in terms of contracts for services. It has also been successful in negotiating competitive rates for additional professional services it has needed in managing its risk areas. A more formal and general value for money exercise will be undertaken as part of the development of plans for the future.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy 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 reviewed and augmented at the Children's Academy Trust during the period ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees views risk management as a live issue, not one which is reviewed from time to time. The risk register features as a standing agenda item at all meetings of the Board. Where risk is considered key, the Board has taken the step of producing an action-oriented management plan against which progress can be measured against a given time frame. This has worked well to ensure continuity of focus through to acceptable conclusion.

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews 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

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**GOVERNANCE STATEMENT (continued)**

Rotherham Metropolitan Borough Council (RMBC) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Scheduled audits have been carried out in the current period at both schools.

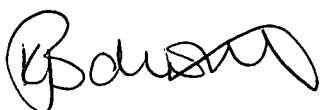
**REVIEW OF EFFECTIVENESS**

As Interim Accounting Officer, the Headteacher of Anston Greenlands Primary School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 5 December 2016 and signed on their behalf, by:



**K Bottomley**  
**Chair of Trustees**



**A Wirth**  
**Interim Accounting Officer**

**CHILDREN'S ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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

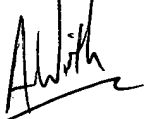
I was appointed interim Accounting Officer on 30 September 2015, and so did not hold this position throughout the full year. However, I have made appropriate enquiries of, and taken into account, information made available to me by:

- the Board of Trustees;
- the Trust's Finance Officers (including the additional finance support at Listerdale School during the year);
- the internal auditors, and;
- the external auditors;

On this basis, and to the best of my knowledge and belief:

I confirm that I and the Academy Trust Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy Trust, or material non compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook (2015).

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



**A Wirth**  
**Interim Accounting Officer**

Date: 5 December 2016



**CHILDREN'S ACADEMY TRUST**  
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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

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


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

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

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

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

Approved by order of the members of the board of trustees on 5 December 2016 and signed on its behalf by:



**K Bottomley**  
**Chair of Trustees**

**CHILDREN'S ACADEMY TRUST**  
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHILDREN'S ACADEMY TRUST**

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

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

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

**CHILDREN'S ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
CHILDREN'S ACADEMY TRUST**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

*Paul Hinchliffe*

Paul Hinchliffe BA FCA (Senior statutory auditor)

for and on behalf of

**Harris & Co Limited**

Chartered Accountants  
Registered auditors

Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW  
5 December 2016

**CHILDREN'S ACADEMY TRUST**  
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHILDREN'S ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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

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

**RESPECTIVE RESPONSIBILITIES OF CHILDREN'S ACADEMY TRUST'S INTERIM ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The interim accounting officer is responsible, under the requirements of Children's Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

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

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

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

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

The work undertaken to draw our conclusion includes:

- 1) consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- 2) evaluation of the general control environment of the Academy Trust;
- 3) assessment and testing of a sample of the specific control activities over regularity of a particular activity;
- 4) consideration of whether the activity is permissible within the Academy Trust's framework of authorities.
- 5) consideration of matters raised by the academy trust's internal auditors.

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CHILDREN'S  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*K. S. L.*

**Harris & Co Limited**

Chartered Accountants  
Reporting Accountant

Marland House  
13 Huddersfield Road  
Barnsley  
South Yorkshire  
S70 2LW

5 December 2016

**CHILDREN'S ACADEMY TRUST**  
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2016**

		Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds year ended 31 August 2016 £	Total funds 10 months ended 31 August 2015 £
	Note					
<b>INCOME FROM:</b>						
Donations and capital grants	2	-	-	22,903	22,903	9,997
Charitable activities	3	-	2,054,369	-	2,054,369	1,504,854
Other trading activities	4	149,134	-	-	149,134	105,858
Investments	5	292	-	-	292	186
Other income		-	-	-	-	3,363,406
<b>TOTAL INCOME</b>		<b>149,426</b>	<b>2,054,369</b>	<b>22,903</b>	<b>2,226,698</b>	<b>4,984,301</b>
<b>EXPENDITURE ON:</b>						
Raising funds		56,982	-	-	56,982	-
Charitable activities		52,468	2,030,687	90,630	2,173,785	1,787,008
<b>TOTAL EXPENDITURE</b>	7	<b>109,450</b>	<b>2,030,687</b>	<b>90,630</b>	<b>2,230,767</b>	<b>1,787,008</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	16	39,976	23,682	(67,727)	(4,069)	3,197,293
		-	(5,024)	5,024	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		39,976	18,658	(62,703)	(4,069)	3,197,293
Actuarial losses on defined benefit pension schemes	20	-	(579,000)	-	(579,000)	(69,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>39,976</b>	<b>(560,342)</b>	<b>(62,703)</b>	<b>(583,069)</b>	<b>3,128,293</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		88,090	(894,523)	3,934,726	3,128,293	-
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>128,066</b>	<b>(1,454,865)</b>	<b>3,872,023</b>	<b>2,545,224</b>	<b>3,128,293</b>

