

REGISTERED COMPANY NUMBER: 09061804 (England and Wales)

**Children's Academy Trust Limited
(A Company Limited by Guarantee)
Report of the Trustees and
Financial Statements for the Year Ended 31 August 2018**

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



Children's Academy Trust Limited
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for the Year Ended 31 August 2018

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Children's Academy Trust Limited
Reference and Administrative Details
for the Year Ended 31 August 2018

MEMBERS	C Morton K Bottomley A Holmes
TRUSTEES	A Wirth (Accounting Officer /Headteacher) J Walker A W Loveday S Hollis A J Evans K Hattersley (Chair) (appointed 16/1/2018) W J Ryan (appointed 16/1/2018) M Ward (appointed 16/1/2018)
SENIOR MANAGEMENT TEAM	J Croot (Nominated Trust Finance Officer) J Taylor (Deputy Headteacher) A Wirth (Headteacher)
REGISTERED OFFICE	Anston Greenlands Primary School Edinburgh Drive North Anston Sheffield South Yorkshire S25 4HD
REGISTERED COMPANY NUMBER	09061804 (England and Wales)
INDEPENDENT AUDITORS	Harris & Co Limited Chartered Accountants & Statutory Auditor Marland House 13 Huddersfield Road Barnsley South Yorkshire S70 2LW
BANKERS	Lloyds Bank 232 Bawtry Road Wickersley Rotherham South Yorkshire S66 1AA
SOLICITORS	Taylor Bracewell 17-23 Thorne Road Doncaster DN1 2RP
COMPANY SECRETARY/CLERK	A Humphries

Children's Academy Trust Limited

Report of the Trustees for the Year Ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

For the entirety of the reporting period, the Trust's status was that of a single school multi academy trust comprising Anston Greenlands school only. During the previous year, on 1 June 2017, Listerdale school transferred out of the Trust to join another multi academy trust ("MAT"). During this year, the trustees have agreed in principle a future growth and development plan with the Department for Education which includes the trust expanding in future to become a three school MAT.

Anston Greenlands is a primary school serving a catchment area in the south of the Rotherham Local Authority. It has 212 pupils aged 4-11, as recorded in the October 2018 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of 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 Limited.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

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 £10,000,000 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 officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Recruitment and appointment of new trustees

During the reporting period, and in the light of its status as a single school MAT, the Board was satisfied that its structure, comprising three Members and five Trustees, was appropriate to ensure rigour of governance. The Board made a commitment to comprehensively review its governance structure, including the appointed Members and Trustees, as part of the future growth and development plan agreed with the Department for Education. It has made a number of changes to its governance structure through the appointment of additional Trustees during the reporting period.

Children's Academy Trust Limited

Report of the Trustees for the Year Ended 31 August 2018

Organisational structure

The Trust is currently a single Academy MAT with 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 - Board of Trustees (comprising Trustees, one of whom also serves as a Member and provides the link between the levels, and the Chief Executive Officer ("CEO") -elect);

arm's length overview - the Members, looking to the Trust's adherence to its aims and objects;

local application of operational policy and management of Trust policy - a Local Governing Body operating and reporting against Authorities delegated to it by the Trust.

Each school joining the MAT will have a Local Governing Body operating as above.

As a single school MAT, the Trust's Accounting Officer is the Head Teacher of Anston Greenlands Primary school. When the Trust expands to take on additional schools it will formally appoint its first CEO. The CEO, on appointment, will take over as the Trust's Accounting Officer. During the reporting period, and in line with the Trust's key objective to develop partnerships with other schools, the Head Teacher of a partner school, Trudi Toms of Thorpe Hesley Primary School, has served as CEO-elect.

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

Induction and training of new trustees

All Member and Director appointments are supported with briefing about the Trust, its strategic aims and high level objectives. In addition to verbal briefing tailored to suit the circumstances of the appointment, appointees are given details of the Trust's Instrument of government as the Articles of Association of the Children's Academy Trust, plus the Academies Financial Handbook and Governance Guide.

Group training events and access to bespoke training are arranged by the Trust. Due to the extent of changes to the Board structure during the reporting period, the formal review of performance will take place within twelve months of the Trust becoming incorporated as a three-school MAT.

Key management remuneration

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.

Trade Union Facility Time

The Trust has 19 full-time equivalent employees and therefore is not within scope of the reporting requirements set under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Related parties and other connected charities and organisations

The Trust has no related party connections or connections with other charities or organisations.

Children's Academy Trust Limited

Report of the Trustees for the Year Ended 31 August 2018

Objectives and Activities

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 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**.

The Trust continues to adhere to these aims. However, it will review its mission and the articulation of its aims with interested parties as it takes forward its plans for developing partnerships with other schools.

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers. The principal public benefit delivered by the 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.

Achievements and Performance

The Trust has focused on the achievement of three key strategic objectives within the period to 31st August 2018:

Solid, interim governance arrangements - to ensure suitable governance arrangements are in place for the Trust as a single Academy MAT to serve as the platform for future governance changes in support of anticipated MAT growth. This has been achieved.

Development of the MAT - the Trust has worked in partnership during the reporting period with two Rotherham Primary schools with a view to forming a three-school MAT. With the support and advice of the Department for Education and the Regional Schools Commissioner, the Trust is working through the process of securing agreement to the conversion to Academy status for the two schools involved. The process has included the development of the interim governance structure to form the permanent structure going forward. It is anticipated that the whole process will be completed during the period to 31 August 2019.

