

ANNUAL REPORT for CfBT SCHOOLS TRUST

For the year ended 31 August 2015

Company number 7468210

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REFERENCE AND ADMINISTRATIVE DETAILS

Members

CfBT Schools Trust has three members: CfBT Education Trust, the Chair of CfBT Schools Trust board of trustees, and Heather Dawson as independent trustee.

Trustees

All trustees served throughout the period, unless indicated otherwise.

Steve Munby+#	(Chair – resigned as Chair 15 January 2015)
Peter Rawlinson*	(Chair – appointed as Chair 15 January 2015)
George Atterbury	(appointed 6 May 2015) (resigned 22 September 2015)
Richard Birkett	(resigned 15 January 2015)
Susannah Daniel	(representative headteacher) (resigned 15 January 2015)
Heather Dawson+#	(appointed 15 January 2015)
David Hawker*+	
Duncan Parkes+#	(appointed 15 January 2015)
Jonathan Theobalds	(representative Chair of Governors) (resigned 15 January 2015)
Chris Tweedale*	
Maxine Ward*	(representative Chair of Governors) (resigned 15 January 2015)

* Member of the Finance Committee # Member of the Audit Committee
+Member of the Education Committee

Company secretary

Clive Adderley	(resigned 6 November 2014)
Sheila McKenzie	(appointed 9 December 2014)

Senior Management Team

Chris Tweedale	Chief Executive / Accounting Officer
Tim Culpin	Education Director
Sheila McKenzie	Finance Director

Registered office: 60 Queens Road, Reading, RG1 4BS

Company registration number: 7468210

Independent auditors BDO LLP
2 City Place, Beehive Ring Road
Gatwick, RH6 0PA

Bankers Lloyds Bank Plc
24 Broad Street, Reading, RG1 2BT

Solicitors Bates Wells & Braithwaite London LLP
Scandinavian House, 2-6 Cannon Street
London, EC4M 6YH

TRUSTEES' REPORT

Introduction

The trustees of CfBT Schools Trust (CST), as directors of the charity for the purposes of the Companies Act, present their Annual Report, which includes audited Financial Statements, for the year to 31 August 2015. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

For the period of this report CST consisted of 19 schools, as detailed below. They include: infant, primary, secondary and sixth forms, which serve a wide range of communities in the Thames Valley and East Midlands areas. Its academies have a combined pupil capacity of 12,726 and had a roll of 11,046 in the summer 2015 school census.

Details of academies in CST

At the start of the year, CST owned and managed the following schools:

Primary

Abacus Belsize Primary School - London
Abbey Woods Academy - Oxfordshire
All Saints Junior School – Reading
Benjamin Adlard Primary School – Gainsborough
Boston West Academy – Boston
Gladstone Park Academy – London
Grampian Primary Academy– Derby
Judith Kerr Primary School – London
Lincoln Carlton Academy - Lincoln
Meadow Park Academy - Reading
Mount Street Academy – Lincoln

Secondary

Danum Academy – Doncaster
Ely Community College - Ely
Oakbank School – Reading
Oxford Spires Academy – Oxford
Queensbury Academy – Dunstable
Stamford Queen Eleanor School – Stamford
Sir John Gleed School – Spalding
The Deepings – Peterborough

On 1 November 2014 St Mark's Church of England Academy joined CST. Prior to this the school was a 'stand-alone' academy with CfBT Education Trust as its principal sponsor and had worked closely with CST and the schools within it.

On 1 October 2014 Stamford Queen Eleanor Academy transferred to Cambridge Meridian Academy Trust. This transfer was agreed by the Trustees as it was seen to be in the interest of the children within that school.

Structure, governance and management

Constitution

CfBT Schools Trust is a company limited by guarantee, without share capital, and was incorporated on 13 December 2010.

The principal activity of CST is to advance, for the public benefit, education in England, in particular by establishing, managing and developing schools as academies – as defined by the Academies Act 2010 – which offer a broad curriculum.

The company's Articles of Association are the primary governing documents of CST and they also reflect the governance scheme required by the Department for Education. As well as taking on a governance scheme required by the Department, CfBT Schools Trust has entered into a Master Funding Agreement with the Secretary of State for Education which places certain obligations both on CST and the Department for Education in relation to the establishing, managing and developing of the schools in CST. A Supplemental Funding Agreement for each school has also been entered into between the Secretary of State and CST. In the year being reported, the Secretary of State, CfBT Education Trust and CfBT Schools Trust have signed a Tripartite Agreement which sets out how the three organisations will interact. There are currently ongoing discussions around replacing the Tripartite Agreement with a Memorandum of Understanding and Service Level Agreement between CfBT Education Trust and CST that better reflects the current requirements of the Academies Financial Handbook.

The Department for Education is the principal regulator for the charity. CfBT Schools Trust is therefore an exempt charity and is not required to register with the Charity Commission. The majority of CST's income is paid on behalf of the Department for Education by the Education Funding Agency (EFA), under the funding agreements.

Members' Liability

During the period under review, the charity had two members, CfBT Education Trust and the Chair of CfBT Schools Trust board of trustees. On 18 November 2015 an additional member was appointed, Heather Dawson. Each member of the Charity undertakes to contribute to the assets of the charity in the event of it being wound up while he/she/it is a member, or within one year after he/she/it ceases to be a member, such amount as may be required, but not exceeding £10, for the liabilities contracted before he/she/it ceased to be a member.

Recruitment and appointment of trustees

Trustees are appointed by the members subject to the Articles of Association. They are subject to retirement after three years, but are eligible for re-appointment at the meeting at which they retire.

No trustee received any remuneration from CST in respect of his or her duties as a trustee during the period.

Policies and procedures adopted for the induction and training of trustees

Trustees are briefed regularly by the senior management team on educational, financial and other school matters through a combination of briefing at board meetings, other sessions, visits to schools, meetings with school chairs of governors and other individual meetings with the senior management team.

When new trustees join the board, tailored induction and training is provided dependent on their needs and existing experience to give them a good understanding of the wider educational context, CST's mission and aspirations, the operation of CST and their

governance responsibilities. The induction process includes meetings with the Chair as well as written induction materials and visits to schools. Details of the trustees who served throughout the year are set out in the Reference and Administrative Details on page 1.

Service by Trustees

Trustees meet at least monthly, on average, either as a full board or in board committees. The full board of trustees meets to determine CST's strategy and policies, and to review performance, delegating specific responsibilities to the local governing bodies of each school in CST. In addition, the committees of the main board of trustees meet to provide in-depth focus and challenge on school improvement and financial performance.

The board exercises its powers and functions with a view to fulfilling its strategic leadership role in the running of CST. In doing so, it considers advice given by the local governing bodies and addresses such matters as:

- policy and strategic development
- ensuring sound management and administration of CST
- ensuring compliance with legal and statutory requirements
- establishing and maintaining effective internal controls
- overseeing the management of all resources
- the monitoring of performance
- helping CST to be responsive to the needs of parents, carers and the communities
- setting CST's standards of conduct and values, and
- assessing and managing risk.

Committees

In accordance with the requirements of the Department for Education governance scheme, CST has constituted advisory committees for each school in CST and has designated the advisory committees as local governing bodies. CST also operates audit, finance and education committees which provide robust oversight of the financial regularity and educational performance of all schools.

During the year under review, an internal audit function was performed by Baker Tilly Accountants engaged by CST.

