Registered number: 08518704

The South Cheshire Catholic Multi-Academy Trust

Directors' report and financial statements

For the Year Ended 31 August 2018

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ACCOUNTANTS

Contents

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

Reference and administrative details
For the Year Ended 31 August 2018

Members

Canon D Roberts
Father J Fagan
Bishop M Davies
Mr D Cunningham

Trustees

Father J Fagan, Chair of Trustees[1]
Canon D Roberts (resigned 31 October 2017)
Mrs C Hogg, Headteacher & Accounting officer[1]
Mr E Byrne
Mrs S Fau-Goodwin (resigned 26 November 2018)
Mr S O'Neill, Staff Trustee
Mrs H Brown
Mrs J Evans (appointed 1 December 2017)[1]
Mrs R Moores (appointed 1 November 2017)
Mrs C Peberdy (appointed 1 December 2017)
Mr E Doyle (appointed 1 December 2017)[1]

[1] Finance and Premises committee

Company registered number

08518704

Company name

The South Cheshire Catholic Multi-Academy Trust

Principal and registered office

St Thomas More Catholic High School, Dane Bank Avenue, Crewe, Cheshire, CW2 8AE

Senior management team

Mrs C Hogg, Headteacher
Mrs D Brown, Deputy Headteacher
Mrs K Packham, Assistant Headteacher
Mr M Hardacre, Assistant Headteacher
Mr B McKeown, Assistant Headteacher
Mrs J Whiston, Business Manager

Independent auditors

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

Bankers

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

Advisers (continued)

Solicitors

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

Trustees' report
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 year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 16. The pupil capacity of the Trust is 640, and the number of pupils on roll in the January 2018 census was 659.

Structure, governance and management

Constitution

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

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

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

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

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, insurance has been purchased to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10 million on any one claim.

Method of recruitment and appointment or election of Trustees

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

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

In summary :

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

Policies and procedures adopted for the induction and training of Trustees

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

Organisational structure

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

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

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

Arrangements for setting pay and remuneration of key management personnel

Salary for the Head teacher is set by the school Pay and Progression committee (a group of 3 governors) which in conjunction with an external advisor reviews the objectives and targets set for the previous year and salary for the coming year based on this review. The recommendation is then made to the Finance and Premises Committee who are able to accept or reject the outcome. The leadership team and all other staff have a set of targets that are set in the beginning of the school year related to the School Development Plan.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	793	
Total pay bill	2,811,790	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	100	%

Related Parties and other Connected Charities and Organisations

St Thomas More Catholic High School is a Catholic voluntary academy and part of The South Cheshire Catholic Multi Academy-Trust. At present it is the only Academy within this trust. It has strong links with its Catholic partner primary schools and the parishes of St Mary's, Crewe, St Anne's, Nantwich and St Gabriel's, Alsager. There are no related party relationships other than those detailed in note 23 of the financial statements.

Objectives and Activities

Objects and aims

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

The aim of the South Cheshire Catholic Multi-Academy Trust is to strengthen the effectiveness of the Catholic Church in education and to support our partner primary schools.

The Academy aims to provide:

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

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

Objectives, strategies and activities

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

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

The main objectives of the Academy during the period ending 31 August 2018 were to:

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

Public benefit

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

The Academy has implemented a variety of strategies to further the trust's charitable purposes for the public benefit:

- Analysis from external performance data
- Identification of priorities from the school's own self evaluation processes
- National priorities from the DfE, Ofsted and the CES
- Recommendations from the Diocese of Shrewsbury, Cheshire East Local Authority & other advisory bodies

Achievements and performance

Strategic report

Review of activities

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

Key performance indicators

In 2018, the school maintained its high level of attainment and achieved a Progress 8 score of 0.33. The provisional data shows that 45% of pupils achieved a 5 or above grades in English and Maths, which is well above national figures. In English, 79% of pupils gained a grade 5 or above and 91% of pupils gained a grade 4 or above. In Maths 52% of pupils gained a grade 5 or above and 74% of pupils gained a grade 4 or above.

There were very high attainment figures in other GCSE subjects including English Language, where 81% of the pupils gained a grade 4 or above, English Literature 91%, German 96%, PE 83%, RE 75%, Biology 96%, Chemistry 92% and Physics 96%.

Going concern

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

Financial review

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

During the period to 31 August 2018, the Academy received GAG of £3,201,291.