Continuing the drive for excellence at Anston Greenlands Primary school - maintaining and increasing the momentum for incremental improvement at a school that is already flourishing under dynamic leadership. Achieved - the school is working its way towards the achievement of an Outstanding Ofsted rating following from its extremely positive rating of Good in September 2017.

Key academic results at Greenlands:

70% of children achieved GLD (a good level of development), compared with 71.5% nationally.

Y1

93% of children passed the phonics screening check, compared with 82% nationally.

Children's Academy Trust Limited

Report of the Trustees for the Year Ended 31 August 2018

Y2 (National averages in brackets where available. EXS - the Expected Standard; GDS - Greater Depth within the Standard)

	EXS+	GDS
Reading	70% (75%)	17% (26%)
Writing	80% (70%)	7% (16%)
Maths	77% (76%)	17% (22%)
Reading, Writing and Maths	63%	7%

Y6 (National averages in brackets)

	EXS+	GDS
Reading	86% (75%)	11% (28%)
Writing	96% (78%)	39% (20%)
Maths	79% (76%)	18% (24%)
Grammar, Punctuation and Spelling	79% (78%)	14% (34%)
Reading, Writing and Maths	71% (64%)	7% (10%)

Improvements to the school

During the previous year, the trust was successful in securing £0.5m funding from the Condition Improvement Fund ("CIF") for the installation of a new central heating system and refurbishment of the kitchen, work on which has largely been completed during the current year. This year the Trust has also secured additional CIF funding of £0.4m for a complete refurbishment of the roof. Together, the works represent a significant investment in the school's infrastructure.

Going Concern

Forecasts for the current year (2018/19) show that the Trust has sufficient funds to continue to operate for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

Financial Review

The largest proportion of the Trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA and associated expenditure for the year ended 31 August 2018 are shown in restricted funds in the Statement of Financial Activities.

The Trust also receives grants from ESFA and from other government bodies, including capital grants. In accordance with Statement of Recommended Practice 2015 ("SORP 2015") such grants are also shown in the Statement of Financial Activities as restricted income.

The Statement of Financial Activities for the comparative year (year ended 31 August 2017) includes 9 months of income and expenditure in respect of Listerdale school prior to its transfer out of the Trust, as well as a full year Anston Greenlands. Listerdale was transferred out of the Trust for no consideration on 1 June 2017, resulting in net expenditure of £1,546,263 which was included in the 2017 Statement of Financial Activities, comprising Listerdale's net assets as at that date

During the year ended 31 August 2018, total income was £1,430,871 (2017: £2,349,204), including £419,916 capital grants (2017: £465,323), which consist mainly of successful Condition Improvement Fund ("CIF") applications. Of this CIF income, £402,932 has been capitalised during the year in respect of work done to the kitchen and heating system, whilst a further £49,918 in relation to premises maintenance has been recognised through the Statement of Financial Activities, and a transfer between restricted funds and restricted fixed asset funds has been recognised accordingly. The balance of the CIF income will be spent during 2018/19 when the projects will be completed.

Children's Academy Trust Limited

Report of the Trustees for the Year Ended 31 August 2018

Total expenditure was £1,137,651, giving an excess of income over expenditure (before actuarial gains on defined benefit pension schemes) of £293,220. This excess is largely explained by CIF income of £419,916 less related maintenance expenditure of £49,918 written off through the Statement of Financial Activities. An actuarial gain of £124,000 (2017: gain £75,250 for 2 schools) arose on the Trust's share of the Local Government Pension Scheme (LGPS) deficit during the year. The Statement of Financial Activities therefore shows a total net increase in funds of £417,220 in the year (2017: £1,117,549 reduction following the transfer out of Listerdale).

The actuarial gain of £124,000 arose on the Academy Trust's share of the LGPS during the year which, with other movements, has resulted in an LGPS deficit of £509,000 as at 31 August 2018 (2017: £594,000). This reduction in the LGPS deficit in the year largely reflects the partial recovery of corporate bond yields during 2018 following their collapse after the Brexit vote on 23 June 2016, together with ongoing additional pension contributions. Whilst the LGPS deficit has reduced this year, the size of the pension deficit is being eliminated gradually over 20 years by additional LGPS contributions, and the need for further additional contributions will be kept under review based on actuarial advice.

At 31 August 2018, the Trust had net assets/ total funds of £1,844,894 (2017: £1,427,674). The Trust had fixed assets with a net book value of £1,756,745 (2017: £1,389,485), other assets of £683,732 (2017: £689,233) (including bank balances of £467,840 (2017: £654,682), which includes the balance of CIF capital grants received but not yet spent) and liabilities (excluding the LGPS pension deficit) of £86,583 (2017: £57,044). Net current assets were £597,149 as at 31 August 2018 (2017: £632,189).

Principal Risks and Uncertainties

As a single academy MAT, the Trust's principal risk and uncertainty is concomitant with its ability to forge and develop new partnerships with schools in order to rebuild itself as a functioning MAT.

Formal partnerships have been developed with two Rotherham Primary schools and partnership working has been underway on joint projects during the reporting period. The Governors of all three schools have met at events attended by Board Trustees and Members. A formal application for conversion to Academy status for the two schools has been submitted and the Trust has worked on feedback from the Department for Education and Regional Skills Commissioner's Head Teacher Board with a view to submitting a final application before the end of December 2018.