Trustee indemnity insurance

Trustee indemnity insurance provides insurance cover for charity trustees against claims which may arise from their legitimate actions as trustees. As a matter of law, charities require authority to purchase this type of insurance. In the case of CfBT Schools Trust that authority is obtained from CST's governing document, the Articles of Association.

Organisational structure

CST has established a structure to enable its efficient running. The structure consists of three levels; the board and its committees, the executive, local governing bodies and headteachers (with their senior leadership teams) at each school. The aim of the management structure is to devolve responsibility and encourage involvement in decision-making at all levels. A scheme of delegation laid down by the trustees defines the roles and responsibilities at each level of the governance structure.

Trustees

As stated above, the trustees are responsible for making major decisions about the strategic direction of CST and ensuring that the aims of CST are met.

Executive

The central executive function of CST is responsible for implementing the policies laid down by the Trustees and reporting back to them. The Chief Executive is supported by a Finance Director and Education Director with a central support team delivering the key functions required to run CST.

Local governing bodies and headteachers

The local governing bodies are made up of a mix of local people including parents, staff and sponsor nominees; their role is to support CST in relation to the functioning of that school under an agreed scheme of delegation approved by the trustees.

Each local governing body has responsibility for setting those policies specific to its school as well as recommending annual plans and budgets for the school to the trustees for approval.

As the ultimate point of accountability for the performance of member academies, the trustees monitor and challenge local governing bodies, and will intervene, where required, to support school improvement. In some cases, where there are concerns over the educational performance of a school the trustees replace the local governing body with a rapid improvement board, which is small and more focused on school improvement and will be constituted with a number of education professionals.

Headteachers are responsible for the effective management (including financial management) of their schools.

Staff

CST employed over 1,300 staff on average through the period. CST believes in providing training and development for educators and managers, and in extending opportunities impartially to all. All employment decisions, policies and practices are made without regard to an individual's gender, race, colour, religion, creed, sexual orientation or national origin.

During the period under review, CST, through the schools, provided training at all levels, professional support and access to internal and external continuous professional development tools and support. New staff are fully inducted and teachers take part in training events before each school year starts and throughout the school year.

Regular staff meetings and briefings take place at CST level, and headteachers and other key staff from each school meet regularly to share knowledge and best practice via principal's and business manager's forums and other ad hoc working parties and research groups.

Parents and carers

In order to achieve maximum potential in its pupils, CST believes it is vital that parents/carers are not only fully involved in developing our schools but also in holding them to account. The schools have a critical role in engaging all parents/carers in either assisting pupils in their learning or in creating an environment where study can take place at home. Excellent parent/carer relationships are therefore critical to a school's success.

Equality

CST is committed to the principle of equal opportunities and seeks to ensure the working environment values the needs of all employees and students. It is the policy of CST to support the recruitment and retention of employees and students with disabilities by making resources available and through training and career development.

Connected organisations including related party relationships

CfBT Education Trust is the principal sponsor of CST and actively assists CST in the achievement of its objectives through the provision of research and other education support. Any services purchased by CST from CfBT Education Trust are purchased at cost, which totalled £1.19 million for 2014/15 (2013/14 £1.28 million). Of this total £0.9 million was for the salaries and related costs of staff employed by CfBT Education Trust and seconded to CST. The remainder related to services provided by CfBT Education Trust including school improvement services.

The schools pay a management fee to CST in order to contribute to the costs of governance and general management, including financial management and the provision of support services which are more efficient to provide from the centre.

Objectives and activities

Objects and aims

The principal activity of CST is to advance, for public benefit, education in England, in particular by establishing, managing and developing schools as academies – as defined by the Academies Act 2010 – which offer a broad curriculum.

This includes the establishment of free schools and other types of schools covered by the Academies Act. CST was specifically set up by CfBT Education Trust on 13 December 2010 to provide education in academies and free schools.

CST is now a major group of academies underpinned by CfBT Education Trust's extensive experience of working with schools in the UK and internationally.

CST vision and values

CST's vision is to draw out the best in every child, whatever their background or ability; developing the whole person so that each learner can embark on life beyond school as an active member of society with a life-long love of learning.

The guiding principles of CST mirror the values and moral purpose of CfBT Education Trust. These values shape the way we work with individual schools, as well as the way the schools work with each other, to try to provide the best possible start in life for all our learners. They are:

- **Excellence** in learning outcomes, our people and our solutions
- **Integrity** in the way we build trust and bring purpose to our work as an education charity
- **Accountability** through rigorous and transparent assessment of our performance
- **Collaboration** in the way we take collective responsibility for each other and for the way we work together to achieve our overarching vision.

Objectives, strategies and activities

Over the past year CST centre has continued to work closely with headteachers and school-based teams to promote the sharing of knowledge, support and collaboration in and between schools.

Throughout the year we have focused on:

- providing targeted, phase-specific school improvement support
- improving communication and collaboration with and between schools

- ensuring robust collection and analysis of data about trust-wide, school and pupil level performance
- securing high-quality school and subject leaders, and providing a more focused induction programme for new staff joining CST.

A survey of headteachers in June 2015 showed that they value the increased support and challenge offered by the newly restructured central team, and initiatives to help schools learn from each other.

Public benefit

In setting CST's objectives and planning its activities, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The directors consider that the company's aims are demonstrably for the public benefit.

Strategic Report

Achievements and performance

The priority for CST is to move all its schools to good or outstanding. Although this was not fully achieved in 2014/15 progress has been made with more schools becoming outstanding. Unfortunately the progress for some of our more challenging schools has proved to be slower, with some long-term issues needing to be addressed that have meant that they are still in a category. We continue to work with the leadership in these schools to address the issues and ensure that they move to good and outstanding as quickly as possible.

The other areas of activity during the year included:

- appointment of a number of independent trustees, with business expertise, to strengthen the composition of the board
- a wholesale review of local governance and introduction of a new scheme of delegation to clarify roles and responsibilities within CST
- introduction of more resources for educational improvement and partnership working activities
- restructuring the central team and creating a number of new posts designed to provide more support to schools in the areas of data management, safeguarding, CPD, communications, property management and procurement
- development of a proactive monitoring of safeguarding with the introduction of an annual audit tool that compliments the termly safeguarding monitoring reports,
- establishment of research leads in all schools to engage directly with CfBT's educational research programme and ensure outcomes of research benefit all schools and learners within and beyond CSTs' schools; key research areas will include 'life without levels' and 'inspiring teachers'
- introduction of the CfBT Education Trust Schools Partnership Programme across all CST schools to ensure more effective collaboration between schools in CST and other local education providers
- a headteacher induction programme run by Kyra, the teaching school alliance operating through Mount Street Academy.

Our schools are increasingly working together, crossing geographical and phase boundaries to ensure that efficiency and cost savings can be made and best practice shared. In addition to the separate fora for headteachers and business managers that meet regularly, in the past year a number of other cross-trust groups have now been established. These include:

- secondary maths, english and science subject leaders' groups
- a cross-phase assessment working group who are looking specifically at 'life without levels'
- a cross-cluster primary school-to-school support network.

We are particularly proud of the development of subject specialists for english, maths and science that are based in schools but have a remit to promote and inspire excellence in teaching across all our secondary schools. In times of continuing pressure on the recruitment of good teachers this is seen as a key way of growing our own.

