

REGISTERED COMPANY NUMBER: 08108086 (England and Wales)

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2016
for

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

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for the Year Ended 31 August 2016

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Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Reference and Administrative Details
for the Year Ended 31 August 2016

MEMBERS

J Moorhouse
L Watterson (resigned 28.6.16)
HJ Ziman
MM Connolly
G Hunt
JMLucy

TRUSTEES

HJ Ziman (Chair)
JMLucy
MM Connolly (resigned 28.7.16)
J Moorhouse
L Watterson (resigned 28.6.16)
G Hunt
D Wearing (Principal & Accounting Officer)
S Mellis (Principal)
S Walters (Principal)
R Ford (appointed 1.9.16)

SENIOR MANAGEMENT TEAM

S Walters (Principal (Mill View)) (resigned 4.9.16)
L Jones (Director of Operations)
D Wearing (Principal (Kelsall) & Accounting Officer)
S Mellis (Principal (Boughton Heath))

REGISTERED OFFICE

Kelsall Primary School
Flat Lane
Kelsall
Cheshire
CW6 0PU

**REGISTERED COMPANY
NUMBER**

08108086 (England and Wales)

AUDITORS

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Reference and Administrative Details
for the Year Ended 31 August 2016

SOLICITORS

Browne Jacobson
3 Piccadilly Place
Manchester
M1 3BN

BANKERS

Lloyds Bank plc
Foregate Street
PO BOX 1000
BX1 1LT

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Report of the Trustees
for the Year Ended 31 August 2016

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

The Trust operates three primary academies and a teaching school in Cheshire West and Chester. Its academies have a combined pupil capacity of 630 and had a roll of 623 in the school census on 1 May 2016.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Trust's objective is to advance for the public benefit, education for children aged 4-11 by establishing, maintaining, managing and developing academies, offering an outstanding curriculum that raises standards and aspirations.

Our aim is to improve standards in our individual academies via a formalised partnership, providing children with the necessary academic, creative, physical and social skills that will develop throughout their education and lay the foundations for a fulfilled and adult life.

The wider aims of the Trust are;

- To play our part in raising national standards in education through sharing good practice with other schools and teachers across the country;
- To take a leading role in national initiatives.

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Report of the Trustees
for the Year Ended 31 August 2016

OBJECTIVES AND ACTIVITIES

Objectives, Strategies and Activities

The Trust's priorities for the year ending 31 August 2016 were:

Achievement

- To ensure that ALL pupils are making rapid progress from their starting position;
- To collaborate with Trust academies to forge personnel links, develop protocols and procedures to ensure efficient and effective working practices in all three academies.

Quality of Teaching

- To implement an effective assessment system to use pupil assessment information and data to improve learning in the classroom and at key points of transition between key stages (EY to Year 1; Year 2 to Year 3) in each academy;
- To review school assessment practices and changes to the curriculum by senior leaders to inform the Trusts' assessment system;
- To ensure Teachers make consistent judgements and adopt the best practices of working together to moderate assessments for year groups and end of keys stages in all trust academies;
- To ensure any assessment is used to modify teaching so that the vast majority of pupils achieve at least expected standards by the end of the year or key stage.

Leadership and Management

- To write and agree a Trust Strategic Development Plan setting out Trust wide protocols for communication, collaboration, shared working practices and opportunities to improve staff practice and outcomes for children;
- To develop and implement a plan for the future growth of the Trust including an application to the DfE to become a Sponsor multi academy trust;
- Create opportunities for senior leaders to work collaboratively to share and extend outstanding leadership and practice across the Trust.

Behaviour and Safety

- To develop ways to unify outstanding policy and practice in Trust academies in relation to behaviour, safeguarding and welfare.

Public Benefit

The Trustees confirm that they have referred to the Charity Commission's general guidance on the Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the Trustees considered how planned activities will contribute to the aims and objectives they have set.

Cheshire Academies Trust 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 or duties.

STRATEGIC REPORT

Achievement and performance

Key financial performance indicators

The Board uses a number of Key Performance Indicators to monitor its performance. These include, but are not limited to, Ofsted outcomes if available, exam results in comparison to local data and national averages, attendance percentages and total spend as a percentage of the overall academy budget. In the year ended 31 August 2016:

2015 - 2016 Outcomes	Cheshire West & Chester (CWaC)	National	Boughton Heath Academy	Kelsall Primary School	Mill View Primary School
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Early Years Foundation Stage (EYFS)

Good Level of Development (GLD)	70%	69.3%	90%	85.7%	76.7%
Phonics Screening	79.4%	80.6%	97%	89.3%	83.3%

End of Key Stage 1

Reading Writing Maths (RWM) Combined	60.4%	53.4%	63%	53.3%	60%
Reading	73.8%	74%	80%	73.3%	80%
Writing	58.3%	65.5%	70%	60%	63%
Mathematics	69.5%	72.6%	80%	76.6%	73%

End of Key Stage 2

RWM Combined	52%	53%	66%	70.4%	67%
Reading Average Standardised Score (ASS)	103.3	102.6	106	105.9	105
Reading % achieved standard	68.2%	65.6%	76%	93%	80%
Writing (ASS)	N/A	N/A	100	105	104
Writing % achieved standard	69.3%	74%	76%	85%	77%
Maths (ASS)	103	103	104	102.8	104
Maths % achieved standard	69.2%	69.7%	79%	74%	73%
Grammar, Punctuation & Spelling (ASS)	104.1	104	105	102.1	102.1
Grammar, Punctuation & Spelling % achieved standard	73.1%	72.4%	86%	74.1%	73%
Attendance (National & CWaC data from 2014-15)	96.1%	96%	97.6%	97%	97.3%

There were no Ofsted visits to any Cheshire Academies Trust academies in 2015-2016.