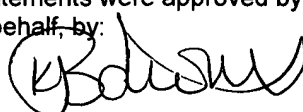
**CHILDREN'S ACADEMY TRUST**  
(A company limited by guarantee)  
REGISTERED NUMBER: 09061804

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	12		3,860,054		3,930,046
<b>CURRENT ASSETS</b>					
Stocks	13	2,433		1,400	
Debtors	14	64,647		56,243	
Cash at bank and in hand		215,012		145,104	
		<u>282,092</u>		<u>202,747</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(161,922)		(174,500)	
<b>NET CURRENT ASSETS</b>			<u>120,170</u>		<u>28,247</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,980,224</u>		<u>3,958,293</u>
Defined benefit pension scheme liability	20	(1,435,000)		(830,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>2,545,224</u></u>		<u><u>3,128,293</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	(19,865)		(64,523)	
Restricted fixed asset funds	16	3,872,023		3,934,726	
Restricted income funds excluding pension liability		<u>3,852,158</u>		<u>3,870,203</u>	
Pension reserve		<u>(1,435,000)</u>		<u>(830,000)</u>	
Total restricted income funds			<u>2,417,158</u>		<u>3,040,203</u>
Unrestricted income funds	16		<u>128,066</u>		<u>88,090</u>
<b>TOTAL FUNDS</b>			<u><u>2,545,224</u></u>		<u><u>3,128,293</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:

**K Bottomley**  
Chair of Trustees



The notes on pages 23 to 42 form part of these financial statements.

**CHILDREN'S ACADEMY TRUST**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

		Year ended 31 August 2016 £	<i>10 months ended 31 August 2015 £</i>
	Note		
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	<b>61,708</b>	<b>40,163</b>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>292</b>	<b>186</b>
Purchase of tangible fixed assets		<b>(14,995)</b>	<b>-</b>
Capital grants from DfE/EFA		<b>12,932</b>	<b>-</b>
Capital funding received from sponsors and others		<b>9,971</b>	<b>-</b>
<b>Net cash provided by investing activities</b>		<b>8,200</b>	<b>186</b>
Cash transferred on conversion to an academy trust		<b>-</b>	<b>104,755</b>
<b>Net cash provided by conversion to an academy trust</b>		<b>-</b>	<b>104,755</b>
<b>Change in cash and cash equivalents in the year</b>		<b>69,908</b>	<b>145,104</b>
Cash and cash equivalents brought forward		<b>145,104</b>	<b>-</b>
<b>Cash and cash equivalents carried forward</b>		<b>215,012</b>	<b>145,104</b>



**CHILDREN'S ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES**

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

**1.1 Basis of preparation of financial statements**

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

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

**First time adoption of FRS 102**

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

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

**1.2 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 Department for Education where the asset acquired or created is held for a specific purpose.

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

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

**CHILDREN'S ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.3 Income**

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

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

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

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

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

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

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

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

**CHILDREN'S ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy 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.

**1.6 Tangible fixed assets and depreciation**

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

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

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

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**1. ACCOUNTING POLICIES (continued)**

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

Long-term leasehold property	-	Straight line over 50 years
Fixtures and fittings	-	Straight line over 10 years
Computer equipment	-	Straight line over 5 years
Assets inherited on conversion (other than land and buildings)	-	Over the estimated remaining useful life, as at the date of conversion

**1.7 Interest receivable**

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

**1.8 Operating leases**

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

**1.9 Stocks**

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

**1.10 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.

**1.11 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.

**1.12 Liabilities and provisions**

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.13 Taxation**

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

**1.14 Pensions**

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

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

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

Critical accounting estimates and assumptions:

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

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

Critical areas of judgement:

There are no further judgements that have not already been disclosed in the accounting policies.