Key performance indicators

Primary school performance

Across the board primary school results improved significantly across CST in 2015, with already strong schools maintaining or slightly improving their results and weaker schools making significant improvements from 2014.

Overall in the early years, 67% of reception pupils in CST schools reached a good level of development by the end of the year; an increase on the 2014 figure of 64%. Performance in the year 1 phonics test decreased slightly across all schools; from 75% passing in 2014 to 72% in 2015. The performance in phonics was slightly below the national average of 77%.

At Key Stage 1, many schools increased their results significantly and this was even more true at Key Stage 2. Across CST high numbers of pupils achieved a level 4 or above, the recognised national standard, across the four main subjects. Based on unvalidated data, subject results were as follows (national results in brackets):

- reading – 95% level 4+ (89%)
- writing – 90% level 4+ (87%)
- maths – 93% level 4+ (87%)
- spelling, punctuation and grammar – 86% level 4+ (80%).

Improvements in CST schools were greater than those seen nationally. In addition, pupil progress was high, with a number of schools securing 100% of pupils making expected progress and high numbers making more than expected progress.

Although performance was good, there are still challenges in some schools. All schools will now have to adapt to a new national assessment framework with raised standards.

Secondary school performance

At Key Stage 4, CST results were disappointing, with many schools performing below expected grades and overall results dipping from 2014. Based on provisional data, 39% of students in CST secondary schools achieved five or more GCSEs at A*-C grade, including English and maths. This is a drop on the result in 2014 (42%). CST has a high proportion of pupils in its schools on the GCSE C/D grade border, and as a result the movement in pass rates by exam boards impacted more significantly on our schools.

Progress measures at Key Stage 4 were stronger, with 51% of students making at least expected progress in maths and 61% in English.

In Key Stage 5 there was a fall in the number students achieving three or more A Levels or substantial vocational. However most schools improved the average point score per entry for academic qualifications. For vocational qualifications the average points score increased even more significantly, indicating students achieving higher average grades than previously.

On the whole, the vocational offer at post-16 level was stronger than the academic offer,

although there were some significant improvements within individual schools.

Ofsted inspections

A number of CST schools have received Ofsted inspection reports during the year, providing valuable feedback on the effectiveness of the trust's improvement strategies. At the end of the 2014/15 academic year the rating of CST schools that had been inspected were:

- outstanding – 35%
- good – 24%
- requires improvement – 6%
- special measures – 35%.

CST is looking to establish a community of schools where all schools are judged by Ofsted as good or better. CST continues to work with, and is seeing progress in, schools with complex challenges. However the challenges these schools face are often historic and deeply entrenched, and moving them out of the current category and towards good and outstanding will take time if we are to ensure that the improvements are sustained.

In May 2015, CST was subject to a focused Ofsted inspection. The resulting report was positive in recognising the journey CST has been on and what has been put in place in recent years. Its recommendations were a welcome reinforcement of what CST needs to do next to make the trust more effective, especially for good and outstanding schools.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that CST 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.

Financial review

Financial overview

Income and expenditure for the year includes capital income, depreciation and pension scheme adjustments which are accounting adjustments and are figures that are not included when operational budgets are agreed with the Education Funding Agency (EFA). The surplus on the School Operating Fund excludes capital items, depreciation and pension scheme adjustments.

Total income for the year was £94.1 million and expenditure amounted to £80.0 million. After including the FRS 17 adjustments of £0.3 million for the Local Government Pension Scheme, this resulted in a net inflow of funds for the year of £13.9 million

Of the total income for the year, £65.2 million was obtained as EFA grants, with £3.0 million of income as government grants via local authorities. These grants and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The £65.2 million received from the EFA was a combination of the General Annual Grant (GAG) of £52.8 million, Start Up grants of £0.3 million, Pupil Premium of £3.2 million, capital grants of £7.5 million and other grants of £1.4 million.

Almost all expenditure relates to CST's educational activities, with a small amount - £0.2 million - identified as governance costs (see note 9). £42.2 million of expenditure was for teaching and educational support staff and £5.1 million of other direct costs. The remaining

£22.3 million of costs covers support staff, maintenance, cleaning, catering, insurance and other occupancy and support costs.

Total funds at 31 August 2015 are in surplus by £13.8 million, made up of a surplus of £13.5 million within restricted funds and £0.3 million of unrestricted general funds. The restricted funds comprise £19.2 million for the restricted Fixed Assets Fund, a deficit of £3.6 million on the restricted Schools Operating Funds and a Pension Reserve Fund deficit of £2.0 million. The deficit on the Schools Operating Funds resulted from investment in school improvement, costs of staff restructures and unexpected capital repairs.

CST also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), these grants are shown in the Statement of Financial Activities as restricted income in the Fixed Assets Fund. The restricted Fixed Assets Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. This creates surpluses in the year when the grant is received and deficits in subsequent years until the assets are fully depreciated.

At 31 August 2013, the net book value of fixed assets was £126.3 million and movements in tangible fixed assets are shown in note 13 to the financial statements.

During the year, CST received net transfers (donations) in respect of the transfer into CST of one school amounting to £23.9 million as detailed in Note 18. These included fixed asset transfers of £24.0 million, pension deficits amounting to £1.1 million and other assets amounting to £1.0 million.

Reserves policy

CST has developed a risk-based approach to setting the level of reserves held. This approach uses a 10-year financial plan that identifies what level of reserves CST as a whole requires over that period of time. This level will ensure that the schools and CST can operate efficiently and without interruption, to meet all obligations as they fall due. Added to this is a contingency for unforeseen emergencies. The model is continually developing but has confirmed that all schools should maintain a target level of reserves of between one and two months of salary costs.

During the year CST has pooled the GAG received by schools so that a contingency reserve is held to support schools with financial challenges and / or to support school improvement. This financial support is seen as temporary and it is expected that any funds received is repaid to the contingency reserve within three years.

The operational reserves of CST are those funds that are retained from the core income of the schools. These funds exclude the Fixed Asset Fund and the Pension Reserve Fund (including the initial assets 'donated' when the schools transferred and subsequent depreciation or amortisation of these assets and any deficits in relation to FRS17 pension costs). CST plans to meet any contributions towards pension deficits from operational income received each year.

The free reserves of CST are those unrestricted reserves that are held in net current assets that have not been designated for a particular purpose and that are free of any encumbrances. On 31 August 2014, the School Operating Fund and the General Fund of CST amounted to one months of payroll costs.

Investment policy

CST's investment policy is that schools in CST pool any significant amounts of cash balances not required immediately and place them on fixed term deposit, for between six

and 12 months, with a major UK bank.

Principal risks and uncertainties

The board of trustees has reviewed the key risks to which CST is exposed together with the operating, financial and compliance controls that have been implemented to manage those risks. The board is of the view that a formal ongoing process for identifying, evaluating and managing CST's significant risks was being put in place for the period ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board.

The principal operational risk and uncertainty faced by CST is the improvement in standards in its more challenging schools. This is made increasingly difficult by the level of change to the school curriculum, assessment of pupils, the Ofsted framework and the public examination system. Improving standards in schools is linked directly to the ability of schools to recruit and retain good teachers, this becoming increasingly challenging for all schools in the current economic climate.

CST schools are also facing increasing financial pressures as the funding of schools becomes tighter. The revenue funding from the EFA, although protected by the Government, is not increasing in line with salary and pension costs. There is also continuing concern around the funding arrangements for capital works and the need to maintain and improve the fabric of the buildings that CST is responsible for.