Cheshire Academies Trust
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Report of the Trustees
for the Year Ended 31 August 2016

STRATEGIC REPORT

Financial review

Financial review

Most of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, some of which is restricted to particular purposes. Income is also generated through the Teaching School (CLTA). The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Mill View Primary School also generates income via catering and out of hours activities. The income generated by these activities during the year ended 31 August 2016 is shown as unrestricted funds in the Statement of Financial Activities.

The Trust receives devolved formula capital grants and the opportunity to bid for Capital Improvement Funding (CIF) from the EFA. In the year ended 31 August 2016 the Trust was successful in three of its CIF bids totalling £342,623. Of this £315,734 was awarded to Boughton Heath Academy for the replacement of the roof, windows and doors. Mill View Primary School was awarded £26,889 for the replacement of heaters throughout the school. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the statement of financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets.

The Trust is an employer in the Cheshire Pension Fund (Local Government Pension Scheme). The LGPS is a funded scheme and the assets are held separately from those of Cheshire Academies Trust. Pension scheme assets are measured at fair value and the liabilities are measured on an actuarial basis. The actuarial valuations are obtained triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs, gains and losses on settlements and curtailments. They are included as part of the operational costs. Each Academy purchases ill-health liability insurance for LGPS members through Legal and General, the cost of which is offset against the employer charge.

At 31 August 2016 the LGPS liabilities held by the Trust have increased significantly. The liability at Kelsall Primary School has increased by 74% with the liabilities held by Boughton Heath Academy and Mill View Primary School has increased by 79% respectively. This is as a result of a decrease in the net discount rate over the period. The effect of this may be partially offset by greater than expected asset returns.

At 31 August 2016 the net book value of fixed assets was £5,372,849. Movement in tangible assets is shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils in the Trust and the operation of CLTA.

During the year ended 31 August 2016, total expenditure of £3,029,447 was met by recurrent grant funding from the EFA together with other incoming resources.

Cheshire Academies Trust
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Report of the Trustees
for the Year Ended 31 August 2016

STRATEGIC REPORT

Financial review

Investment policy

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. Although the Trust does not consider the investment of funds as a primary activity, as a result of good stewardship the Trustees remain open to exploring investment opportunities.

The Trust had no investments at 31 August 2016.

STRATEGIC REPORT

Financial review

Reserves policy

The Board of Trustees reviews the Trusts' Reserves Policy. This indicates that academies should achieve a level of free reserves equivalent to one month's salary costs. This should be achieved over an agreed timeframe that does not pose a risk to routine academy operation.

The policy also indicates that the central Trust should hold free reserves of the total of its academies' salary costs which is currently in the region of £108k. There is a plan to achieve this over an eight year period to minimise central Trust charges to academies.

The total Trusts reserves at 31 August 2016 were £5,130,099, which included:

- Unrestricted funds - £331,891
- General Restricted fund - £275,696
- Fixed Asset Restricted fund - £5,616,512
- Pension Reserve funds - (£1,094,000)

Going concern

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

Principal risks and uncertainties

The Trust has a comprehensive Risk Management Policy which clearly outlines the responsibilities of the Board, Local Governing Bodies, academy Principals and other staff in regard to managing risk and the appropriate steps to take to in order to manage risk. The Trust categorises risk into four areas: Strategic and Reputational; Operational; Compliance; and Financial.

The Board has considered the major risks to which the Trust is exposed including those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisational development, operations, safeguarding, HR, ICT and legal matters.

Each Trust academy, CLTA and the central Trust have individual, comprehensive risk registers which are reviewed annually by the Board and more regularly at an operational level. A risk rating mechanism in the registers focuses Local Governing Body and Senior Leadership Team attention to those areas identified as higher risk so appropriate actions can be taken.

Funds held as custodian trustee on behalf of others

To 31 August 2016 the Trust did not hold fund as custodian trustee on behalf of others.

Cheshire Academies Trust
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Report of the Trustees
for the Year Ended 31 August 2016

STRATEGIC REPORT

Future plans

In March 2016 the Trusts' application to become a sponsor was accepted by the DfE. The Board considers that it has the capacity to support three underperforming schools in its current position. Along with academy senior leadership teams, Trustees have developed a growth strategy to further develop internal structures to ensure the Trust would be best placed to implement rapid improvement in these schools.

Trustees also recognise the benefits for all stakeholders of convertor schools joining the Trust and are open to discussions with local schools that seek the challenge and support that being a member of the Trust provides.

The core purpose of the Trust is to achieve continued and consistent high outcomes for children. CAT's embedded culture is support our academies to thrive by developing and sharing best practices/systems across our academies, rigorous internal challenge and decisive early intervention to secure improvement where needed. The Board have agreed the following strategic improvement plans for 2016:

- Appointment of four lead professionals to be responsible for promoting the highest possible standards across the Trust and providing leadership and management in English, Mathematics, Technology and Behaviour, Safeguarding and Welfare;
- Whole Trust school day, INSET and holiday timetables to enable regular joint collaboration including professional development meetings;
- Delivery of Conscious Discipline training for all Trust staff to ensure a Trust wide approach to behaviour management;
- Development of a challenge fund to allow the Board to implement targeted intervention;
- Initiation of Trust wide catering provision to improve standards and increasing costs;
- Open recruitment process of new Trustees to add skills and capacity at Board level to support the Trust and our academies in their activities and the next stage of our development.

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 Cheshire Academies Trust (CAT) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cheshire Academies Trust.

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.