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds year ended 31 August 2016 £	Total funds 10 months ended 31 August 2015 £
Donations	-	-	9,971	9,971	9,997
Other DFE capital grants	-	-	12,932	12,932	-

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £9,997 was to restricted funds

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**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds year ended 31 August 2016 £	Total funds 10 months ended 31 August 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	1,682,860	1,682,860	1,288,749
Pupil premium	-	50,151	50,151	35,849
Other EFA grants	-	110,262	110,262	39,274
	-	1,843,273	1,843,273	1,363,872
<b>Other government grants</b>				
Early years funding	-	65,322	65,322	54,808
Pupil growth fund	-	69,705	69,705	46,730
Other LA funding	-	76,069	76,069	39,444
	-	211,096	211,096	140,982
	-	2,054,369	2,054,369	1,504,854

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £1,504,854 was to restricted funds.

There are no unfulfilled conditions at the year end with regards to the amounts included in the above government grants. The other EFA grant income mainly relates to Universal Infant Free School Meals.

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds year ended 31 August 2016 £	Total funds 10 months ended 31 August 2015 £
Uniforms	3,808	-	3,808	5,131
Rent receivable	4,129	-	4,129	2,429
Catering	2,735	-	2,735	2,561
Breakfast club	21,752	-	21,752	19,414
Trip income	31,169	-	31,169	23,198
Childrens Centre Income	-	-	-	3,571
Music tuition	1,890	-	1,890	7,335
Other	83,651	-	83,651	42,219
	149,134	-	149,134	105,858

In 2015, of the total income from other trading activities, £105,858 was to unrestricted funds and £ NIL was to restricted funds.

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**5. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds year ended 31 August 2016 £	Total funds 10 months ended 31 August 2015 £
Bank interest	292	-	292	186

In 2015, of the total investment income, £ 186 was to unrestricted funds and £ NIL was to restricted funds.

**6. CHARITABLE ACTIVITIES**

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Direct costs - educational operations	1,565,961	1,304,728
Support costs - educational operations	607,824	482,280
Total	2,173,785	1,787,008

**ANALYSIS OF SUPPORT COSTS**

	Boarding £	Educational Operations £	Total - year ended 31 August 2016 £	Total - 10 months ended 31 August 2015 £
Support staff costs	-	239,729	239,729	208,562
Depreciation	-	4,207	4,207	3,645
Technology costs	-	13,442	13,442	2,896
Premises costs	-	66,397	66,397	39,341
Other support costs	-	213,901	213,901	193,546
Governance costs	-	70,148	70,148	34,290
Total	-	607,824	607,824	482,280

All of the support costs in 2015 related to educational operations.



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**7. EXPENDITURE**

	<b>Staff costs 2016 £</b>	<b>Premises 2016 £</b>	<b>Other costs 2016 £</b>	<b>Total - year ended 31 August 2016 £</b>	<b>Total - 10 months ended 31 August 2015 £</b>
Expenditure on fundraising trading	50,468	-	6,514	56,982	-
Educational Operations:					
Direct costs	1,297,081	80,780	188,100	1,565,961	1,304,728
Support costs	239,729	132,202	235,893	607,824	482,280
	<u>1,587,278</u>	<u>212,982</u>	<u>430,507</u>	<u>2,230,767</u>	<u>1,787,008</u>

In 2016, of the total expenditure, £109,450 (2015 - £59,164) was to unrestricted funds, £90,630 was to restricted fixed asset funds (2015: £73,603) and £2,030,687 (2015 - £1,654,241) was to restricted funds.

**8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)**

This is stated after charging:

	<b>Year ended 31 August 2016 £</b>	<b>10 months ended 31 August 2015 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	84,987	73,603
Auditors remuneration	22,720	12,800
Governance internal audit costs	6,300	10,170
Operating lease rentals	<u>4,596</u>	<u>-</u>

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**9. STAFF COSTS**

Staff costs were as follows:

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Wages and salaries	1,212,484	1,040,426
Social security costs	82,621	60,689
Operating costs of defined benefit pension schemes	227,159	177,004
	<hr/> 1,522,264	<hr/> 1,278,119
Supply teacher costs	38,602	4,373
Staff restructuring costs	26,412	-
	<hr/> <b>1,587,278</b> <hr/>	<hr/> <b>1,282,492</b> <hr/>

Staff restructuring costs comprise:

Included in severance payments are 4 non-statutory/non contractual severance payments totalling £26,412 (2015: £nil), of £4,132, £6,336, £7,655 and £8,289.