CST has cash and other working capital balances. The main risk arising from CST's financial instruments is therefore liquidity risk and CST considers that other risks are low or non-existent risks and therefore not material to CST's financial position. CST has a pooled deposit account across all schools to enable management of this risk.

Pension risk

CST works with nine local government pension schemes, all of which have deficits. In addition, on transfer into CST of converting or sponsored academies, CST has taken on some historic deficits, i.e. attributable to the service of transferring employees up to the date of transfer. This has been recognised as a liability of CST, with an equivalent debit to the Statement of Financial Activities within restricted funds.

Plans for future periods

During the summer of 2015, we continued to refine a five-year strategy for CST. This strategy centres on the core principle that school improvement is best delivered through a model of hubs that enable effective school-to-school support.

It has become increasingly clear that the trust's geography is both its strength and its weakness. Schools in close proximity have benefitted from regular collaboration and collegiate working, while others have suffered from relative geographic isolation. These factors have informed our thinking for the future direction of the trust in the following ways:

- **Expansion of regional hubs** - to build on existing school-to-school working, we are actively seeking to grow the trust at primary level around our successful clusters. This will strengthen and reinforce these clusters to become hubs of excellence in these areas.

We will continue to develop our work on a robust framework for assessment 'after levels' for all our primary schools, further refining the CST Assessment Handbook as the gold standard for primary assessment practice across the trust.

- **Rationalisation of trust geography** – we are in discussions with the Department for Education about how those schools which are relatively isolated from the rest of the trust, and in areas where we are not seeking to expand, might be better supported by more locally based sponsors. These discussions are likely to result in certain schools transferring from CST to other academy trusts.

Our vision for the trust's secondary schools centres on forging still closer links between them, building on successful initiatives such as the introduction of our subject specialist teachers working across groups of schools to strengthen their delivery of core subjects.

In line with recommendations from Ofsted's focused inspection of the trust in May 2015, we will be expanding on systems to track and support disadvantaged and vulnerable students in all our schools to secure better outcomes for these learners. There are some excellent examples of closing the gap for such students in a number of CST schools, and we will seek to channel this expertise more widely and in a systematic way.

Governance will also be a focus for the trust going forward. Following the successful implementation of a robust scheme of delegation in 2015, we will be looking at ways of embedding governors' understanding of their roles and responsibilities and enhancing their skills through a programme of training and development.

Auditors

Insofar as the trustees are aware:

- There is no relevant audit information of which the charitable company'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 auditor is aware of that information.

Peter Rawlinson

Chair

15 December 2015

GOVERNANCE STATEMENT

Scope of responsibility

As the board of trustees, we acknowledge that we have overall responsibility for ensuring that CfBT Schools 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 accounting officer in the first instance, 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 agreements between CST and the Secretary of State for Education. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Under an agreed scheme of delegation, the headteachers of each academy in CST are responsible for reporting to the accounting officer and thence the board of trustees, any material weaknesses or breakdowns in internal control.

Governance

Board of trustees

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 seven times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee name	Meetings attended	Out of a possible
Peter Rawlinson (Chair)	7	7
George Atterbury	1	1
Richard Birkett	2	3
Susannah Daniel	3	3
Heather Dawson	4	4
David Hawker	4	7
Steve Munby	6	7
Duncan Parks	4	4
Jonathan Theobalds	3	3
Chris Tweedale	7	7
Maxine Ward	3	3

At the beginning of the 2014/15 academic year the trustees made the difficult decision to allow one of CST's schools: Stamford Queen Eleanor School, to transfer to an alternative multi-academy trust. This school was geographically isolated within CST whereas the new trust has a greater local presence. It was felt therefore they would be able to provide much greater support to the school on an ongoing basis.

At the end of the 2014 summer term, CST commissioned an independent review of its governance arrangements at a board, executive and local governing body level. The purpose of the review was to investigate:

- how effective current structures were
- what changes, if any, could be made to the structure and composition of the governance groups to ensure the provision of high quality governance across CST
- whether current levels of accountability and delegation were appropriate
- the 'fitness for purpose' of the current scheme of delegation.

The outcomes of the review led to a new scheme of delegation being introduced and new terms of reference for local governing bodies, which are now smaller, more professionally focused.

Late in 2014 the members of CST performed a recruitment exercise in conjunction with the Department of Education to identify new independent trustees with business backgrounds for the board. Following this robust recruitment process the board of trustees was reconstituted to include three trustees appointed by the principal sponsor, three independent trustees and the accounting officer (ex officio).

Finance committee

The finance committee is a sub-committee of the main board of trustees. Its purpose is to provide an independent oversight of the financial performance of CST and of the individual schools in CST. In addition the committee reviewed CST's Finance Handbook, reserves policy and cash management processes.

The finance committee works closely with the audit committee to ensure that their activities complement each other and ensure that CST can meet all aspects of financial compliance.

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
Peter Rawlinson (Chair)	5	5
George Atterbury	1	1
Richard Birkett	2	2
David Hawker	2	3
Chris Tweedale	3	3
Maxine Ward (co-opted)	2	5

Audit committee

The audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- Support the board in its responsibilities for issues of risk control and governance. It reviews the comprehensiveness, reliability and integrity of assurances in meeting the board and accounting officer's assurance needs.
- Have an independent oversight of CST's systems of internal control, financial reporting, risk management and compliance, including monitoring of the quality and effectiveness of both external and internal auditors.

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
Duncan Parks (Chair)	2	2
Heather Dawson	2	2
Sue Hunt	3	3
Steve Munby	2	2
Peter Rawlinson	3	3
Jonathan Theobalds	2	2

The audit committee Chair is an independent trustee of CST.

Education committee

The education committee is a sub-committee of the main board of trustees that was set up part way through the year. Its purpose is to provide an independent oversight of the educational performance of CST and of the individual schools in CST. Membership includes co-opted headteacher from CST schools, one from secondary school and one from a primary school.

Attendance at meetings in the year was as follows:

Name	Meetings attended	Out of a possible
David Hawker (Chair)	4	4
Sue Croft	2	2
Heather Dawson	3	3
Melanie Murfin	2	2
Steve Munby	3	4
Duncan Parkes	3	3

Review of Value for Money

As accounting officer the chief executive, Chris Tweedale, has responsibility for ensuring that CST 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 taxpayers resources received.

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

- moving all schools to a single payroll and HR support provider, enabling trust wide oversight of management of staff in the schools
- strengthening the budget setting process with the use of more detailed analysis of costs and use of benchmarking to identify where savings could be made
- appointment of a Procurement Manager to identify cross trust savings and to support schools in the proper use of procurement techniques to ensure value for money.

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 provide reasonable and not absolute assurance of effectiveness. A system of internal control has been designed to: identify and prioritise the risks to the achievement of CST's 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.

Capacity to handle risk

The trustees are responsible for identifying risks faced by CST, establishing procedures to mitigate these risks, and ensuring that employees are aware of these procedures and of the implications of failing to implement them.

The trustees have assessed the major risks to which CST is exposed, in particular those relating to: the opening of new schools, or transition to CST of converting or sponsored academies; teaching, provision of facilities, educational performance and poor Ofsted gradings; and other operational areas of the academies and their finances.