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.

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

The trust's activities expose it primarily to cash flow risk. The Trustees and Senior Leadership Team monitor cash flow closely to ensure that the trust has sufficient funds and cash reserves available to meet liabilities as and when they fall due. The Financial Review within the Report of the Trustees includes further details of the trust's pension deficit balance sheet position and going concern.

Fundraising

The Trust does not undertake any fundraising activity. If in future it decides to develop a fundraising strategy, it will comply with the provisions of the Charities (Protection and Social Investment) Act 2016.

Reserves Policy

The building and maintenance of reserves is an issue which the Trust will address in line with its plans for development as a MAT. A reserves policy, including free reserves, will be developed and based on the actual financial landscape at an identified point of critical mass as a MAT. The Trust's unrestricted reserves at 31 August 2018 are £118,759 (2017: £109,258).

Children's Academy Trust Limited

Report of the Trustees for the Year Ended 31 August 2018

Investment Policy

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

Plans for Future Periods

The Trust's key strategic aim going forward will be to secure authority for the incorporation of the three-school MAT. To that end, and since the end of the reporting period, it has worked in partnership with the two schools to review and agree the joint ethos, aims and framework for school improvement for the Trust. Members have given their agreement to a new name for the Trust to reflect the shared refined ethos and mission. The new name will be applied on incorporation of the Trust as a three-school MAT.

Funds Held as Custodian Trustee on Behalf of Others

The Academy does not hold the assets of any other organisation or charity as a Custodian Trustee.

AUDITORS

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- 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.

The Trust intends to conduct formal evaluation of value for money in key service level agreements as a consequence of its growth beyond a single academy MAT. Until the point of re-tendering, the Board's considered view is that it is appropriate to retain the service of the existing Auditor because of the value of their in-depth knowledge of the Trust as a business.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on the board's behalf by:



J Walker
Trustee and Chair of Anston
Greenlands Governing Body



K Hattersley
Chair of Trustees
(from 16 January 2018)

Children's Academy Trust Limited

Governance Statement for the Year Ended 31 August 2018

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Children's Academy Trust Limited 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Head teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Children's Academy Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The Trust can report that the Governing Body of Anston Greenlands school has recorded a number of times in the minutes of its meetings the continuing excellent performance of the school in its approaches to financial and operational management as evidenced in external audits of provision such as payroll, purchasing and payments.

The role of Accounting Officer will form part of the duties of the Trust's Chief Executive Officer when that appointment is made on incorporation of the Trust as a three-school MAT.

Governance

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

Trustees	Meetings attended	Out of a possible
A Evans	1	3
K Hattersley (appointed 16/01/2018)	1	1
S Hollis	2	3
A Loveday	3	3
W Ryan (appointed 16/01/2018)	0	1
J Walker	3	3
M Ward (appointed 16/01/2018)	1	1
A Wirth (Accounting Officer)	3	3

The Trust has elected to keep all business, including Finance and Audit, within the brief of the main Board.

Changes in the composition of the Board of Trustees

This accounting period has seen a number of changes in the composition of the Board, the need for which has been generated by the changing constitution of the Trust. Three new Trustees have been appointed as part of the future growth and development plan agreed with the Department for Education.

Governance reviews

The Trust governance structure at local level operates through the school Board of Governors operating on Authorities delegated by the Board. The Trust's Delegated Authorities and arrangements for local governance will be reviewed in the context of its incorporation as a three-school MAT.

Review of Value for Money

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

Children's Academy Trust Limited

Governance Statement for the Year Ended 31 August 2018

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Trust intends to conduct formal evaluation of value for money in key service level agreements such as accountancy and legal as a consequence of its growth beyond a single academy MAT. Until the point of re-tendering, the Board's considered view is that it is appropriate to retain the service of existing professional contractors because of their in-depth knowledge of the Trust as a business.

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 Trust considers its internal controls to be robust.

Capacity to Handle Risk

The Board of Trustees continues to view risk management as a live issue, not one which is reviewed from time to time. The board of trustees is of the view that there is an on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. The Board has enhanced its capacity to manage risk with the key appointment to the Board of a professionally-qualified accountant from the private sector. This appointment was made outside the reporting period, but is a significant development to add context and evidence of the Trust's developing capabilities.

The Risk and Control Framework

The Academy's 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 appointed Rotherham Metropolitan Borough Council (RMBC) to act as internal auditors during the period. Their role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. Scheduled audits are carried out as part of the service level agreement and any recommendations for change are considered and acted upon at the appropriate level (ie at the level of the Trust or the individual school).

Review of Effectiveness

The Accounting Officer, Mr A Wirth has responsibility for reviewing the effectiveness of the system for 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 who have responsibility for the development and maintenance of the internal control framework.

Children's Academy Trust Limited

**Governance Statement
for the Year Ended 31 August 2018**

The Accounting Officer has been advised of the implications of the results of the review of the systems of internal control by the Trust Board, which is serving the functions of a Finance and Audit committee. No significant weaknesses have been identified and a system of continuous system of review and improvement is in place. The Trust Board has commented on the excellent financial control arrangements at Anston Greenlands school with praise in particular of the Trust Finance Officer.