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Report of the Trustees
for the Year Ended 31 August 2016

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Indemnities

The Trust is a Member of the DfE Risk Protection Arrangement which provides cover Members and Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. Details of the costs can be found in note 11 of the accounts

Recruitment and appointment of new trustees

The Members of Cheshire Academies Trust are responsible for the appointment of the Trustees. There are no ex-officio roles linked to roles in individual academies. The composition on 31 August 2016 was:

- 2 Trustees who are also the Chair of Governors in individual academies (1 Trustee who is also Chair of Governors in an academy resigned on 28 July 2016);
- 3 Trustees who are also Principals in individual academies;
- 2 Co-opted Trustees (1 Co-opted Trustee resigned on 28 June 2016)

Organisational structure

The structure of the Trust consists of two levels; the Trustees and Senior Leadership Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Principal of Kelsall Primary School is the Trust's Accounting Officer.

The Trustees are responsible for setting general policy, adopting a Strategic School Development Plan and setting the budget. They also monitor the performance of individual academies by the use of financial reports and test results and make major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Trust's Senior Leadership Team is the Principal of Kelsall Primary School, the Principal of Boughton Heath Academy, the Principal at Mill View Primary School and the Director of Operations. These leaders control the Trust at an executive level and in the case of the Principals at individual academies, implementing the policies laid down by the Trustees and are accountable to them for the performance of each school.

Day to day responsibility for the individual academies is devolved to a Local Governing Body, each of which has a number of sub committees. Each committee has its own terms of reference detailing the responsibilities discharged to the committee, to the Principal and to the academy Senior Leadership Team. The terms of reference and meeting frequency for each committee are reviewed and approved by the Local Governing Body annually. The Trust stipulates the terms of reference for each academy's Finance Committee and the Trust's Financial Handbook details the Trust/Academy's authorised spending limits.

Induction and training of new trustees

Trustees are appointed based on the skills that they will bring to the Board either to fill a specific gap or to strengthen the existing skills base. On appointment, Trustees receive information relating to the Trust and its academies and attend a briefing and receive an induction pack on the role and responsibilities of Trustees. During the year, Trustees were offered all necessary training.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The pay and remuneration for academy Principals is decided by Local Governing Bodies on recommendation from the appraisal panel which includes a representative from the Board of Trustees.

The pay and remuneration for the Director of Operations is decided by the Board of Trustees on recommendation from the appraisal panel which includes the Accounting Officer and a representative from the Board of Trustees.

Decisions surrounding supplementary pay increases for all staff, including key management personnel, are made by Trustees.

Related parties and other Connected Charities and Organisations

National Support School - Teaching School - Cheshire Leadership and Teaching Alliance

Kelsall Primary School was designated as the first Teaching School in Cheshire West and Chester in March 2013. Kelsall Primary School is the Lead school of Cheshire Leadership and Teaching Alliance (CLTA) and is led by David Wearing as its Director. With their alliances of interested schools Teaching Schools are involved in the delivery of the 'Big 6' namely -

- delivery of Initial Teacher Training;
- leading on peer-to-peer professional and leadership development;
- identifying and developing leadership potential;
- school to school support;
- designating and brokering Specialist Leaders of Education (SLE);
- engaging in research and development.

CLTA receives funding from Tauheedul Education for the provision of NPQSL and NPQML courses, from the National College of Teaching and Leadership for support of the Teaching School and School to School Support and from the University of Chester for the provision of Schools Direct places.

Trustee Lyndsay Watterson and the Principals at Kelsall and Boughton Heath Academy have delivered training for a variety of courses run by CLTA along with other staff from Kelsall and Mill View Primary Schools.

Through CLTA, Kelsall Primary School continues to work closely with the schools involved in the Teaching Alliance. In total CLTA collaborated with 123 schools in 2015-16. All Cheshire Academies Trust academies continue to work closely with each other and maintain collaborative links with LA schools in their localities.

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Report of the Trustees
for the Year Ended 31 August 2016

AUDITORS

In so far 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.

In April 2016, following a tendering process, the Board appointed UHY Hacker Young as their auditors for the period 2016-2019.

Report of the trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the company directors, on 7 December 2016 and signed on the board's behalf by:


HJ Ziman - Chair

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Governance Statement
for the Year Ended 31 August 2016

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Cheshire Academies 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 Principal of Kelsall Primary School, as Accounting Officer, for ensuring financial controls conform to 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 Kelsall Primary School and the supplementary funding agreements between Boughton Heath Academy and Mill View Primary School and the Secretary of State for Education. In practice much of the day-to-day financial responsibility is delegated to the Trusts' Director of Operations who is 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 Report of the Trustees and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 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
HJ Ziman (Chair)	4	4
J M Lucy	3	4
M M Connolly (resigned 28.7.16)	3	4
J Moorhouse	2	4
L Watterson (resigned 28.6.16)	3	4
G Hunt	2	4
D Wearing (Principal & Accounting Officer)	3	4
S M Ellis (Principal)	4	4
S Walters (Principal)	4	4

Review of Value for Money

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

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

- Developing opportunities to share teaching and learning resources across the Trust along with common leadership approaches to improve educational outcomes for all groups of pupils in the Trust
- Regularly reviewing and challenging performance and processes to ensure they focus on raising standards and improving outcomes
- Maximising the income generation opportunities afforded to us as a multi academy trust

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Governance Statement
for the Year Ended 31 August 2016

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Cheshire Academies Trust (Formerly Cheshire Academies Trust Ltd) for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy 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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

The Risk and Control Framework

Cheshire Academies Trust 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 Resources Committees, of reports which indicate financial performance against the forecasts and also of major purchase plans, capital works and expenditure programmes for individual academies;
- 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.

Trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor. Individual academies are required to appoint an appropriately qualified local governor (or other suitable person) to carry out a programme of internal checks. The reports of their visits are reported at Local Governing Body level and are reviewed by the Director of Operations and Gillian Hunt, Trustee, whom the Board have appointed to oversee the internal audit function.