The trustees have reviewed and implemented a series of systems and processes to ensure that the risks CST faces are appropriately assessed, especially in relation to new buildings, in operational areas (e.g. in relation to teaching, health and safety, bullying and school trips), and the control of finance are robust and fit for purpose.

Operational procedures are in place (e.g. DBS vetting of new staff and visitors, supervision of academy grounds), and internal financial controls have been strengthened in order to minimise risk.

The trustees are of the view that there is now a formal ongoing process for identifying, evaluating and managing significant issues and risks. This process will be reviewed regularly by the trustees.

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 local governing body of the respective academy and the board of trustees
- regular reviews by the finance 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.

In line with the Academies Financial Handbook 2014, the board of trustees appointed Baker Tilly Chartered Accountants to perform the Responsible Officer ('RO') function during the year. These reviews are designed to examine the effectiveness of internal control processes across the schools and to provide recommendations on the strengthening of the control environment. The final Baker Tilly reports are submitted to the CST audit committee and the

follow up actions are shared with the local governing bodies. Any school requiring improvement has had to complete an action plan and will receive a follow up visit and review.

Review of effectiveness

The accounting officer has responsibility for ensuring the effectiveness of the system of internal control.

During the period in question a review of the systems has been informed by:

- the work of Baker Tilly Chartered Accountants who conducted internal reviews of schools and of the internal controls in place at the trust centre
- the work of the external auditor
- the work of the Education Director and his school improvement team who report on educational performance
- the monthly financial management process;
- reporting from the headteachers within CST
- the work of the executive managers within CST who have responsibility for the development and maintenance of the internal control framework.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address weaknesses and ensure continuous improvement of systems is being put in place.

Approved by order of the members of the board of trustees on 15 December 2015 and signed on its behalf by:

Peter Rawlinson
Chair

Chris Tweedale
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of CfBT Schools Trust I have considered my responsibility to notify the 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the board of trustees have the capacity to be 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Chris Tweedale
Accounting Officer
15 December 2015

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The board of trustees (who are also directors for the purposes of the Companies Act 2006) is responsible for preparing the Annual Report and the Financial Statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The report and accounts have been prepared in accordance with the Charity's Articles and Statement of Recommended Practice 'Accounting and Reporting by Charities', published by the Charity Commission in 2005 ("SORP 2005"), guidance issued by the Education Funding Agency ('EFA') set out in the Academies Financial Handbook and all current statutory requirements.

The board of trustees is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity and company law requires the board of trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and of the incoming resources and application of resources, including the income and expenditure, of the trust for that period. The trustees have a reasonable expectation that the grant funding from the Department for Education will continue for the foreseeable future and that therefore the charity will continue in existence for the foreseeable future. They have therefore used a going concern basis in preparing the financial statements.

In preparing those financial statements, the board of trustees is required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in SORP 2005
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The trustees have overall responsibility for keeping proper accounting records that show and explain the Charitable Company's transactions, 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 also 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 good financial management. They are also responsible for ensuring that grants received from the Department for Education through the Education Funding Agency have been applied for the purposes intended.

All of the current trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charitable Company's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The trustees are not aware of any relevant audit information of which the auditor is unaware.

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

Approved by the Board of Trustees on 15 December 2015 and signed on their behalf by:

Peter Rawlinson

Chair

Chris Tweedale

Accounting Officer

INDEPENDENT AUDITOR'S REPORTS

Independent Auditor's Report to the Members of CfBT Schools Trust

We have audited the financial statements of CfBT Schools Trust ("the Academy") for the year ended 31 August 2015 which comprise the statement of financial activities, incorporating the income and expenditure account and statement of total recognised gains and losses, the balance sheet, the cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency ("the EFA").

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 and to the trustees, as a body, in accordance with the Academies Accounts Direction 2014 to 2015. Our audit work has been undertaken so that we might state to the Academy's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy, the Academy's members as a body and the Academy's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the trustees' responsibilities statement, the trustees (who act as governors of CfBT Schools Trust and 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. We have been appointed as auditor under the Companies Act 2006 and report in accordance with that Act. 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 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 and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' annual report, which includes the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 and proper accounting records have not been kept in respect of the Academy, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements do not accord with the accounting records; or
- certain disclosures of governor's remuneration specified by law are not made; or
- any information or explanation to which we are entitled has not been afforded to us.

James Aston (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom
Date: 16 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO THE CFBT SCHOOLS TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 2 December 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Academy during the year to 31 August 2015 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 Academy and to the EFA in accordance with the terms of our engagement. Our work has been undertaken so that we might state to the Academy and to 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 the Academy and to the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Academy's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of The Academy's funding agreement with the Secretary of State for Education dated 7 June 2013 and the Academies Financial Handbook, extant from 1 September 2014, 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 2014 to 2015. 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 to 31 August 2015 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 2014 to 2015 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's income and expenditure.

The work undertaken to draw our conclusion includes an assessment of the level of risk

associated with the specific categories of income and expenditure and the potential for irregularities to be identified. Our work is performed in accordance with Part 10 of the Academies Accounts Direction 2014 to 2015.

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 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

James Aston
For and on behalf of BDO LLP,
Chartered Accountants
Gatwick
United Kingdom

Date: 16 December 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

		General Fund Unrestricted	School Operating Fund Restricted	Fixed Assets Fund Restricted	Pension Reserve Fund Restricted	Total 2015	Total 2014
	Note	£'000	£'000	£'000	£'000	£'000	£'000
INCOMING RESOURCES							
<i>Incoming resources from generated funds:</i>							
Voluntary income - transfer on conversion	2 / 18	477	504	23,954	(1,055)	23,880	9,311
- other donations	2	120	-	-	-	120	91
Activities for generating funds	3	603	87	-	-	690	767
Investment income	4	18	-	-	-	18	14
<i>Incoming resources from charitable activities:</i>							
Funding for the Trust's educational operations	5	954	60,991	7,486	-	69,431	68,832
Total incoming resources		2,172	61,582	31,440	(1,055)	94,139	79,015
RESOURCES EXPENDED							
<i>Cost of generating funds:</i>							
Fundraising trading	7	79	-	-	-	79	138
<i>Charitable activities:</i>							
Trust's educational operations	7 / 8	1,120	64,122	5,639	837	71,718	63,559
Governance costs	7 / 9	-	203	-	-	203	305
Academy assets transferred out of the Trust	18 / 24	140	281	7,669	(97)	7,993	3,036
Total resources expended		1,339	64,606	13,308	740	79,993	67,038
Net incoming / (outgoing) resources before transfers		833	(3,024)	18,132	(1,795)	14,146	11,977
Gross transfers between funds	16	(552)	(543)	1,095	-	-	-
Net income for the year		281	(3,567)	19,227	(1,795)	14,146	11,977
OTHER RECOGNISED GAINS AND LOSSES							
Actuarial gains / (losses) on defined benefit pension	23	-	-	-	(296)	(296)	412
Net movement in funds		281	(3,567)	19,227	(2,091)	13,850	12,389
Funds brought forward at 1 September 2014		1,331	6,320	107,527	(13,338)	101,840	89,451
Funds carried forward at 31 August 2015		1,612	2,753	126,754	(15,429)	115,690	101,840

All of the Trust's activities derive from continuing operations during the year.