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:



J Walker
Trustee
Chair, Anston Greenlands
Governing Body



K Hattersley
Chair of Trustees
(from 16 January 2018)



A Wirth
Accounting Officer

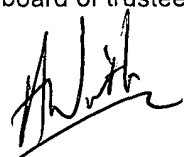
Children's Academy Trust Limited

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2018**

As accounting officer of Children's Academy Trust Limited I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company 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 2017.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2017.

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



A Wirth
Accounting Officer

3 December 2018

Children's Academy Trust Limited

Statement of Trustees Responsibilities for the Year Ended 31 August 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

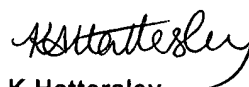
The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been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

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

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:



J Walker
Trustee and Chair of
Anston Greenlands Governing Body



K Hattersley
Chair of the Board of Trustees

Independent Auditors Report to the Members of Children's Academy Trust Limited

Opinion

We have audited the financial statements of Children's Academy Trust Limited (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Independent Auditors Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Independent Auditors Report to the Members of Children's Academy Trust Limited

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

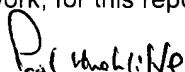
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Hinchliffe BA FCA (Senior Statutory Auditor)
for and on behalf of Harris & Co Limited
Chartered Accountants & Statutory Auditor
Marland House
13 Huddersfield Road
Barnsley
South Yorkshire
S70 2LW

3 December 2018

**Independent Reporting Accountant's Assurance Report on Regularity to
Children's Academy Trust Limited and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Children's Academy Trust Limited during the period 1 September 2017 to 31 August 2018 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 Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Children's Academy Trust Limited and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Children's Academy Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Children's Academy Trust Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Children's Academy Trust Limited's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

**Independent Reporting Accountant's Assurance Report on Regularity to
Children's Academy Trust Limited and the Education and Skills Funding Agency**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

K&C

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

3 December 2018

Children's Academy Trust Limited

**Statement of Financial Activities
for the Year Ended 31 August 2018**

		Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	Total 2018 funds £	Total 2017 funds £
	Notes					
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	8,296	-	419,916	428,212	467,701
Charitable activities						
Funding for the academy's educational operations	3	-	910,512	-	910,512	1,792,566
Other trading activities	4	91,941	-	-	91,941	88,679
Investment income	5	<u>206</u>	<u>-</u>	<u>-</u>	<u>206</u>	<u>258</u>
Total		100,443	910,512	419,916	1,430,871	2,349,204
 EXPENDITURE ON						
Raising funds	7	9,010	-	-	9,010	23,111
Charitable activities						
Academy's educational operations	8	79,823	1,002,041	46,777	1,128,641	1,972,629
Transfer out on academies leaving the Trust	24	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,546,263</u>
Total	6	88,833	1,002,041	46,777	1,137,651	3,542,003
 NET INCOME/(EXPENDITURE)		11,610	(91,529)	373,139	293,220	(1,192,799)
 Transfers between funds	20	<u>(2,109)</u>	<u>48,518</u>	<u>(46,409)</u>	<u>-</u>	<u>-</u>
 Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes	21	<u>-</u>	<u>124,000</u>	<u>-</u>	<u>124,000</u>	<u>75,250</u>
Net movement in funds		9,501	80,989	326,730	417,220	(1,117,549)
 RECONCILIATION OF FUNDS						
Total funds brought forward		109,258	(539,510)	1,857,926	1,427,674	2,545,223
 TOTAL FUNDS CARRIED FORWARD		118,759	(458,521)	2,184,656	1,844,894	1,427,674

The notes form part of these financial statements

Balance Sheet
At 31 August 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	13	1,756,745	1,389,485
CURRENT ASSETS			
Stocks	14	2,771	1,630
Debtors	15	213,121	32,921
Cash at bank		<u>467,840</u>	<u>654,682</u>
		683,732	689,233
CREDITORS			
Amounts falling due within one year	16	(86,583)	(57,044)
NET CURRENT ASSETS		<u>597,149</u>	<u>632,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,353,894	2,021,674
PENSION LIABILITY	21	(509,000)	(594,000)
NET ASSETS		<u><u>1,844,894</u></u>	<u><u>1,427,674</u></u>
FUNDS	20		
Unrestricted funds:			
General fund		118,759	109,258
Restricted funds:			
Restricted General		50,479	54,490
Restricted Fixed Asset		2,184,656	1,857,926
Restricted - Pension		<u>(509,000)</u>	<u>(594,000)</u>
		<u>1,726,135</u>	<u>1,318,416</u>
TOTAL FUNDS		<u><u>1,844,894</u></u>	<u><u>1,427,674</u></u>

The financial statements were approved by the Board of Trustees on 3 December 2018 and were signed on its behalf by:



K Hattersley
Chair of Trustees

The notes form part of these financial statements

Children's Academy Trust Limited

**Cash Flow Statement
for the Year Ended 31 August 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(192,928)</u>	<u>(25,911)</u>
Net cash provided by (used in) operating activities		<u>(192,928)</u>	<u>(25,911)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(414,036)	-
Capital grants from DfE/ESFA		419,916	465,323
Interest received		<u>206</u>	<u>258</u>
Net cash provided by (used in) investing activities		<u>6,086</u>	<u>465,581</u>
Change in cash and cash equivalents in the reporting period		<u>(186,842)</u>	<u>439,670</u>
Cash and cash equivalents at the beginning of the reporting period		<u>654,682</u>	<u>215,012</u>
Cash and cash equivalents at the end of the reporting period		<u><u>467,840</u></u>	<u><u>654,682</u></u>