The Academy also receives capital grants from the ESFA. For 2017-18 these included Devolved Formula Capital (DFC) grants. These grants are included within the Statement of Financial Activities in the restricted fixed asset fund column. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned and by the cost of property improvements expensed in the period relating to property owned by Shrewsbury Roman Catholic Diocese Trust. During the period to 31 August 2018, the Academy received DFC grants totalling £14,952.

The Local Government Pension Scheme (LGPS) opening deficit in the year totalled £1,178,000. At the 31 August 2018 the deficit had reduced to £1,045,000.

At 31 August 2018, the net book value of tangible fixed assets totalled £146,256. During the year the Academy made additions of £16,560 of which £14,850 related to fixture and fittings and £1,710 related to computer equipment.

Reserves policy

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

The Trust held deficit fund balance at 31 August 2018 of £458,521 comprising of £21,365 of restricted funds, £376,151 of unrestricted general fund, restricted fixed asset funds of £188,963 and pension reserve deficit of £1,045,000.

Investment policy

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

Principal risks and uncertainties

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

Fundraising

The Academy Trust complies with the Charities (Protection and Social Investment) Act 2016.

The Trust raises a low level of funds for local and national charitable causes through themed events and community activities. This fundraising conforms to recognised standards and is monitored by the finance team.

Plans for future periods

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

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

Funds held as custodian

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 19 December 2018 and signed on its behalf by:

Fr Jeremy Fagan

Father J Fagan
Chair of Trustees

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The South Cheshire Catholic Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Father J Fagan, Chair of Trustees	5	5
Canon D Roberts (resigned 31 October 2017)	1	1
Mrs C Hogg, Headteacher & Accounting officer	5	5
Mr E Byrne	4	5
Mrs S Fau-Goodwin (resigned 26 November 2018)	4	5
Mr S O'Neill, Staff Trustee	3	5
Mrs H Brown	3	5
Mrs J Evans (appointed 1 December 2017)	3	3
Mrs R Moores (appointed 1 November 2017)	2	4
Mrs C Peberdy (appointed 1 December 2017)	3	3
Mr E Doyle (appointed 1 December 2017)	1	3

In 2017-18 there was a change in Chair of Trustees and a number of additional trustees were appointed: two parent governors and a foundation trustee. The board's focus is the future vision and strategy of the multi-academy Trust.

Review of Value for Money

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

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

Reviewing contracts

In order to achieve the best value for money from all its purchases i.e. to get what it needs in the correct quality, quantity and time at the best price possible, the academy has reviewed all contracts as they have become due, including catering, waste and recruitment advertising. Each contract is challenged at Finance and Premises committee meetings.

Staffing

The academy keeps tight control of the staffing structure by actively considering each and every appointment. The academy has employed two cover supervisors to reduce the reliance on costly supply agencies.

Financial Governance and Oversight

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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The South Cheshire Catholic Multi-Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

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

At the start of the year the board of trustees considered the need for a specific internal audit function and decided to appoint UHY Hacker Young as internal auditor. Part way through the year the board of trustees decided not to continue with their internal auditors. However, the Trustees decided to appoint Dains LLP, the external auditors, to perform additional checks.

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

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

On a quarterly basis, the reviewer reports to the board of trustees, through the Finance and Premises committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

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

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

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

Approved by order of the members of the board of trustees on 19 December 2018 and signed on their behalf, by:

Father J Fagan	**Mrs C Hogg**
Chair of Trustees	**Accounting Officer**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The South Cheshire Catholic Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

Mrs C Hogg
Accounting Officer

Date: 19 December 2018

Statement of Trustees' responsibilities
For the Year Ended 31 August 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 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 19 December 2018 and signed on its behalf by:

Fr Jerome Fagan

Father J Fagan
Chair of Trustees

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

Opinion

We have audited the financial statements of The South Cheshire Catholic Multi-Academy Trust (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard *applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction* 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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 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 Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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 Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Use of our report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's 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 Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Dains LLP

Jonathan Dudley (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ
Date: 19 December 2018

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

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & 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 The South Cheshire Catholic Multi-Academy Trust during the year 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 The South Cheshire Catholic Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The South Cheshire Catholic Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The South Cheshire Catholic Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of The South Cheshire Catholic Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 30 May 2013, and the Academies Financial Handbook extant from 1 September 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 year 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 Academy Trust's income and expenditure.