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

	Year ended 31 August 2016 No.	10 months ended 31 August 2015 No.
Teachers	19	19
Teaching Assistants	40	37
Support and administrative	6	8
Management	2	2
	<hr/> 67 <hr/>	<hr/> 66 <hr/>

Average headcount expressed as a full time equivalent:

	Year ended 31 August 2016 No.	10 months ended 31 August 2015 No.
Teachers	17	18
Teaching Assistants	20	23
Support and administrative	4	7
Management	2	2
	<hr/> 43 <hr/>	<hr/> 50 <hr/>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the academy trust comprise the trustees and the senior management

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team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £259,225 (2015: £244,085).

**10. TRUSTEES' REMUNERATION AND EXPENSES**

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

		Year ended 31 August 2016 £	10 months ended 31 August 2015 £
C Roberts	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
A Wirth	Remuneration	50,000-55,000	
	Pension contributions paid	5,000-10,000	
A Jones	Remuneration	0-5,000	50,000-55,000
	Pension contributions paid	0-5,000	5,000-10,000

During the year ended 31 August 2016, expenses totalling £107 (2015 - £1,058) were reimbursed to 2 Trustees (2015 - 1).

**11. 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. The trust purchased this insurance via The Department for Education Risk Protection Arrangement Scheme and as such the cost of this insurance is included in the total insurance cost.

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**12. TANGIBLE FIXED ASSETS**

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 September 2015	3,914,000	48,147	41,502	4,003,649
Additions	-	9,971	5,024	14,995
At 31 August 2016	3,914,000	58,118	46,526	4,018,644
<b>Depreciation</b>				
At 1 September 2015	51,433	6,567	15,603	73,603
Charge for the year	61,720	10,275	12,992	84,987
At 31 August 2016	113,153	16,842	28,595	158,590
<b>Net book value</b>				
At 31 August 2016	3,800,847	41,276	17,931	3,860,054
At 31 August 2015	3,862,567	41,580	25,899	3,930,046

**13. STOCKS**

	2016 £	2015 £
Uniforms	2,433	1,400

**14. DEBTORS**

	2016 £	2015 £
Trade debtors	700	5,650
VAT recoverable	23,434	7,350
Prepayments and accrued income	40,513	43,243
	64,647	56,243

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

	2016 £	2015 £
Trade creditors	719	-
Deficit upon conversion	36,612	36,612
Accruals and deferred income	124,591	137,888
	161,922	174,500

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

	2016 £	2015 £
<b>Deferred income</b>		
Deferred income at 1 September 2015	128,336	-
Resources deferred during the year	119,816	128,336
Amounts released from previous years	(128,336)	-
	<u>119,816</u>	<u>128,336</u>
Deferred income at 31 August 2016	<u>119,816</u>	<u>128,336</u>

At the balance sheet date the academy trust was holding funds received in advance for trips booked for the autumn term 2016 amounting to £15,373 (2015: £20,259).

Also included within deferred income is £1,247 (2015: £3,781) rates relief, £12,728 (2015: £12,932) devolved formula capital, £46,396 (2015: £37,728) universal infant free school meals, £24,688 (2015: £20,925) SEN funding, £19,081 (2015: £32,711) Pupil Growth Fund income and £302 music fees (2015: £nil). This funding was received in advance in relation to periods post 31 August 2016 and will be spent after the accounting period end.