Children's Academy Trust Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2018**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	293,220	(1,192,799)
Adjustments for:		
Depreciation	46,777	72,061
Capital grants from DfE/ESFA	(419,916)	(465,323)
Interest received	(206)	(258)
Net loss on transfer to another Trust	-	1,566,010
(Increase)/decrease in stocks	(1,141)	805
(Increase)/decrease in debtors	(180,199)	31,727
Increase/(decrease) in creditors	29,537	(104,884)
Difference between pension charge and cash contributions	<u>39,000</u>	<u>66,750</u>
Net cash provided by (used in) operating activities	<u>(192,928)</u>	<u>(25,911)</u>

Children's Academy Trust Limited

Notes to the Financial Statements for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Children's Academy Trust Ltd constitutes a public benefit entity as defined by FRS102.

Going concern

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

Critical accounting judgements and key sources of estimation uncertainty

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the accounts, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Capital grants, including those from the Condition Improvement Fund, are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised on a receivable basis and upon entitlement, and not deferred over the life of the asset on which they are expended. Where entitlement occurs before income is received, the income is accrued.

Expenditure incurred from capital grant income is recognised either through the Statement of Financial Activities or capitalised on the Balance Sheet, depending on its nature. Expenditure is capitalised where the expenditure provides incremental economic benefits to the entity. Where the expenditure is in respect of repairs and maintenance, or an asset which may have to be replaced at regular intervals, expenditure is written off through the Statement of Financial Activities.

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

1. ACCOUNTING POLICIES - continued

Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Donations are recognised on a receivable basis where receipt is probable 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.

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.

Children's Academy Trust Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

Where assets and liabilities in respect of an existing academy are transferred out of the trust, the transferred assets and liabilities are derecognised from the balance sheet at the point when the risks and rewards of ownership pass from the trust, which is on signing of the transfer agreement with the trust to which the academy is transferring. An equal amount of expenditure is recognised for the transfer of an existing academy out of the trust.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Straight line over 50 years
Fixtures and fittings	- Straight line over 10 years
Computer equipment	- Straight line over 5 years

Depreciation is not charged on freehold land. Assets inherited on conversion (other than land and buildings) are depreciated over their estimated remaining useful life, as at the date of conversion.

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Children's Academy Trust Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes to the accounts. Prepayments are not financial instruments.

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

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.

Taxation

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

Fund accounting

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

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

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

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

Operating lease commitments

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

Children's Academy Trust Limited

Notes to the Financial Statements - continued for the Year Ended 31 August 2018

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

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

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.

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.

Liabilities and provisions

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

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Donations	8,296	-	8,296	2,378
Grants	-	419,916	419,916	465,323
	<u>8,296</u>	<u>419,916</u>	<u>428,212</u>	<u>467,701</u>

Grants received, included in the above, are as follows:

	2018 £	2017 £
Capital grants	<u>419,916</u>	<u>465,323</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	796,574	796,574	1,517,978
Other EFA grants	-	54,123	54,123	94,492
Pupil Premium	-	28,129	28,129	43,613
	-	878,826	878,826	1,656,083
Other government grant				
Early years funding	-	-	-	56,135
Pupil Growth Fund	-	-	-	28,427
Other LA funding	-	31,686	31,686	51,921
	-	31,686	31,686	136,483
	-	910,512	910,512	1,792,566

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 Free School Meals.

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Catering	23,745	-	23,745	3,248
Other income	15,419	-	15,419	19,052
Trip income	21,227	-	21,227	33,708
Uniform	3,307	-	3,307	5,352
Hire of facilities	3,227	-	3,227	3,574
Breakfast club	25,016	-	25,016	23,745
	<u>91,941</u>	<u>-</u>	<u>91,941</u>	<u>88,679</u>

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Deposit account interest	<u>206</u>	<u>-</u>	<u>206</u>	<u>258</u>

6. EXPENDITURE

	Staff costs	Non-pay expenditure		2018	2017
	£	Premises	Other costs	Total	Total
	£	£	£	£	£
Raising funds					
Costs of fundraising					
Direct costs	9,010	-	-	9,010	23,111
Charitable activities					
Academies educational operations					
Direct costs	665,090	-	134,888	799,978	1,439,041
Allocated support costs	<u>112,993</u>	<u>75,804</u>	<u>139,866</u>	<u>328,663</u>	<u>533,588</u>
	<u>787,093</u>	<u>75,804</u>	<u>274,754</u>	<u>1,137,651</u>	<u>1,995,740</u>

Net income/(expenditure) is stated after charging/(crediting):

	2018	2017
	£	£
Auditors' remuneration	7,750	12,100
Internal audit services	3,190	3,765
Depreciation - owned assets	46,776	72,062
Other operating leases	<u>372</u>	<u>295</u>

In 2018, of the total expenditure £88,834, (2017: £64,949) was to unrestricted funds, £46,776 was to restricted fixed asset funds (2017: £72,061) and £1,002,041 (2017 £1,858,730) was to restricted funds.