In 2015-16 the following checks were carried out;

Cheshire Academies Trust
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Governance Statement
for the Year Ended 31 August 2016

The Risk and Control Framework

- testing of credit card purchases;
- testing of asset management recording;
- testing of external payment systems.

No material control issues arose from undertaking the checks and all were carried out within the agreed time frame.

On an annual basis, the Director of Operations reports to the Board of Trustees, on the operation of the systems of controls and on the discharge of the Board of Trustees' financial responsibilities.

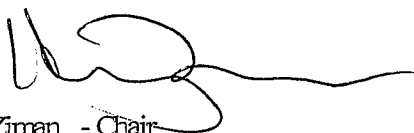
Review of Effectiveness

As Accounting Officer the Principal of Kelsall Primary School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 7 December 2016 and signed on its behalf by:



HJ Ziman - Chair



D Wearing - Accounting Officer

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2016

As accounting officer of Cheshire Academies Trust (Formerly Cheshire Academies Trust Ltd) I have considered my responsibility to notify the academy trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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

D. Wearing

D Wearing - Accounting Officer

7 December 2016

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Statement of Trustees Responsibilities
for the Year Ended 31 August 2016

The trustees (who act as governors of Cheshire Academies Trust (Formerly Cheshire Academies Trust Ltd) some of whom are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

In so far as the trustees are aware:

- there is no relevant audit information of which the academy trust's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by order of the members of the Board of Trustees on 7 December 2016 and signed on its behalf by:



HJ Ziman - Chair

Report of the Independent Auditors to the Members of
Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

We have audited the financial statements of Cheshire Academies Trust (Formerly Cheshire Academies Trust Ltd) for the year ended 31 August 2016 on pages 22 to 47. 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' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page seventeen, 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.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- 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 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Report of the Independent Auditors to the Members of
Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

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.



Mr Nicolaus Stuart Jenkins (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Date: 15. 12. 16.

Independent Reporting Accountant's Assurance Report on Regularity to
Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd) and the Education Funding Agency

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

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

Respective responsibilities of Cheshire Academies Trust (Formerly Cheshire Academies Trust Ltd)'s accounting officer and the reporting accountant

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

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

Approach

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

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

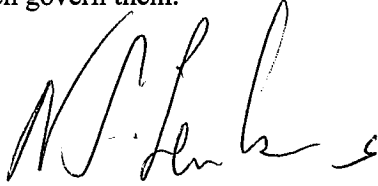
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

Independent Reporting Accountant's Assurance Report on Regularity to
Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd) and the Education 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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Nicolaus Stuart Jenkins
Reporting Accountant

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Date: 15-12-16

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2016

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset Fund £	31.8.16 Total funds £	31.8.15 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	6,254	6,731	-	12,985	9,306
Transfer from Local Authority on conversion		-	-	-	-	2,985,672
Charitable activities						
Funding for the academy's educational operations	3	276,737	2,776,521	361,699	3,414,957	2,425,777
Other trading activities	4	53,464	-	-	53,464	28,229
Investment income	5	795	-	-	795	420
Total		337,250	2,783,252	361,699	3,482,201	5,449,404
EXPENDITURE ON Charitable activities						
Academy's educational operations		152,486	2,782,849	94,112	3,029,447	2,372,648
NET INCOME/(EXPENDITURE)						
		184,764	403	267,587	452,754	3,076,756
Transfers between funds	19	-	(36,286)	36,286	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(423,000)	-	(423,000)	(13,000)
Net movement in funds		184,764	(458,883)	303,873	29,754	3,063,756
RECONCILIATION OF FUNDS						
Total funds brought forward		147,127	(359,421)	5,312,639	5,100,345	2,036,589
TOTAL FUNDS CARRIED FORWARD		331,891	(818,304)	5,616,512	5,130,099	5,100,345

The notes form part of these financial statements

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Balance Sheet
At 31 August 2016

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset Fund £	31.8.16 Total funds £	31.8.15 Total funds £
FIXED ASSETS						
Tangible assets	13	-	-	5,372,849	5,372,849	5,298,431
CURRENT ASSETS						
Debtors	14	-	122,964	-	122,964	50,022
Cash at bank		<u>331,891</u>	<u>480,037</u>	<u>249,491</u>	<u>1,061,419</u>	<u>606,234</u>
		331,891	603,001	249,491	1,184,383	656,256
CREDITORS						
Amounts falling due within one year	15	-	(327,305)	(5,828)	(333,133)	(230,887)
NET CURRENT ASSETS		<u>331,891</u>	<u>275,696</u>	<u>243,663</u>	<u>851,250</u>	<u>425,369</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		331,891	275,696	5,616,512	6,224,099	5,723,800
CREDITORS						
Amounts falling due after more than one year	16	-	-	-	-	(5,455)
PENSION LIABILITY	20	-	(1,094,000)	-	(1,094,000)	(618,000)
NET ASSETS		<u><u>331,891</u></u>	<u><u>(818,304)</u></u>	<u><u>5,616,512</u></u>	<u><u>5,130,099</u></u>	<u><u>5,100,345</u></u>

The notes form part of these financial statements

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Balance Sheet - continued
At 31 August 2016

	Notes	31.8.16 Total funds £	31.8.15 Total funds £
FUNDS	19		
Unrestricted funds:			
General fund		165,991	78,515
Designated Fund		<u>165,900</u>	<u>68,612</u>
		331,891	147,127
Restricted funds:			
General Fund		275,696	258,579
Fixed Asset Fund		5,616,512	5,312,639
Pension Reserve		<u>(1,094,000)</u>	<u>(618,000)</u>
		<u>4,798,208</u>	<u>4,953,218</u>
TOTAL FUNDS		<u>5,130,099</u>	<u>5,100,345</u>

The financial statements were approved by the Board of Trustees on 7 December 2016 and were signed on its behalf by:



HJ Ziman - Chair



D Wearing - Principal & Accounting Officer

The notes form part of these financial statements

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Cash Flow Statement
for the Year Ended 31 August 2016

	Notes	31.8.16 £	31.8.15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>261,221</u>	<u>379,598</u>
Net cash provided by (used in) operating activities		<u>261,221</u>	<u>379,598</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(168,530)	(27,632)
Capital grants from DfE/EFA		361,699	23,582
Interest received		<u>795</u>	<u>420</u>
Net cash provided by (used in) investing activities		<u>193,964</u>	<u>(3,630)</u>
Change in cash and cash equivalents in the reporting period			
Cash and cash equivalents at the beginning of the reporting period	2	<u>606,234</u>	<u>230,266</u>
Cash and cash equivalents at the end of the reporting period	2	<u>1,061,419</u>	<u>606,234</u>

The notes form part of these financial statements

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Cash Flow Statement
for the Year Ended 31 August 2016

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

	31.8.16 £	31.8.15 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	452,754	3,076,756
Adjustments for:		
Depreciation	94,112	70,296
Capital grants from DfE/EFA	(361,699)	(23,582)
Transfer from Local Authority on conversion	-	(3,327,508)
Interest received	(795)	(420)
(Increase)/decrease in debtors	(72,924)	34,653
Increase/(decrease) in creditors	96,791	169,403
Difference between pension charge and cash contributions	<u>53,000</u>	<u>380,000</u>
Net cash provided by (used in) operating activities	<u>261,221</u>	<u>379,598</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31.8.16 £	31.8.15 £
Cash in hand and at bank	<u>1,061,419</u>	<u>606,234</u>
Total cash and cash equivalents	<u>1,061,419</u>	<u>606,234</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Cheshire Academies Trust (Formerly Cheshire Academies Trust Ltd) meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

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 company 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.

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

1. ACCOUNTING POLICIES - continued

Grants

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

Capital grants are recognised 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

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

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 shares costs, including support costs involved in undertaking each activity. Direct costs attributable to as single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are no 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.

All resources expended are includes of irrecoverable VAT.

Allocation of costs

Expenditure on Raising Funds

This 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.

Charitable Activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Long leasehold	- 2% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

Assets costing £500 or more (or £250 if IT equipment), unless purchased in bulk as part of a capital project are capitalised as tangible fixed assets 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 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. Where tangible fixed assets have been acquired with the unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

Taxation

The academy trust is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the academy trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Leased assets

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

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.

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 costs 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 Pension and Similar Obligations note, 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 current 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 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. ACCOUNTING POLICIES - continued

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

Critical accounting estimates and areas of judgement

Estimates and judgement are continually evaluated and are based on historical experience and other factors, including expectations of future event 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 the 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 change in these assumption, which are disclosed in the Pension and Similar Obligations note, 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 31st March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Donations	6,254	6,731	12,985	9,056
Donated services and facilities	-	-	-	250
	<u>6,254</u>	<u>6,731</u>	<u>12,985</u>	<u>9,306</u>

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Grants	97,288	3,005,800	3,103,088	2,225,272
Catering income	53,016	103,838	156,854	103,678
School trips	18,987	-	18,987	13,661
Donations	-	-	-	7,919
Residentials	57,486	-	57,486	41,316
Consultancy fees	4,345	-	4,345	14,950
Miscellaneous income	15,614	1,832	17,446	18,981
Lottery funding	-	26,750	26,750	-
Teaching school course fees	30,001	-	30,001	-
	<u>276,737</u>	<u>3,138,220</u>	<u>3,414,957</u>	<u>2,425,777</u>

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
DFE/EFA revenue grant				
General Annual Grant(GAG)	-	2,336,790	2,336,790	1,792,775
ITT (Schools Direct)	-	87,680	87,680	82,083
Teaching schools	-	65,150	65,150	73,200
SEN Funding	-	30,025	30,025	31,311
Pupil Premium	-	85,874	85,874	66,416
Primary Chain Grant	-	-	-	96,533
Other grants	-	26,705	26,705	-
	-	2,632,224	2,632,224	2,142,318
DFE/EFA capital grant				
Capital Maintenance Grant	-	-	-	4,518
Devolved Formula Capital	-	19,076	19,076	19,064
Condition Improvement Fund	-	342,623	342,623	-
	-	361,699	361,699	23,582
Other government grant				
Other grants	-	11,877	11,877	59,372
Section 106 funding	97,288	-	97,288	-
	97,288	11,877	109,165	59,372
	<u>97,288</u>	<u>3,005,800</u>	<u>3,103,088</u>	<u>2,225,272</u>

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Lettings income	2,967	-	2,967	2,500
After school club	50,461	-	50,461	25,729
Miscellaneous income	<u>36</u>	<u>-</u>	<u>36</u>	<u>-</u>
	<u>53,464</u>	<u>-</u>	<u>53,464</u>	<u>28,229</u>

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Deposit account interest	<u>795</u>	<u>-</u>	<u>795</u>	<u>420</u>

6. EXPENDITURE

	Staff costs £	Non-pay expenditure		31.8.16 Total £	31.8.15 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	1,615,323	-	324,221	1,939,544	1,442,630
Allocated support costs	<u>489,355</u>	<u>236,508</u>	<u>364,040</u>	<u>1,089,903</u>	<u>930,018</u>
	<u>2,104,678</u>	<u>236,508</u>	<u>688,261</u>	<u>3,029,447</u>	<u>2,372,648</u>

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

	31.8.16 £	31.8.15 £
Depreciation - owned assets	94,112	70,296
Other operating leases	<u>7,945</u>	<u>-</u>