**16. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	88,090	149,426	(109,450)	-	-	128,066
<b>Restricted funds</b>						
General Annual Grant (GAG)	(68,229)	1,682,860	(1,648,786)	(5,024)	-	(39,179)
Other DfE Grants	3,706	160,412	(146,005)	-	-	18,113
Other restricted	-	211,097	(209,896)	-	-	1,201
Pension reserve	(830,000)	-	(26,000)	-	(579,000)	(1,435,000)
	<u>(894,523)</u>	<u>2,054,369</u>	<u>(2,030,687)</u>	<u>(5,024)</u>	<u>(579,000)</u>	<u>(1,454,865)</u>
<b>Restricted fixed asset funds</b>						
Assets transferred on conversion	3,934,726	-	(84,987)	-	-	3,849,739
DfE capital grants	-	12,932	(5,643)	-	-	7,289
Capital donations	-	9,971	-	5,024	-	14,995
	<u>3,934,726</u>	<u>22,903</u>	<u>(90,630)</u>	<u>5,024</u>	<u>-</u>	<u>3,872,023</u>
<b>Total restricted funds</b>	<u>3,040,203</u>	<u>2,077,272</u>	<u>(2,121,317)</u>	<u>-</u>	<u>(579,000)</u>	<u>2,417,158</u>
<b>Total of funds</b>	<u>3,128,293</u>	<u>2,226,698</u>	<u>(2,230,767)</u>	<u>-</u>	<u>(579,000)</u>	<u>2,545,224</u>

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**16. STATEMENT OF FUNDS (continued)**

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

1) Restricted general funds must be used for the normal running costs of the Academy in line with the Master Funding Agreement and restrictions from other sources of funding. The transfer between restricted funds and restricted fixed asset funds relates to fixed assets purchased from GAG.

2) Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust.

The restricted pension fund is in deficit to the value of £1,435,000 as at 31 August 2016. £745,000 of this deficit was inherited upon conversion to Academy Status and this deficit has increased further as a result of actuarial losses since conversion. The Trustees will continue to monitor this closely.

Listerdale is carrying a net deficit (excluding the pension deficit and fixed assets transferred on conversion) of £30,051 at 31 August 2016, including £36,612 brought forward at conversion to academy status which has still to be repaid to the Local Authority. The Trust continues to closely monitor costs in order to return the academy to surplus.

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2016 were allocated as follows:

	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Anston Greenlands	138,252	75,087
Listerdale	(30,051)	(51,520)
Total before fixed asset fund and pension reserve	<b>108,201</b>	23,567
Restricted fixed asset fund	<b>3,872,023</b>	3,934,726
Pension reserve	<b>(1,435,000)</b>	(830,000)
Total	<b>2,545,224</b>	3,128,293

**ANALYSIS OF ACADEMIES BY COST**

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

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding dep'n £</b>	<b>Total 2016 £</b>	<i>Total 2015 £</i>
Anston Greenlands	594,984	108,970	13,632	225,222	942,808	763,492
Listerdale	713,964	130,758	27,570	325,038	1,197,330	951,913
	<b>1,308,948</b>	<b>239,728</b>	<b>41,202</b>	<b>550,260</b>	<b>2,140,138</b>	1,715,405

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**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds year ended 31 August 2016 £	Total funds 10 months ended 31 August 2015 £
Tangible fixed assets	-	-	3,860,054	3,860,054	3,930,049
Current assets	180,055	77,345	24,693	282,093	202,748
Creditors due within one year	(51,989)	(97,210)	(12,724)	(161,923)	(174,504)
Provisions for liabilities and charges	-	(1,435,000)	-	(1,435,000)	(830,000)
	<u>128,066</u>	<u>(1,454,865)</u>	<u>3,872,023</u>	<u>2,545,224</u>	<u>3,128,293</u>

**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	(4,069)	3,197,293
<b>Adjustment for:</b>		
Depreciation charges	84,987	73,603
Dividends, interest and rents from investments	(292)	(186)
Increase in stocks	(1,033)	(1,400)
Increase in debtors	(8,402)	(56,243)
(Decrease)/increase in creditors	(12,580)	174,503
Capital grants from DfE and other capital income	(12,932)	-
Defined benefit pension scheme obligation inherited	-	745,000
FRS102 defined benefit pension scheme adjustments	26,000	16,000
Transfer of fixed assets on conversion	-	(4,003,652)
Capital donations	(9,971)	(104,755)
<b>Net cash provided by operating activities</b>	<u>61,708</u>	<u>40,163</u>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Cash in hand	215,012	145,104
<b>Total</b>	<u>215,012</u>	<u>145,104</u>

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**20. PENSION COMMITMENTS**

The 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 South Yorkshire Pension Fund. Both are Multi-employer defined benefit pension schemes.

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

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

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the period amounted to £121,523 (2015 - £86,397) for both schools.