The accompanying notes are an integral part of these financial statements.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2015

	Note	2015 £'000	2015 £'000	2014 £'000	2014 £'000
FIXED ASSETS					
Tangible assets	13		126,290		106,164
CURRENT ASSETS					
Stock		70		70	
Debtors	14	4,966		1,757	
Cash at bank and in hand		<u>8,757</u>		<u>12,842</u>	
		13,793		14,669	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	<u>(7,924)</u>		<u>(5,655)</u>	
Net current assets			5,869		9,014
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>132,159</u>		<u>115,178</u>
CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR			(1,040)		0
NET ASSETS EXCLUDING PENSION LIABILITY			<u>131,119</u>		<u>115,178</u>
Pension scheme liability	23		(15,429)		(13,338)
NET ASSETS INCLUDING PENSION LIABILITY	19		<u>115,690</u>		<u>101,840</u>
FUNDS OF THE TRUST:					
Restricted Funds					
Fixed assets fund	16	126,754		107,527	
School operating fund	16	2,753		6,320	
Pension reserve fund	16	(15,429)		(13,338)	
Total restricted funds			<u>114,078</u>		<u>100,509</u>
UNRESTRICTED FUNDS					
General fund	16	<u>1,612</u>		<u>1,331</u>	
Total unrestricted funds			1,612		1,331
Total funds	16		<u>115,690</u>		<u>101,840</u>

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of Trustees on 15 December 2015 and signed on its behalf by:

Peter Rawlinson
Chair
15 December 2015

	Note	2015 £'000	2014 £'000	
RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
Net income for the year		14,146	11,977	
Transfer of property and other fixed assets in		(23,935)	(10,686)	
Transfer of property and other fixed assets out		7,669	2,940	
Transfer of pension in		1,055	1,785	
Transfer of pension out		(97)	-	
Depreciation	13	5,181	4,078	
Disposal of tangible assets		72	-	
Investment income		(18)	(14)	
Capital grants from DfE and other capital income		(7,486)	(9,130)	
FRS 17 pensions costs		837	645	
(Increase) in stocks		-	(4)	
Decrease / (increase) in debtors		(2,601)	2,840	
(Decrease) / Increase in creditors		2,318	(2,280)	
Net cash inflow from operating activities		(2,859)	2,151	
Returns on investments and servicing of finance				
Interest received		18	14	
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Purchase of tangible fixed assets		(8,116)	(12,725)	
Capital grants from DfE / EFA		6,877	9,077	
Net cash inflow from capital expenditure and financial investment		(1,239)	(3,648)	
Total resources expended				
Net cash inflow before management of liquid resources		(4,080)	(1,483)	
Management of liquid resources				
Increase in short term deposits with bank		(1,415)	(300)	
Financing				
Repayment of loans		100	(5)	
Net cash outflow from management of liquid resources		(5,395)	(1,788)	
Increase in cash in the year		(5,395)	(1,788)	
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS				
(Decrease) / Increase in cash in the year		(5,395)	(1,788)	
Decrease in loans in the year		(100)	5	
Cash outflow from increase in liquid resources		1,415	300	
Change in net funds resulting from cash flows		(4,080)	(1,483)	
Loans acquired with new academies		-	-	
Movement in net funds in the year		(4,080)	(1,483)	
Net funds at 1 September 2014		12,732	14,215	
Net funds at 31 August 2015		8,652	12,732	
Analysis of changes in net funds				
	Cash at bank and in hand	Term deposits	Debt due less than 1 year	Total
	£'000	£'000	£'000	£'000
At 1 September 2014	12,542	300	(110)	12,732
Cash inflow	(5,500)	1,415	5	(4,080)
At 31 August 2015	7,042	1,715	(105)	8,652

The non-cash changes relate to loans taken on when academies converted

The accompanying notes are an integral part of these financial statements.

1 PRINCIPAL ACCOUNTING POLICIES

Format of financial statements

The standard format for the financial statements as required by Part 15 of the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005) and reflects the activities of the Trust.

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014-15 issued by the Educational Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going Concern

The Board of Trustees assesses 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 one year from the date of approval of the financial statements.

INCOMING RESOURCES

Grants receivable

Grants are included in the statement of financial activities on an accruals basis. 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. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted income fund on the balance sheet

Interest receivable

Interest receivable is included within the statement of financial activities on an accruals basis.

Donations

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

Other income

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

Resources expended and the basis of apportioning costs

Resources expended are recognised in the period in which they are incurred and include irrecoverable / non-reimbursable VAT. They have been classified under headings that aggregate all costs relating to that activity. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources. Central costs have been apportioned on the basis of the size of the school and the level of support required.

Allocation of costs

In accordance with the SORP 2005, expenditure has been analysed between the Trust's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned.

Governance costs

Governance costs include the costs attributable to the Trust's compliance with constitutional and statutory requirements, including internal and external audit, legal advice and trustee costs.

New Academies

The conversion from state maintained schools to academies and their joining the Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and have been accounted for under the acquisition accounting method.

The assets and liabilities transferred on joining the Trust have been valued at their fair value being a reasonable estimate of the current market value that the Trustees would expect to pay in an open market for an equivalent item. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted fund, restricted schools operations fund, restricted fixed asset fund and restricted pension fund. Further details of the transactions are set out in note 18.

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Tangible fixed assets

All assets costing more than £1,000 and with an expected useful life exceeding one year are capitalised.

Depreciation is charged on a straight-line basis beginning in the year in which the asset is brought into use at the following annual rates:

Freehold property	Over a period of 30 years or expected remaining useful economic life, whichever is the shorter. Land is not depreciated.
Long-term leasehold property	Buildings over a period of 30 years or expected remaining useful economic life whichever is the shorter. Land related to a long term lease over is depreciated over the period of the lease.
Leasehold improvements	Over lease term or remaining contract period, whichever is shorter.
Motor vehicles	25% per annum
Office furniture and equipment	20% per annum
Computer equipment	33% per annum
IT infrastructure and system software	20% per annum

For office furniture, equipment and computer equipment acquired second hand, the depreciation rate is 50% straight line.

Where fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and are depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet). The depreciation on such assets is charged in the Statement of Financial Activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

The costs of assets being constructed are capitalised but not depreciated until they are completed.

Fund accounting

The unrestricted general fund represents those monies which are freely available for application towards achieving any charitable purpose that falls within the Trust's charitable objects.

Restricted funds comprise monies raised for, or their use restricted to, a specific purpose, or contributions subject to donor imposed conditions.

Leased assets

Rentals under operating leases are charged in the year they are incurred over the lease term.

Taxation

The Trust is a charity and accordingly is exempt from taxation on its charitable activities which fall within the scope of section 505(1) of the Taxes Act 1988 and section 256 of the Taxation of Chargeable Gains Act 1992. The cost of any irrecoverable / refundable VAT incurred by the Trust has been included in the Statement of Financial Activities.

Pensions

Trust staff are members of one of the following pension schemes. More details of the schemes are given in note 23.

Teachers' Pension Scheme

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme ("TPS"). The TPS, a statutory, contributory, final salary scheme is administered by Teachers' Pensions. As the TPS is unable to identify the Trust's share of the underlying (notional) assets and liabilities of the scheme, the Trust has taken advantage of the exemption in Financial Reporting Standard (FRS17) and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The pension costs for the scheme represent the contributions payable by the Trust in the year.