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31.8.16 Total funds £	31.8.15 Total funds £
Direct costs	55,604	1,883,940	1,939,544	1,442,630
Support costs	<u>96,882</u>	<u>993,021</u>	<u>1,089,903</u>	<u>930,018</u>
	<u>152,486</u>	<u>2,876,961</u>	<u>3,029,447</u>	<u>2,372,648</u>

	31.8.16 Total £	31.8.15 Total £
Analysis of support costs		
Support staff costs	489,355	340,779
Depreciation	17,109	9,084
Technology costs	24,162	59,394
Premises costs	236,508	199,483
Other support costs	270,301	264,732
Governance costs	<u>52,468</u>	<u>56,546</u>
Total support costs	<u>1,089,903</u>	<u>930,018</u>

8. AUDITORS' REMUNERATION

	31.8.16 £	31.8.15 £
Fees payable to the charity's auditors for the audit of the charity's financial statements	8,975	10,750
Other non-audit services	<u>1,975</u>	<u>2,150</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

The value of trustees' remuneration and other benefits was as follows:

Mr D A Wearing (Kelsall principal and trustee):

Remuneration £60,000 - £65,000 (2015: £60,000 - £65,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £10,000 - £15,000)

Mr S M Ellis (Boughton Heath principal and trustee):

Remuneration £60,000 - £65,000 (2015: £40,000 - £45,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

Mrs S L Walters (Mill View principal and trustee):

Remuneration £60,000 - £65,000 (2015: £40,000 - £45,000)

Employer's pension contributions paid £10,000 - £15,000 (2015: £5,000 - £10,000)

Trustees' expenses

During the period ended 31 August 2016, travel and subsistence expenses totalling £665 were reimbursed or paid directly to 2 trustees (2015: £1,331 to 1 trustees).

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

10. STAFF COSTS

	31.8.16	31.8.15
	£	£
Wages and salaries	1,673,842	1,104,502
Social security costs	115,633	155,132
Other pension costs	<u>288,768</u>	<u>340,507</u>
	2,078,243	1,600,141
Supply teacher costs	26,435	18,858
Staff restructuring costs	<u>-</u>	<u>1,750</u>
	<u><u>2,104,678</u></u>	<u><u>1,620,749</u></u>

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

	31.8.16	31.8.15
Teachers	25	20
Education support	15	16
Clerical and administration	9	11
Management	<u>7</u>	<u>9</u>
	<u><u>56</u></u>	<u><u>56</u></u>

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

	31.8.16	31.8.15
£60,001 - £70,000	<u>3</u>	<u>1</u>

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - AT 31 AUGUST 2015

	Unrestricted funds	Restricted funds	Fixed Asset Fund	Total funds
	£	£	£	£
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	863	8,443	-	9,306
Transfer from Local Authority on conversion	3,132	(360,678)	3,343,218	2,985,672

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - AT 31 AUGUST 2015 - continued

	Unrestricted funds £	Restricted funds £	Fixed Asset Fund £	Total funds £
Charitable activities				
Funding for the academy's educational operations	117,353	2,284,842	23,582	2,425,777
Other trading activities	28,229	-	-	28,229
Investment income	<u>420</u>	<u>-</u>	<u>-</u>	<u>420</u>
Total	149,997	1,932,607	3,366,800	5,449,404
EXPENDITURE ON Charitable activities				
Academy's educational operations	<u>56,825</u>	<u>2,232,471</u>	<u>83,352</u>	<u>2,372,648</u>
NET INCOME/(EXPENDITURE)	93,172	(299,864)	3,283,448	3,076,756
Transfers between funds	<u>(24,706)</u>	<u>23,033</u>	<u>1,673</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>(13,000)</u>	<u>-</u>	<u>(13,000)</u>
Net movement in funds	68,466	(289,831)	3,285,121	3,063,756
RECONCILIATION OF FUNDS				
Total funds brought forward	<u>78,912</u>	<u>(69,841)</u>	<u>2,027,518</u>	<u>2,036,589</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>147,378</u></u>	<u><u>(359,672)</u></u>	<u><u>5,312,639</u></u>	<u><u>5,100,345</u></u>

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

13. TANGIBLE FIXED ASSETS

	Long leasehold £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 September 2015	5,384,576	33,833	-	12,239	5,430,648
Additions	<u>113,135</u>	<u>54,895</u>	<u>500</u>	<u>-</u>	<u>168,530</u>
At 31 August 2016	<u>5,497,711</u>	<u>88,728</u>	<u>500</u>	<u>12,239</u>	<u>5,599,178</u>
DEPRECIATION					
At 1 September 2015	119,736	9,324	-	3,157	132,217
Charge for year	<u>77,003</u>	<u>12,873</u>	<u>83</u>	<u>4,153</u>	<u>94,112</u>
At 31 August 2016	<u>196,739</u>	<u>22,197</u>	<u>83</u>	<u>7,310</u>	<u>226,329</u>
NET BOOK VALUE					
At 31 August 2016	<u>5,300,972</u>	<u>66,531</u>	<u>417</u>	<u>4,929</u>	<u>5,372,849</u>
At 31 August 2015	<u>5,264,840</u>	<u>24,509</u>	<u>-</u>	<u>9,082</u>	<u>5,298,431</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £	31.8.15 £
Trade debtors	14,890	2,655
Other debtors	-	227
VAT debtor	60,289	16,879
Prepayments and accrued income	<u>47,785</u>	<u>30,261</u>
	<u>122,964</u>	<u>50,022</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.16 £	31.8.15 £
Trade creditors	166,349	59,768
Social security and other taxes	69,429	57,216
Other creditors	5,455	11,230
Accruals and deferred income	<u>91,900</u>	<u>102,673</u>
	<u>333,133</u>	<u>230,887</u>

DEFERRED INCOME

	31.8.16 £	31.8.15 £
Deferred income at 1 September	60,345	19,517
Release from previous year	(60,345)	(19,517)
Resources deferred in year	<u>64,232</u>	<u>60,345</u>
Deferred income at 31 August	<u>64,232</u>	<u>60,345</u>

Deferred income at 31 August 2016 related to £60,544 (2015 £57,613) of Universal Infant Free School Meals and £3,688 (2015 £2,732) of rates relief.