7. RAISING FUNDS

Costs of fundraising

	Unrestricted funds	Restricted funds	2018 Total funds	2017 Total funds
	£	£	£	£
Staff costs	9,010	-	9,010	20,692
Sundries	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,419</u>
	<u>9,010</u>	<u>-</u>	<u>9,010</u>	<u>23,111</u>

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2018 Total funds £	2017 Total funds £
Direct costs	31,336	768,642	799,978	1,439,041
Support costs	<u>48,487</u>	<u>280,176</u>	<u>328,663</u>	<u>533,588</u>
	<u>79,823</u>	<u>1,048,818</u>	<u>1,128,641</u>	<u>1,972,629</u>

	2018 Total £	2017 Total £
Analysis of support costs		
Support staff costs	112,993	189,845
Depreciation	2,321	3,567
Technology costs	4,431	21,008
Premises costs	72,829	43,530
Other support costs	122,174	217,021
Governance costs	<u>13,915</u>	<u>58,617</u>
Total support costs	<u>328,663</u>	<u>533,588</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

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:

		2018	2017
Mr A Wirth	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000

Trustees' expenses

During the year ended 31 August 2018, no trustees received any reimbursement of expenses (2017: £nil to 0 Trustees).

Other transactions

Other related party transactions involving the trustees are set out in the Related Party Disclosures note.

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

10. STAFF COSTS

	2018	2017
	£	£
Wages and salaries	602,175	1,034,411
Social security costs	48,324	80,193
Operating costs of defined benefit pension schemes	<u>132,158</u>	<u>231,730</u>
	782,657	1,346,334
Supply teacher costs	<u>4,436</u>	<u>105,226</u>
	<u><u>787,093</u></u>	<u><u>1,451,560</u></u>

The average number of persons employed by the academy trust during the year expressed as full time equivalents:

	2018	2017
Teachers and teaching assistants	16	31
Administration and support	2	4
Management	<u>1</u>	<u>1</u>
	<u><u>19</u></u>	<u><u>36</u></u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	2018	2017
Teachers & teaching assistants	23	48
Support and administrative	3	5
Management	<u>1</u>	<u>1</u>
	<u><u>27</u></u>	<u><u>54</u></u>

No employee received employee benefits (excluding pension costs) exceeding £60,000 in the year (2017: 0)

The key management personnel of the Academy trust comprise the trustees and senior leadership 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 for the year was £147,066 (2017: £188,392).

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 £10,000,000 on any one claim. The Trust purchases 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.

Children's Academy Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE PRIOR YEAR
ENDED 31 AUGUST 2017

	Unrestricted fund £	Restricted funds £	Restricted Fixed Asset £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	2,378	-	465,323	467,701
Charitable activities				
Funding for the academy's educational operations	-	1,792,566	-	1,792,566
Other trading activities	88,679	-	-	88,679
Investment income	<u>258</u>	<u>-</u>	<u>-</u>	<u>258</u>
Total	91,315	1,792,566	465,323	2,349,204
 EXPENDITURE ON				
Raising funds	23,111	-	-	23,111
Charitable activities				
Academy's educational operations	41,838	1,858,730	72,061	1,972,629
Transfer out on academies leaving the Trust	<u>45,174</u>	<u>(906,270)</u>	<u>2,407,359</u>	<u>1,546,263</u>
Total	110,123	952,460	2,479,420	3,542,003
 NET INCOME/(EXPENDITURE)	(18,808)	840,106	(2,014,097)	(1,192,799)
 Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>75,250</u>	<u>-</u>	<u>75,250</u>
Net movement in funds	(18,808)	915,356	(2,014,097)	(1,117,549)
 RECONCILIATION OF FUNDS				
Total funds brought forward	128,066	(1,454,866)	3,872,023	2,545,223
 TOTAL FUNDS CARRIED FORWARD	<u>109,258</u>	<u>(539,510)</u>	<u>1,857,926</u>	<u>1,427,674</u>

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 September 2017	1,450,000	34,543	17,697	1,502,240
Additions	<u>402,932</u>	<u>4,597</u>	<u>6,507</u>	<u>414,036</u>
At 31 August 2018	<u>1,852,932</u>	<u>39,140</u>	<u>24,204</u>	<u>1,916,276</u>
DEPRECIATION				
At 1 September 2017	78,936	18,296	15,523	112,755
Charge for year	<u>35,918</u>	<u>6,515</u>	<u>4,343</u>	<u>46,776</u>
At 31 August 2018	<u>114,854</u>	<u>24,811</u>	<u>19,866</u>	<u>159,531</u>
NET BOOK VALUE				
At 31 August 2018	<u>1,738,078</u>	<u>14,329</u>	<u>4,338</u>	<u>1,756,745</u>
At 31 August 2017	<u>1,371,064</u>	<u>16,247</u>	<u>2,174</u>	<u>1,389,485</u>

14. STOCKS

	2018 £	2017 £
Uniform	<u>2,771</u>	<u>1,630</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	-	782
VAT	15,952	5,396
Prepayments and accrued income	<u>197,169</u>	<u>26,743</u>
	<u>213,121</u>	<u>32,921</u>

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Other creditors	32,150	-
Accruals and deferred income	<u>54,433</u>	<u>57,044</u>
	<u>86,583</u>	<u>57,044</u>

	2018	2017
	£	£
Deferred income		
Deferred income as at 1 September 2017	54,343	119,816
Resources deferred during the year	47,437	54,343
Amounts released from previous years	<u>(54,343)</u>	<u>(119,816)</u>
Deferred income as at 31 August 2018	<u>47,437</u>	<u>54,343</u>

At the balance sheet date the academy trust was holding funds received in advance for trips booked for the autumn term 2018 amounting to £11,584 (2017: £11,836).