Conclusion

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

Dains LLP

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2, Albion House
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Etruria
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Date: 19 December 2018

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	11,798	-	14,952	26,750	14,918
Charitable activities:	3					
Funding for the academy trust's educational operations		-	3,739,002	-	3,739,002	3,663,814
Other trading activities	4	29,711	-	-	29,711	10,393
Investments	5	292	-	-	292	364
Total income		41,801	3,739,002	14,952	3,795,755	3,689,489
Expenditure on:						
Raising funds		30,003	-	-	30,003	-
Charitable activities	6	-	3,803,637	26,169	3,829,806	3,835,429
Total expenditure	6	30,003	3,803,637	26,169	3,859,809	3,835,429
Net income / (expenditure)		11,798	(64,635)	(11,217)	(64,054)	(145,940)
Actuarial gains on defined benefit pension schemes	20	-	219,000	-	219,000	347,000
Net movement in funds		11,798	154,365	(11,217)	154,946	201,060
Reconciliation of funds:						
Total funds brought forward		364,353	(1,178,000)	200,180	(613,467)	(814,527)
Total funds carried forward		376,151	(1,023,635)	188,963	(458,521)	(613,467)

The notes on pages 23 to 44 form part of these financial statements.

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

Balance sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		**146,256**		155,865
Current assets					
Debtors	14	**54,716**		59,085	
Cash at bank and in hand		**563,080**		523,141	
		617,796		582,226	
Creditors: amounts falling due within one year	15	**(177,573)**		(173,558)	
Net current assets			**440,223**		408,668
Total assets less current liabilities			**586,479**		564,533
Defined benefit pension scheme liability	20		**(1,045,000)**		(1,178,000)
Total net liabilities			**(458,521)**		(613,467)
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	**21,365**		-	
Restricted fixed asset funds	16	**188,963**		200,180	
Restricted income funds excluding pension liability		**210,328**		200,180	
Pension reserve		**(1,045,000)**		(1,178,000)	
Total restricted income funds			**(834,672)**		(977,820)
Unrestricted income funds	16		**376,151**		364,353
Total deficit			**(458,521)**		(613,467)

The financial statements on pages 20 to 44 were approved by the Trustees, and authorised for issue, on 19 December 2018 and are signed on their behalf, by:

Fr Jerome Fagan

Father J Fagan
Chair of Trustees

The notes on pages 23 to 44 form part of these financial statements.

Statement of cash flows
For the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	**41,255**	(185,480)
Cash flows from investing activities:			
Dividends, interest and rents from investments		**292**	364
Purchase of tangible fixed assets		**(16,560)**	(3,939)
Capital grants from DfE Group		**14,952**	14,918
Net cash (used in)/provided by investing activities		**(1,316)**	11,343
Change in cash and cash equivalents in the year		**39,939**	(174,137)
Cash and cash equivalents brought forward		**523,141**	697,278
Cash and cash equivalents carried forward	19	**563,080**	523,141

The notes on pages 23 to 44 form part of these financial statements.

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

The Trustees have taken into consideration that the Trust has net liabilities of £458,521, after the requirement to recognise the pension liability under Financial Reporting Standard 102. The Trustees are aware that the Trust will continue to make future pension contributions but consider this does not impact upon the Trust's ability to pay its debts as they fall due.

1.3 Income

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

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

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

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

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.

1. Accounting policies (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust's 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's appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

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.

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

1. Accounting policies (continued)

Leasehold land	-	125 years straight line
Furniture and fixtures	-	5 years straight line
Computer equipment	-	3 - 5 years straight line

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.

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

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

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

1.6 Interest receivable

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

1.7 Operating leases

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

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1. Accounting policies (continued)

1.10 Liabilities and provisions

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

1.11 Financial instruments

The Academy only 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 note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. 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.

1.12 Taxation

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. Accounting policies (continued)

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

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

1.14 Fund accounting

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

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

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

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Local Government Pension Scheme (LGPS)

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

Critical areas of judgment:

Land and buildings

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

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	**11,798**	**-**	**-**	**11,798**	-
Capital grants	**-**	**-**	**14,952**	**14,952**	14,918
	11,798	**-**	**14,952**	**26,750**	14,918
Total 2017	-	-	14,918	14,918	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	**-**	**3,201,291**	**3,201,291**	3,241,556
Pupil Premium	**-**	**84,866**	**84,866**	95,879
Other DfE/ EFA grants	**-**	**38,105**	**38,105**	22,718
	-	**3,324,262**	**3,324,262**	3,360,153
Other government grants				
High Needs Topup	**-**	**80,116**	**80,116**	68,566
	-	**80,116**	**80,116**	68,566
Other funding				
Trip income	**-**	**191,390**	**191,390**	113,495
Catering	**-**	**143,234**	**143,234**	121,600
	-	**334,624**	**334,624**	235,095
	-	**3,739,002**	**3,739,002**	3,663,814
Total 2017	-	3,663,814	3,663,814	

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	**7,735**	-	**7,735**	3,274
Other income	**8,968**	-	**8,968**	6,619
Supply teacher reimbursement	**5,850**	-	**5,850**	500
School bus income	**7,158**	-	**7,158**	-
	29,711	-	**29,711**	10,393
Total 2017	10,393	-	10,393	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	**292**	-	**292**	364
Total 2017	364	-	364	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	-	**13,972**	**13,972**	-
Support costs	-	-	**16,031**	**16,031**	-
Educational Operations:					
Direct costs	**2,444,617**	-	**448,754**	**2,893,371**	2,969,628
Support costs	**451,234**	**163,398**	**321,803**	**936,435**	865,801
	2,895,851	**163,398**	**800,560**	**3,859,809**	3,835,429
Total 2017	2,903,016	201,324	731,089	3,835,429	

7. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	**1,894,866**	2,021,282
National insurance	**179,122**	173,463
Pension cost	**360,227**	356,172
Depreciation	**25,281**	30,279
Educational supplies	**90,796**	92,076
Examination fees	**51,116**	46,980
Staff development	**20,727**	17,094
Technology costs	**46,897**	37,102
Travel and subsistence	**187,309**	127,238
Other direct costs	**24,541**	49,577
Recruitment and support	**12,489**	18,365
	2,893,371	2,969,628
Support costs - educational operations		
Wages and salaries	**335,106**	266,849
National insurance	**23,105**	15,838
Pension cost	**87,394**	69,413
Depreciation	**888**	888
LGPS net finance cost	**30,000**	30,000
Staff development	**1,499**	-
Maintenance of premises	**96,348**	114,755
Maintenance of equipment	**15,466**	25,789
Cleaning	**3,179**	3,203
Rates	**24,224**	41,197
Bank interest and charges	**64**	(474)
Energy	**47,224**	42,709
Insurance	**20,040**	14,621
Security and transport	**9,273**	14,887
Catering costs	**160,922**	150,795
Other occupancy costs	**28,337**	12,836
Governance costs	**53,366**	62,495
	936,435	865,801
	3,829,806	3,835,429

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	**26,169**	31,167
Auditors' remuneration - audit	**7,500**	7,250
Auditors' remuneration - other services	**2,150**	2,100
Operating lease rentals	**19,956**	14,382

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	**2,161,942**	2,166,319
Social security costs	**202,227**	189,301
Operating costs of defined benefit pension schemes	**447,621**	425,585
	2,811,790	2,781,205
Supply teacher costs	**84,061**	121,811
	2,895,851	2,903,016

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	**44**	48
Administration and Support	**39**	36
Management	**6**	5
	89	89

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	**1**	1
In the band £70,001 - £80,000	**1**	0

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £448,825 (2017 - £373,068).

10. Central services

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

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher 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
		£	£
Mrs C Hogg	Remuneration	**70,000-75,000**	65,000-70,000
	Pension contributions paid	**10,000-15,000**	10,000-15,000
Mr S O'Neill	Remuneration	**40,000-45,000**	45,000-50,000
	Pension contributions paid	**5,000-10,000**	5,000-10,000

During the year ended 31 August 2018, expenses totalling £1,125 (2017- £694) were reimbursed to 2 trustees (2017- 1 Trustee).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

13. Tangible fixed assets

	Leasehold Land	Furniture and fixtures	Computer equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	**111,000**	**48,121**	**209,322**	**368,443**
Additions	**-**	**14,850**	**1,710**	**16,560**
At 31 August 2018	**111,000**	**62,971**	**211,032**	**385,003**
Depreciation				
At 1 September 2017	**2,664**	**22,218**	**187,696**	**212,578**
Charge for the year	**888**	**10,692**	**14,589**	**26,169**
At 31 August 2018	**3,552**	**32,910**	**202,285**	**238,747**
Net book value				
At 31 August 2018	**107,448**	**30,061**	**8,747**	**146,256**
At 31 August 2017	108,336	25,903	21,626	155,865