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.8.16	31.8.15
	£	£
Other creditors	<u>-</u>	<u>5,455</u>

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Other operating leases	
	31.8.16	31.8.15
	£	£
Expiring:		
Within one year	26,742	-
Between one and five years	<u>2,443</u>	<u>25,845</u>
	<u>29,185</u>	<u>25,845</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. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Unrestricted funds				
General fund	78,515	87,476	-	165,991
Designated Fund	<u>68,612</u>	<u>97,288</u>	-	<u>165,900</u>
	147,127	184,764	-	331,891
Restricted funds				
General Fund	258,579	53,403	(36,286)	275,696
Fixed Asset Fund	5,312,639	267,587	36,286	5,616,512
Pension Reserve	<u>(618,000)</u>	<u>(476,000)</u>	-	<u>(1,094,000)</u>
	4,953,218	(155,010)	-	4,798,208
	<u>5,100,345</u>	<u>29,754</u>	<u>-</u>	<u>5,130,099</u>
TOTAL FUNDS				

Cheshire Academies Trust
(Formerly Cheshire Academies Trust Ltd)

Notes to the Financial Statements - continued
for the Year Ended 31 August 2016

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	239,962	(152,486)	-	87,476
Designated Fund	<u>97,288</u>	<u>-</u>	<u>-</u>	<u>97,288</u>
	337,250	(152,486)	-	184,764
Restricted funds				
General Fund	2,783,252	(2,729,849)	-	53,403
Fixed Asset Fund	361,699	(94,112)	-	267,587
Pension Reserve	<u>-</u>	<u>(53,000)</u>	<u>(423,000)</u>	<u>(476,000)</u>
	3,144,951	(2,876,961)	(423,000)	(155,010)
TOTAL FUNDS	<u>3,482,201</u>	<u>(3,029,447)</u>	<u>(423,000)</u>	<u>29,754</u>

Fund balances at 31 August 2016 were allocated as follows:

	Total £
Kelsall Primary School	317,020
Boughton Heath Primary School	41,542
Mill View Primary School	45,692
Cheshire Academies Trust	29,685
CLTA	<u>173,648</u>
Total before fixed asset fund & pension reserve	607,587
Restricted fixed asset fund	5,616,512
Pension reserve	<u>(1,094,000)</u>
	<u>5,130,099</u>

20. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West and Chester Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

The employer's pension costs paid to TPS in the period amounted to £173,733 (2015: £115,517).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £148,060 (2015: £106,000), of which employer's contributions totalled £117,000 (2015: £84,000) and employees' contributions totalled £32,000 (2015: £22,000). The agreed contribution rates for future years are 26.8% per cent for employers and 5.5% to 12.5% per cent 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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Present value of funded obligations	(2,097,000)	(1,323,000)
Fair value of plan assets	<u>1,003,000</u>	<u>705,000</u>
	<u>(1,094,000)</u>	<u>(618,000)</u>
Deficit	<u>(1,094,000)</u>	<u>(618,000)</u>
Liability	<u>(1,094,000)</u>	<u>(618,000)</u>

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

	Defined benefit pension plans	
	31.8.16	31.8.15
	£	£
Current service cost	146,000	117,000
Net interest from net defined benefit asset/liability	<u>(68,000)</u>	<u>11,000</u>
	<u>78,000</u>	<u>128,000</u>
Actual return on plan assets	<u>121,000</u>	<u>38,000</u>

20. PENSION AND SIMILAR OBLIGATIONS
- continued

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

	Defined benefit pension plans	
	31.8.16 £	31.8.15 £
Defined benefit obligation	(1,323,000)	(434,000)
Current service cost	(146,000)	(117,000)
Contributions by scheme participants	(32,000)	(22,000)
Interest cost	(53,000)	(34,000)
Transfer in concerted academy scheme obligations	-	(689,000)
Actuarial losses/(gains)	(544,000)	(28,000)
Benefits paid	1,000	1,000
	<u>(2,097,000)</u>	<u>(1,323,000)</u>

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

	Defined benefit pension plans	
	31.8.16 £	31.8.15 £
Fair value of scheme assets	705,000	209,000
Assets interest income	29,000	-
Contributions by employer	117,000	84,000
Contributions by scheme participants	32,000	22,000
Transfer in converted academy plan assets	-	353,000
Expected return	121,000	23,000
Actuarial gains/(losses)	-	15,000
Benefits paid	(1,000)	(1,000)
	<u>1,003,000</u>	<u>705,000</u>

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

	Defined benefit pension plans	
	31.8.16 £	31.8.15 £
Actuarial gains/(losses)	(423,000)	(13,000)
	<u>(423,000)</u>	<u>(13,000)</u>

20. PENSION AND SIMILAR OBLIGATIONS

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.16	31.8.15
Equities	53%	47%
Bonds	39%	40%
Property	7%	9%
Cash	1%	4%

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

	31.8.16	31.8.15
Discount rate	2.1%	3.7%
Future salary increases	3.1%	3.7%
Future pension increases	2.1%	2.6%

The current mortality assumptions include sufficient allowance for future improvement in mortality rates.

The assumed life expectation on retirement age 65 age:

	31.8.2016	31.8.2015
Retiring today		
Males	22.3	22.3
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.7	26.7

Amounts for the current and previous two periods are as follows:

	31.8.16	31.8.15
	£	£
Defined benefit pension plans		
Defined benefit obligation	(2,097,000)	(1,323,000)
Fair value of scheme assets	1,003,000	705,000
Deficit	(1,094,000)	(618,000)

21. CONTINGENT LIABILITIES

There is an unquantifiable contingent liability in respect of a legal dispute with a neighbour at Mill View School.