Also included within deferred income is £1,740 (2017: £1,448) rates relief, £6,385 (2017: £6,441) devolved formula capital, £19,374 (2017: £19,629) universal infant free school meals and £8,354 (2017: £14,990) SEN funding. This funding was received in advance in relation to periods post 31 August 2018 and will be spent after the accounting period end.

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018	2017
	£	£
Within one year	372	372
Between one and five years	<u>992</u>	<u>1,364</u>
	<u>1,364</u>	<u>1,736</u>

18. 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.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted funds	Restricted Fixed Asset	Total funds
	£	£	£	£
Fixed assets	-	-	1,756,745	1,756,745
Current assets	135,510	113,870	434,352	683,732
Current liabilities	(16,751)	(63,391)	(6,441)	(86,583)
Pension liability	<u>-</u>	<u>(509,000)</u>	<u>-</u>	<u>(509,000)</u>
	<u>118,759</u>	<u>(458,521)</u>	<u>2,184,656</u>	<u>1,844,894</u>

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued

Comparative information in respect of the preceeding period is as follows:

	Unrestricted fund	Restricted funds	Restricted Fixed Asset £	2017 Total funds £
Fixed assets	-	-	1,389,485	1,389,485
Current assets	123,791	90,559	474,883	689,233
Current liabilities	(14,533)	(36,069)	(6,442)	(57,044)
Pension liability	-	(594,000)	-	(594,000)
	<u>109,258</u>	<u>(539,510)</u>	<u>1,857,926</u>	<u>1,427,674</u>

20. MOVEMENT IN FUNDS

	Balance at 1 September 2017	Income	Expenditure	Transfers between funds	Gains/ (Losses)	Balance at 31 August 2018
Restricted general funds						
General Annual Grant (GAG)	47,996	796,572	(844,607)	49,918	-	49,879
Other DfE grant	5,894	113,940	(118,434)	(1,400)	-	-
Other restricted grants	600	-	-	-	-	600
Pension	(594,000)	-	(39,000)	-	124,000	(509,000)
	<u>(539,510)</u>	<u>910,512</u>	<u>(1,002,041)</u>	<u>48,518</u>	<u>124,000</u>	<u>(458,521)</u>
Restricted fixed asset funds						
Assets transferred on conversion	1,380,548	-	(39,981)	-	-	1,340,567
Other DfE Capital Grants	464,876	419,916	(2,810)	(46,409)	-	835,573
Other Capital Donations	12,502	-	(3,986)	-	-	8,516
	<u>1,857,926</u>	<u>419,916</u>	<u>(46,777)</u>	<u>(46,409)</u>	<u>-</u>	<u>2,184,656</u>
Total restricted funds	1,318,416	1,330,428	(1,048,818)	2,109	124,000	1,726,135
Total unrestricted funds	109,258	100,443	(88,833)	(2,109)	-	118,759
Total funds	<u>1,427,674</u>	<u>1,430,871</u>	<u>(1,137,651)</u>	<u>-</u>	<u>124,000</u>	<u>1,844,894</u>

Children's Academy Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	Balance at 1 September 2016	Income	Expenditure	Transfers between funds	Gains/ (Losses)	Balance at 31 August 2017
Restricted general funds						
General Annual Grant (GAG)	(39,179)	1,517,979	(1,447,314)	16,510	-	47,996
Other DfE grant	18,113	138,105	(133,814)	(16,510)	-	5,894
Other restricted grants	1,200	136,483	(137,083)		-	600
Pension	(1,435,000)	-	765,750		75,250	(594,000)
	<u>(1,454,866)</u>	<u>1,792,567</u>	<u>(952,461)</u>	<u>-</u>	<u>75,250</u>	<u>(539,510)</u>
Restricted fixed asset funds						
Assets transferred on conversion	3,849,739	-	(2,469,191)	-	-	1,380,548
Other DfE Capital Grants	7,289	465,323	(7,736)	-	-	464,876
Other Capital Donations	14,995	-	(2,493)	-	-	12,502
	<u>3,872,023</u>	<u>465,323</u>	<u>(2,479,420)</u>	<u>-</u>	<u>-</u>	<u>1,857,926</u>
Total restricted funds	2,417,157	2,257,890	(3,431,881)	-	75,250	1,318,416
Total unrestricted funds	128,066	91,315	(110,123)	-	-	109,258
Total funds	<u>2,545,223</u>	<u>2,349,205</u>	<u>(3,542,004)</u>	<u>-</u>	<u>75,250</u>	<u>1,427,674</u>