14. Debtors

	2018 £	2017 £
Trade debtors	**2,422**	-
VAT repayable	**8,813**	14,133
Prepayments and accrued income	**43,481**	44,952
	54,716	59,085

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	**51,338**	30,549
Other taxation and social security	**52,474**	48,595
Other creditors	**47,824**	45,243
Accruals and deferred income	**25,937**	49,171
	177,573	173,558

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	**29,476**	15,805
Resources deferred during the year	**7,360**	29,476
Amounts released from previous years	**(29,476)**	(15,805)
Deferred income at 31 August 2018	**7,360**	29,476

At the balance sheet date the academy trust was holding funds received in advance for school trips in the 2018/19 academic year.

16. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	364,353	41,801	(30,003)	-	-	376,151
Restricted funds						
General Annual Grant (GAG)	-	3,201,291	(3,174,849)	(9,158)	-	17,284
Other DfE/ ESFA	-	122,971	(122,971)	-	-	-
Trip income	-	191,390	(187,309)	-	-	4,081
Other government grants	-	80,116	(80,116)	-	-	-
Other income	-	143,234	(152,392)	9,158	-	-
Pension reserve	(1,178,000)	-	(86,000)	-	219,000	(1,045,000)
	(1,178,000)	3,739,002	(3,803,637)	-	219,000	(1,023,635)
Restricted fixed asset funds						
Transferred on conversion	112,208	-	(3,987)	-	-	108,221
DfE/ ESFA capital grants	48,071	14,952	(1,313)	-	-	61,710
Capital expenditure from GAG/unrestricted funds	39,901	-	(20,869)	-	-	19,032
	200,180	14,952	(26,169)	-	-	188,963
Total restricted funds	(977,820)	3,753,954	(3,829,806)	-	219,000	(834,672)
Total of funds	(613,467)	3,795,755	(3,859,809)	-	219,000	(458,521)

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

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

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

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

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

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	363,979	10,757	-	(10,383)	-	364,353
Restricted funds						
General Annual Grant (GAG)	26,057	3,241,556	(3,271,545)	3,932	-	-
Other DfE/ ESFA	-	118,597	(118,597)	-	-	-
Trip income	-	113,495	(119,946)	6,451	-	-
Other government grants	-	68,566	(68,566)	-	-	-
Other income	-	121,600	(121,600)	-	-	-
Pension reserve	(1,446,000)	-	(79,000)	-	347,000	(1,178,000)
	(1,419,943)	3,663,814	(3,779,254)	10,383	347,000	(1,178,000)
Restricted fixed asset funds						
Transferred on conversion	116,195	-	(3,987)	-	-	112,208
DfE/ ESFA capital grants	31,646	14,918	(25,193)	26,700	-	48,071
Capital expenditure from GAG/unrestricted funds	93,596	-	(26,995)	(26,700)	-	39,901
	241,437	14,918	(56,175)	-	-	200,180
Total restricted funds	(1,178,506)	3,678,732	(3,835,429)	10,383	347,000	(977,820)
Total of funds	(814,527)	3,689,489	(3,835,429)	-	347,000	(613,467)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	363,979	52,558	(30,003)	(10,383)	-	376,151
Restricted funds						
General Annual Grant (GAG)	26,057	6,442,847	(6,446,394)	(5,226)	-	17,284
Other DfE/ ESFA	-	241,568	(241,568)	-	-	-
Trip income	-	304,885	(307,255)	6,451	-	4,081
Other government grants	-	148,682	(148,682)	-	-	-
Other income	-	264,834	(273,992)	9,158	-	-
Pension reserve	(1,446,000)	-	(165,000)	-	566,000	(1,045,000)
	(1,419,943)	7,402,816	(7,582,891)	10,383	566,000	(1,023,635)
Restricted fixed asset funds						
Transferred on conversion	116,195	-	(7,974)	-	-	108,221
DfE/ ESFA capital grants	31,646	29,870	(26,506)	26,700	-	61,710
Capital expenditure from GAG/unrestricted funds	93,596	-	(47,864)	(26,700)	-	19,032
	241,437	29,870	(82,344)	-	-	188,963
	(1,178,506)	7,432,686	(7,665,235)	10,383	566,000	(834,672)
Total of funds	(814,527)	7,485,244	(7,695,238)	-	566,000	(458,521)

17. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	**146,256**	**146,256**
Current assets	**376,151**	**198,938**	**42,707**	**617,796**
Creditors due within one year	-	**(177,573)**	-	**(177,573)**
Provisions for liabilities and charges	-	**(1,045,000)**	-	**(1,045,000)**
	376,151	**(1,023,635)**	**188,963**	**(458,521)**

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	155,864	155,864
Current assets	364,353	173,557	44,316	582,226
Creditors due within one year	-	(173,557)	-	(173,557)
Provisions for liabilities and charges	-	(1,178,000)	-	(1,178,000)
	364,353	(1,178,000)	200,180	(613,467)

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	**(64,054)**	(145,940)
Adjustment for:		
Depreciation charges	**26,169**	31,167
Dividends, interest and rents from investments	**(292)**	(364)
Decrease in debtors	**4,369**	30,348
Increase/(decrease) in creditors	**4,015**	(164,773)
Capital grants from DfE and other capital income	**(14,952)**	(14,918)
Defined benefit pension scheme cost less contribution payable	**56,000**	49,000
Defined benefit pension scheme finance cost	**30,000**	30,000
Net cash provided by/(used in) operating activities	**41,255**	(185,480)

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	**563,080**	523,141
Total	**563,080**	523,141

20. Pension commitments

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

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

Contributions amounting to £47,824 were payable to the schemes at 31 August 2018 *(2017 - £45,243)* and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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 £266,000 (2017 - *£284,000*).

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

20. Pension commitments (continued)

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 £153,000 (2017 - *£142,000*), of which employer's contributions totalled £126,000 (2017 - *£117,000*) and employees' contributions totalled £27,000 (2017 - *£25,000*). The agreed contribution rates for future years are 28.6% for employers and 5.5% - 8.5% for employees.

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

	2018	**2017**
Discount rate for scheme liabilities	**2.80 %**	2.50 %
Rate of increase in salaries	**2.70 %**	2.70 %
Rate of increase for pensions in payment / inflation	**2.40 %**	2.40 %
Commutation of pensions to lump sums - pre 2008	**50.00 %**	50.00 %
Commutation of pensions to lump sums - post 2008	**75.00 %**	75.00 %

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	**22.3**	22.3
Females	**24.5**	24.5
Retiring in 20 years		
Males	**23.9**	23.9
Females	**26.5**	26.5

Sensitivity analysis	**At 31 August 2018 £**	**At 31 August 2017 £**
Discount rate -0.5%	**319,000**	306,000
Salary increase +0.5%	**61,000**	64,000
Pension increase +0.5%	**253,000**	236,000

20. Pension commitments (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	**879,000**	802,000
Bonds	**462,000**	362,000
Property	**134,000**	91,000
Cash and other liquid assets	**15,000**	39,000
Total market value of assets	**1,490,000**	1,294,000

The actual return on scheme assets was £64,000 (2017 - *£86,000*).

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

	2018 £	2017 £
Current service cost	**(182,000)**	(166,000)
Interest income	**34,000**	18,000
Interest cost	**(64,000)**	(48,000)
Total	**(212,000)**	(196,000)
Actual return on scheme assets	**64,000**	86,000

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

	2018 £	2017 £
Opening defined benefit obligation	**2,472,000**	2,294,000
Current service cost	**182,000**	166,000
Interest cost	**64,000**	48,000
Employee contributions	**27,000**	25,000
Actuarial gains	**(188,000)**	(51,000)
Benefits paid	**(23,000)**	(10,000)
Closing defined benefit obligation	**2,534,000**	2,472,000

20. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	**1,294,000**	848,000
Interest income	**34,000**	18,000
Actuarial gain	**31,000**	296,000
Employer contributions	**126,000**	117,000
Employee contributions	**27,000**	25,000
Benefits paid	**(23,000)**	(10,000)
Closing fair value of scheme assets	**1,489,000**	1,294,000

21. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	**19,956**	18,246
Between 1 and 5 years	**18,845**	32,245
Total	**38,801**	50,491

22. Members' liability

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

23. Related party transactions

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Chimney House Teaching School Foundation - a company in which Mrs C Hogg (a trustee of the trust) has influence. During the year the Trust paid membership fees totalling £1,800 (2017: £2,300), with no amounts outstanding at year end. The Trust has confirmed that these services were provided at cost in accordance with the ESFA guidance.

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