Since June 2014 there have been a high number of complaints at Mill View Primary School from a neighbour and parent of former pupils at the school. To date the complaints have been raised with a wide range of public bodies including a number of departments at Cheshire West and Chester Council; Sports England; Upton Parish Council; Ofsted; DfE; EFA; Land Registry; Information Commissioner; Secretary of State for Education; Local Children's Safeguarding Board (LSCB); Regional Schools Commissioner; Environmental Health; National College for Teaching and Leadership; and the Police.

In November 2015 the Trust received notification of court action from the complainants' solicitor in respect of noise nuisance relating to Forest School activities which take place on Tuesdays and Wednesdays during term time. At 31 August 2016 the action is on-going. In June 2016 the academy received notification from a third party that the complainant had shared with them recordings of children at Forest School. The Trust was advised by its solicitors to contact the LSCB, the police and to inform parents. The Trust invited the Information Commissioner's Office (ICO) to intervene in July 2016 as they considered the recordings to be in breach of the Data Protection Act (DPA) (1998). The ICO declined, despite the academy's solicitor requesting a review of this decision. The police did not consider the recordings to be unlawful.

In July 2016 the academy was represented by their solicitors as a secondary respondent at a first tier tribunal in which the ICO was the primary respondent. This case related to the academy's refusal to provide the complainant with copies of a staff member's qualification certificates, requested via a Freedom of Information (FOI) request. The ICO investigated the academy's response to the FOI request and upheld the decision not to release the information under Section 42 of the DPA (1998). The complainant requested a review of the ICO's decision by first tier tribunal. In August 2016 the tribunal panel upheld the decision of the academy not to release the personal data.

In the year ended 31 August 2016 the academy incurred costs totalling £20,531.28 in relation to these complaints, in addition to a significant amount of senior staff resources being expended on these matters. This represents 3.3% of the total school budget which may otherwise have been spent on the advancement of education for the children in the academy. The cumulative cost incurred between 1st January 2015 and 31 August 2016 is £29,172.

The costs (save for the VAT) relating to the noise nuisance court action are being met by the DfE's Risk Pooling Arrangement (RPA) which the academy pays into.

The Board has sought advice from an external expert in relation to the claim. That advice is privileged and therefore cannot be repeated in a document which may be subject to public inspection. The Trust is of course committed to resolving disputes without litigation wherever possible. By the same token the Trust is obliged to defend its right to continue to pursue lawful activities which further the aims of the Trust.

Safeguarding of all children is the Trust's primary concern and throughout the year a number of steps have been taken to increase screening and staffing levels during Forest School activities. The area is regularly risk assessed to ensure the children can safely access their full entitlement to the curriculum.

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Notes to the Financial Statements - continued
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22. CAPITAL COMMITMENTS

	31.8.16	31.8.15
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>29,750</u>

23. RELATED PARTY DISCLOSURES

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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account between Cheshire Academies Trust and the organisation in which members of the governing body had a non-pecuniary interest:

	2016	2015	2016	2015
	Income	Income	Expense	Expense
	£	£	£	£
Tarporley High School				
Residential trips (inc Arts weekend)	2,520	690	3,304	
Capitation				1,071
PE Provision			1,094	
Transport				3,440
National Governors Association				
Subscriptions			260	
Queens Park High School				
Training			1,200	750
Upton Heath C of E Primary School				
Consultancy		50		
Teaching School		29,300		
Course Fees	530			
Independent Academies Association				
Subscriptions				1,440
Cheshire West and Chester Council				
Association of Governing Bodies				
Subscriptions (inc conference)			100	30
Cheshire East Council				
Training		685		
Telephone charges			117	
Licenses			110	

H Ziman is a Member, Trustee and Chair of Cheshire Academies Trust. Dr Ziman had the following related party transaction connections:

23. RELATED PARTY DISCLOSURES
- continued

- Tarporley High School - Director and Member
- Upton Heath C of E Primary School - Chair of Governors
- Independent Academies Association - Director (until Spring 2015)
- Cheshire West and Chester Council Association of Governing Bodies - Vice Chair & Executive Member
- Cheshire East Council - Chair IEB Oakfield Lodge PRU

L Watterson is a Member and Trustee of Cheshire Academies Trust. Miss Watterson had the following related party transaction connections:

- Queens Park High School - Headteacher

During the year a number of training days were supplied to certain members of staff by Unilever as part of their 'giving back' policy. J Lucy, the Vice Chair of Cheshire Academies Trust is also an employee of Unilever.

24. RECONCILIATION OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2015

INCOME AND ENDOWMENTS FROM	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS102 £
Donations and capital grants		9,306	-	9,306
Transfer from Local Authority on conversion		2,985,672	-	2,985,672
Charitable activities		2,425,777	-	2,425,777
Other trading activities		28,229	-	28,229
Investment income		420	-	420
		<hr/>	<hr/>	<hr/>
Total		5,449,404	-	5,449,404
EXPENDITURE ON				
Charitable activities		2,316,102	56,546	2,372,648
Obsolete Governance costs		56,546	(56,546)	-
		<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENDITURE)		<u>3,076,756</u>	<u>-</u>	<u>3,076,756</u>

Reconciliation of funds for the year ended 31 August 2015

There are no changes to the reconciliation of funds as a result of the effect of transition to FRS 102 at 31 August 2015.

25. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during this year.

- Human resources
- Financial services
- Educational support services

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
Kelsall Primary School	16,114	-
Boughton Heath Primary School	16,114	-
Mill View Primary School	16,114	-
CLTA	16,114	-
	<u>64,456</u>	<u>-</u>