Children's Academy Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

20. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016	Income	Expenditure	Transfers between funds	Gains/ (Losses)	Balance at 31 August 2018
Restricted general funds						
General Annual Grant (GAG)	(39,179)	2,314,551	(2,291,921)	66,428	-	49,879
Other DfE grant	18,113	252,045	(252,248)	(17,910)	-	-
Other restricted grants	1,200	136,483	(137,083)		-	600
Pension	(1,435,000)	-	726,750		199,250	(509,000)
	<u>(1,454,866)</u>	<u>2,703,079</u>	<u>(1,954,502)</u>	<u>48,518</u>	<u>199,250</u>	<u>(458,521)</u>
Restricted fixed asset funds						
Assets transferred on conversion	3,849,739	-	(2,509,172)	-	-	1,340,567
Other DfE Capital Grants	7,289	885,239	(10,546)	(46,409)	-	835,573
Other Capital Donations	14,995	-	(6,479)	-	-	8,516
	<u>3,872,023</u>	<u>885,239</u>	<u>(2,526,197)</u>	<u>(46,409)</u>	<u>-</u>	<u>2,184,656</u>
Total restricted funds	2,417,157	3,588,318	(4,480,699)	2,109	199,250	1,726,135
Total unrestricted funds	128,066	191,758	(198,956)	(2,109)	-	118,759
Total funds	<u>2,545,223</u>	<u>3,780,076</u>	<u>(4,679,655)</u>	<u>-</u>	<u>199,250</u>	<u>1,844,894</u>

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

20. MOVEMENT IN FUNDS - continued

The specific purpose 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.
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 £509,000 representing Anston Greenlands pension deficit as at 31 August 2018. £295,000 of this deficit was inherited upon conversion to Academy status in 2014, and this deficit has increased further as a result of actuarial losses since conversion. The Trustees will continue to monitor the deficit closely.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

21. PENSION AND SIMILAR OBLIGATIONS

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 2016.

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

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every 4 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
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019. The employer's pension costs paid to TPS in the period amounted to £57,822 (2017 - £96,982).

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).

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

Local government pension scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £66,694 (2017 - £116,452), of which employer's contributions totalled £53,336 (2017 - £92,998) and employees' contributions totalled £13,358 (2017 £23,454). The agreed contribution rates for future years are 15% for employers and 5.5 to 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.

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**21. PENSION AND SIMILAR OBLIGATIONS
- continued**

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Present value of funded obligations	(1,219,000)	(1,212,000)
Fair value of plan assets	<u>710,000</u>	<u>618,000</u>
	<u>(509,000)</u>	<u>(594,000)</u>
Deficit	<u>(509,000)</u>	<u>(594,000)</u>
Liability	<u>(509,000)</u>	<u>(594,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Current service cost	76,000	141,000
Net interest from net defined benefit asset/liability	<u>15,000</u>	<u>25,000</u>
	<u>91,000</u>	<u>166,000</u>
Actual return on plan assets	<u>31,000</u>	<u>20,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Opening defined benefit obligation	1,212,000	2,257,000
Current service cost	76,000	141,000
Contributions by scheme participants	13,000	24,000
Interest cost	31,000	43,000
Transferred out of academies leaving the Trust	-	(1,172,750)
Actuarial losses/(gains)	(109,000)	(73,250)
Benefits paid	(4,000)	(7,000)
	<u>1,219,000</u>	<u>1,212,000</u>
Closing defined benefit obligation	<u>1,219,000</u>	<u>1,212,000</u>

Children's Academy Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2018

21. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Opening fair value of scheme assets	618,000	822,000
Transfer out of academies leaving the Trust	-	(340,000)
Contributions by employer	53,000	101,000
Contributions by scheme participants	13,000	24,000
Expected return	16,000	18,000
Actuarial gains/(losses)	15,000	2,000
Benefits paid	(4,000)	(7,000)
Administrative expenses	(1,000)	(2,000)
	<u>710,000</u>	<u>618,000</u>
Closing fair value of scheme assets	<u>710,000</u>	<u>618,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Actuarial gains/(losses)	<u>124,000</u>	<u>75,250</u>
	<u>124,000</u>	<u>75,250</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2018	2017
	£	£
Equities	377,000	377,000
Government bonds	102,000	85,000
Corporate bonds	52,000	42,000
Property	69,000	56,000
Cash and other liquid assets	33,000	12,000
Other	<u>77,000</u>	<u>46,000</u>
	<u>710,000</u>	<u>618,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2018	2017
Discount rate	2.8%	2.5%
Future salary increases	3.35%	3.45%
Future pension increases	2.2%	2.2%
Inflation assumption	2.1%	2.2%

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

	2018	2017
Retiring today		
Males	23.0	22.9

Children's Academy Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2018**

**21. PENSION AND SIMILAR OBLIGATIONS
- continued**

Females	25.8	25.7
Retiring in 20 years		
Males	25.2	25.1
Females	28.1	28.0

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(29,000)	(29,000)
Discount rate -0.1%	29,000	29,000
Mortality assumption - 1 year increase	22,000	22,000
Mortality assumption - 1 year decrease	(22,000)	(22,000)
CPI rate +0.1%	31,000	31,000
CPI rate -0.1%	(31,000)	(31,000)

The amounts disclosed above are how much the scheme liabilities would increase /(decrease) for each stated assumption fluctuation.

22. CAPITAL COMMITMENTS

	2018 £	2017 £
Contracted but not provided for in the financial statements	<u>434,496</u>	<u>451,250</u>

23. RELATED PARTY DISCLOSURES

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

24. TRANSFER OUT ON ACADEMIES LEAVING THE TRUST

Listerdale was transferred out of the Trust on 1 June 2017 and the net assets transferred for nil consideration resulted in a charge to the 2017 Statement of Financial Activities of £1,546,263.