Local Government Pension Scheme

Non-teaching members of staff working in the academies are offered membership of the Local Government Pension Scheme (LGPS) of the Local Authority in which the particular Academy is located. The LGPS is a defined benefit pension scheme and is able to identify the Trust's share of assets and liabilities and requirements of the FRS 17 Retirement Benefits have been followed.

The Trust's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Defined Contribution Pension Scheme

Head office staff are seconded from the principal sponsor and therefore are members of the principal sponsor's defined contribution scheme. Contributions to this scheme are charged to expenditure as they become payable.

2 VOLUNTARY INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Settlement from Local Authority on conversion	-	-	-	150
Transfer value on conversion of academies joining the Trust	477	23,403	23,880	9,161
Other donations	120	-	120	91
	<u>597</u>	<u>23,403</u>	<u>24,000</u>	<u>9,402</u>
3 ACTIVITIES FOR GENERATING FUNDS	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Hire of facilities	284	-	284	250
Uniform sales	65	-	65	124
Sundry income	254	87	341	393
	<u>603</u>	<u>87</u>	<u>690</u>	<u>767</u>
4 INVESTMENT INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Short term deposits	18	-	18	14
	<u>18</u>	<u>-</u>	<u>18</u>	<u>14</u>
5 FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
DfE / EFA / other capital grants				
Devolved Formula capital allocations	-	278	278	184
Other DfE / EFA grants	-	6,344	6,344	7,569
Other grants	-	864	864	1,377
	<u>-</u>	<u>7,486</u>	<u>7,486</u>	<u>9,130</u>
DfE / EFA revenue grants				
General Annual Grant (GAG)	-	52,756	52,756	51,008
Start Up grants	-	312	312	962
Pupil Premium	-	3,204	3,204	2,276
Other DfE / EFA grants	-	1,460	1,460	1,805
	<u>-</u>	<u>57,732</u>	<u>57,732</u>	<u>56,051</u>
Other Government grants				
Local Authority grants	-	2,098	2,098	1,952
Other grants	-	948	948	283
	<u>-</u>	<u>3,046</u>	<u>3,046</u>	<u>2,235</u>
Other income				
Catering	954	-	954	929
Other	-	213	213	487
	<u>954</u>	<u>213</u>	<u>1,167</u>	<u>1,416</u>
	<u>954</u>	<u>68,477</u>	<u>69,431</u>	<u>68,832</u>
6 GENERAL ANNUAL GRANT (GAG)				

Under the funding agreement with the Secretary of State. The Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2015

7 RESOURCES EXPENDED

	--- Non Staff Costs Expenditure ---				Total	Total
	Staff Costs £'000	Premises £'000	Supplies & Services £'000	Other Costs £'000	2015 £'000	2014 £'000
Costs of activities for generating funds	-	4	75	-	79	138
Trust's educational operations						
Direct costs	42,231	-	5,054	-	47,285	42,222
Allocated support costs	9,817	3,828	10,716	-	24,361	21,337
	<u>52,048</u>	<u>3,832</u>	<u>15,845</u>	<u>-</u>	<u>71,725</u>	<u>63,697</u>
Governance costs including allocated support costs	-	-	-	203	203	305
	<u>52,048</u>	<u>3,832</u>	<u>15,845</u>	<u>203</u>	<u>71,928</u>	<u>64,002</u>
Net Incoming/outgoing resources for the year include:					2015	2014
					£'000	£'000
Operating leases - land and buildings					152	72
- other					99	207

8 CHARITABLE ACTIVITIES - EDUCATIONAL OPERATIONS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Direct costs				
Teaching and educational support staff costs	-	42,231	42,231	38,292
Educational supplies	-	737	737	738
Examination fees	-	835	835	809
Staff development	-	279	279	252
Educational consultancy	-	980	980	690
Other direct costs	167	2,056	2,223	1,441
	<u>167</u>	<u>47,118</u>	<u>47,285</u>	<u>42,222</u>
Allocated support costs				
Support staff costs	848	8,969	9,817	8,980
Depreciation	-	5,181	5,181	4,078
Disposal of Fixed Assets	-	72	72	-
Recruitment and support	-	370	370	309
Maintenance of premises and equipment	-	2,252	2,252	2,188
Cleaning	-	834	834	802
Rent and rates	-	742	742	497
Insurance	-	800	800	798
Security and transport	-	324	324	309
Catering	105	1,361	1,466	1,066
Bank charges	-	6	6	3
Other support costs	-	2,569	2,569	2,307
	<u>953</u>	<u>23,480</u>	<u>24,433</u>	<u>21,337</u>
Total	<u>1,120</u>	<u>70,598</u>	<u>71,718</u>	<u>63,559</u>

9 GOVERNANCE COSTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Legal and professional fees	-	33	33	187
Auditors' remuneration				
Audit of financial statements	-	68	68	50
Other services	-	11	11	5
Internal audit	-	43	43	21
Support staff costs	-	39	39	24
Trustee and School Governor training and development	-	4	4	14
Trustees' reimbursed expenses	-	3	3	3
School Governors' reimbursed expenses	-	2	2	1
	<u>-</u>	<u>203</u>	<u>203</u>	<u>305</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2015

10 STAFF COSTS

Staff costs during the year were:	Unrestricted Funds £'000	Restricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Wages and salaries	709	38,818	39,527	36,975
Social security costs	16	2,749	2,765	2,457
Pension scheme - employer contributions	123	5,567	5,690	5,006
Pension scheme costs	-	837	837	645
	<u>848</u>	<u>47,971</u>	<u>48,819</u>	<u>45,083</u>
Supply teacher costs	-	2,537	2,537	1,850
Compensation and redundancy payments	-	692	692	339
	<u>848</u>	<u>51,200</u>	<u>52,048</u>	<u>47,272</u>

Included in the compensation and redundancy costs are non-statutory/non-contractual severance payments totalling £170,745 (2014 £222,597). There were 24 non-statutory/non-contractual payments and these were for £419, £440, £618, £682, £980, £1,344, £1,497, £2,783, £2,810, £3,632, £4,817, £5,179, £6,069, £6,276, £6,805, £10,000, £10,273, £10,898, £12,320, £12,909, £13,014, £15,063, £16,300 and £25,616.

The average number of persons (including senior management team) employed by the Trust during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers and Teaching Assistants	868	848
Administration and support	428	382
Management	49	35
	<u>1,345</u>	<u>1,265</u>

The number of employees whose emoluments fell within the following bands was:

	2015	2014
£60,001 - £70,000	17	19
£70,001 - £80,000	11	3
£80,001 - £90,000	4	0
£90,001 - £100,000	4	4
£100,001 - £110,000	3	3
£110,001 - £120,000	0	1
£120,001 - £130,000	1	0

All of the above employees participated in the Teachers' Pension Scheme, Local Government Pension Scheme or the Principal Sponsor's Defined Contribution Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £493,165 (2014 - £293,000)

11 TRUSTEES' REMUNERATION AND EXPENSES

No trustees or persons connected with them have received remuneration during the period for services as a trustee. The following trustees were paid as employees of CfBT Schools Trust and their remuneration during the year while in office is as shown, Susannah Daniel (£36,685), and Chris Tweedale (£94,149). During the year, travel and subsistence expenses totalling £3,591 (2014: £3,047) were reimbursed.

12 DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice, the Trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim and the premium for 2014/15 was £127 (2013/14: £217). The cost of this insurance is included in the total insurance cost.