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

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



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**20. PENSION COMMITMENTS (continued)**

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 2016 was £144,109 (2015 - £87,131), of which employer's contributions totalled £116,181 (2015 - £62,881) and employees' contributions totalled £27,928 (2015 - £24,250). The agreed contribution rates for future years are 15% 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:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Rate of increase in salaries	3.65 %	4.05 %
Rate of increase for pensions in payment / inflation	2.00 %	2.30 %
Inflation assumption (CPI)	1.90 %	2.30 %

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

	2016	2015
Retiring today		
Males	23	23
Females	25.7	25.6
Retiring in 20 years		
Males	25.4	25.3
Females	28.5	28.4

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	480,000	343,000
Government Bonds	124,000	82,000
Property	90,000	66,000
Other bonds	51,000	34,000
Cash/liquidity	14,000	11,000
Other	63,000	41,000
<b>Total market value of assets</b>	<b>822,000</b>	<b>577,000</b>

The actual return on scheme assets was £127,000 (2015 - £15,000) for both schools.

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**20. PENSION COMMITMENTS (continued)**

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

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Current service cost (net of employee contributions)	(109,000)	(79,000)
Net interest cost	(31,000)	(24,000)
<b>Total</b>	<b>(140,000)</b>	<b>(103,000)</b>
 Actual return on scheme assets	 <b>127,000</b>	 <b>14,000</b>

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Opening defined benefit obligation	1,407,000	-
Current service cost	109,000	79,000
Interest cost	56,000	42,000
Contributions by employees	28,000	21,000
Actuarial losses	680,000	67,000
Transfer on conversion	-	1,225,000
Benefits paid	(23,000)	(27,000)
<b>Closing defined benefit obligation</b>	<b>2,257,000</b>	<b>1,407,000</b>

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

	Year ended 31 August 2016 £	10 months ended 31 August 2015 £
Opening fair value of scheme assets	577,000	-
Return on plan assets (excluding net interest on the net defined pension liability)	25,000	18,000
Actuarial gains and (losses)	101,000	(2,000)
Contributions by employer	116,000	89,000
Contributions by employees	28,000	21,000
Transfer on conversion	-	480,000
Benefits paid	(23,000)	(27,000)
Administrative expenses	(2,000)	(2,000)
<b>Closing fair value of scheme assets</b>	<b>822,000</b>	<b>577,000</b>

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**21. OPERATING LEASE COMMITMENTS**

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

	2016 £	2015 £
<b>Amounts payable:</b>		
Within 1 year	4,356	3,592
Between 1 and 5 years	13,068	3,592
<b>Total</b>	<b>17,424</b>	<b>7,184</b>

**22. 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.

**23. RELATED PARTY TRANSACTIONS**

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

As explained within last year's Trustees' Report, and note 29 to the 2015 Financial Statements, both schools within the trust historically participated in the Kalulushi Partnership. During the period, each school received £600 grant funding from the British Council for this partnership work. The Kalulushi fund is not controlled by the Trust and is therefore not consolidated into the Trust's financial statements. Both schools no longer participate in the Kalulushi partnership and their involvement ceased during the year.

During the period, Listerdale spent £3,415 with Open Minds Theatre Company (South Yorkshire) of which, C Roberts, the former Listerdale headteacher was a director during the year. Anston Greenlands also spent £385 with Open Minds during the year.

J Holmes, wife of A Holmes (Trustee as at 31 August 2016), provided school photography services to the Academy Trust. The Trust received commission income totalling £779 in respect of photography orders.

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**24. FIRST TIME ADOPTION OF FRS 102**

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

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

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 November 2014 £</b>	<b>31 August 2015 £</b>
Total funds under previous UK GAAP		-	3,128,293
Total funds reported under FRS 102		<u>-</u>	<u>3,128,293</u>

<b>Reconciliation of net income</b>	<b>Notes</b>	<b>10 months ended 31 August 2015 £</b>
Net income previously reported under UK GAAP		3,205,293
Changes in recognition of LGPS interest cost	A	(8,000)
Net movement in funds reported under FRS 102		<u>3,197,293</u>

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

A Under previous UK GAAP the trust recognised an expected return on defined benefit pension assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expenses. There has been no change in the defined benefit liability at either 1 November 2014 or 31 August 2015. The effect of the change has been to increase the debit to expenses by £8,000 and decrease the debit in other recognised gains and losses in the SOFA by an equivalent amount.