13 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	Long Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Equipment £'000	Motor Vehicles £'000	Total £000
COST						
At 1 September 2014	79,866	30,617	1,497	3,369	108	115,457
Additions	975	6,536	983	618	-	9,112
Reclassifications	(194)	29	179	(14)	-	-
Transfers	18	15,381	830	376	5	16,592
Disposals	18	-	(87)	-	-	(87)
At 31 August 2015	<u>80,647</u>	<u>52,563</u>	<u>3,402</u>	<u>4,349</u>	<u>113</u>	<u>141,074</u>
DEPRECIATION						
At 1 September 2014	3,826	3,157	773	1,473	64	9,293
Charged in year	2,243	1,359	449	1,112	18	5,181
Transfers	-	(568)	488	397	8	325
Disposals	18	-	(15)	-	-	(15)
At 31 August 2015	<u>6,069</u>	<u>3,948</u>	<u>1,695</u>	<u>2,982</u>	<u>90</u>	<u>14,784</u>
NET BOOK VALUES						
At 31 August 2015	<u>74,578</u>	<u>48,615</u>	<u>1,707</u>	<u>1,367</u>	<u>23</u>	<u>126,290</u>
At 31 August 2014	<u>76,040</u>	<u>27,460</u>	<u>724</u>	<u>1,896</u>	<u>44</u>	<u>106,164</u>

14 DEBTORS:	2015	2014
Amounts falling due within one year	£'000	£'000
Trade debtors	582	96
Prepayments and accrued income	1,415	1,185
VAT recoverable	1,730	381
Other debtors	1,239	95
	4,966	1,757
15 CREDITORS:	2015	2014
Amounts falling due within one year	£'000	£'000
Overdrafts and loans	5	110
Trade creditors	2,939	1,646
Other taxation and social security	764	696
Other creditors	2,040	1,843
Accruals and deferred income	2,176	1,360
	7,924	5,655
Amounts falling due after more than one year		
Overdrafts and loans	100	-
Other creditors	290	-
Accruals and deferred income	650	-
	1,040	-
Deferred income (included in creditors above)	2015	2014
	£'000	£'000
Deferred income at 1 September 2014	332	893
Resources deferred in the year	1,319	332
Amounts released from previous years	(332)	(893)
Deferred Income at 31 August 2015	1,319	332

16 FUNDS	Balance at 31 August 2014 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses and Transfers £'000	Balance at 31 August 2015 £'000
RESTRICTED SCHOOL OPERATING FUND					
General Annual Grant (GAG)	2,434	52,756	(55,868)	(543)	(1,221)
Start Up grant	758	312	(996)	-	74
Other DfE / EFA grants	-	4,664	(4,664)	-	-
LEA and other grants	-	3,046	(3,046)	-	-
Donations and other income	3,128	804	(32)	-	3,900
	6,320	61,582	(64,606)	(543)	2,753
RESTRICTED PENSION RESERVE FUND	(13,338)	(1,055)	(740)	(296)	(15,429)
RESTRICTED FIXED ASSETS FUND					
DfE / EFA / Other capital grants	107,527	31,440	(13,308)	1,095	126,754
Total restricted funds	100,509	91,967	(78,654)	256	114,078
UNRESTRICTED FUNDS					
General fund	1,331	2,172	(1,339)	(552)	1,612
Total funds	101,840	94,139	(79,993)	(296)	115,690

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

Restricted school operating fund

This fund represents grants received for the Trust's operational activities and development. Under the funding agreement with the Secretary of State, the Trust was not subject to limits on the amount of GAG that it could carry forward at 31 August 2015

Restricted pension reserve fund

The pension reserve relates to the Trust's share of the deficits in Local Government Pension Schemes.

Restricted fixed assets fund

These grants relate to funding received from the DfE, EFA and private sponsors to carry out works of a capital nature. A transfer was made this year of £1,095k from the restricted schools operations fund to the restricted fixed asset fund. This represents the total capital expenditure paid for from the General Annual Grant.

Unrestricted funds

The unrestricted funds represent funds available to the Trustees to apply for the general purposes of the Trust. Unrestricted funds can be used for any purpose covered by the objects of the Trust. The gross transfer from the unrestricted fund to the restricted school operating fund of £552k represents contributions to the general operations of schools in deficit.

16 FUNDS (continued)

Fund balances at 31 August 2015 were allocated as follows:	£'000
Abacus Belsize Primary School	74
All Saints Junior School	102
Abbey Woods Academy	34
Benjamin Adlard Primary School	-
Boston West Academy	342
Danum Academy	(176)
The Deepings School	250
City of Ely Community College	(787)
Gladstone Park Primary School	155
Grampian Primary Academy	10
Judith Kerr Primary School	(132)
Lincoln Carlton Academy	6
Mount Street Academy	16
Meadow Park Academy	(36)
Oakbank School	(609)
Oxford Spires Academy	127
Queensbury Academy	(1,507)
Sir John Gleed School	2,456
Saint Mark's Academy	394
Central Services	(26)
CST Central Reserve	<u>3,672</u>
Total before fixed assets fund and pension reserve fund	4,365
Restricted fixed assets fund	126,754
Pension reserve fund	(15,429)
Total	<u>115,690</u>

The following academies are carrying deficits, the reason and the action being taken by the Trust are as follows:

Danum Academy: The school has undertaken restructuring of staff during the year to put them in a better position going forward. The cost of the restructuring has caused a deficit balance at 31st August 2015. The school is expecting to return to a surplus balance with in the next twelve months.

City of Ely Academy: The GAG funding per pupil received by the academy is low and as a result a deficit has been generated. Additional funding for all schools in Cambridgeshire has been agreed with the Education Funding Authority from Septemehr 2015. The Trust is working with the academy to manage the difficult funding position until the higher level of GAG is received.

Judith Kerr: The school needed to invest in its teaching and learning which resulted in a good Ofsted judgement in the summer. The additional costs resulted in a deficit as at 31st August 2015 which will be recovered over the next two years as the school grows.

Meadow Park Academy: The school had a small deficit as at 31st August 2015 as a result of reinforcing the leadership in the school. It is expected to return to surplus in the next twelve months.

Oakbank School: The deficit increased during 2014/15 but with new leadership and strong business management now in place the school is beginning to address the issues.

Queensbury Academy: The academy has had government approval to undertake an age range change. The Trust continues to work in conjunction with the Education Funding Agency to support the academy and their funding needs during this period of transition.

Analysis of academies by cost

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

	Teaching & £'000	Other support £'000	Educational £'000	Other costs ** £'000	Total £'000
Abacus Belsize Primary School	310	40	15	186	551
All Saints Junior School	341	54	10	163	568
Abbey Woods Academy	747	126	4	330	1,207
Benjamin Adlard Primary School	699	181	27	266	1,173
Boston West Academy	906	126	13	267	1,312
Danum Academy	7350	1,127	49	2,082	10,608
The Deepings School	5108	1,176	100	1,167	7,551
City of Ely Community College	4440	1,287	40	1,259	7,026
Gladstone Park Primary School	2382	422	30	753	3,587
Grampian Primary Academy	890	166	10	203	1,269
Judith Kerr Primary School	677	77	33	373	1,160
Lincoln Carlton Academy	292	201	27	200	720
Mount Street Infant Academy	1,031	254	19	226	1,530
Meadow Park Academy	1,029	181	22	363	1,595
Oakbank School	1,281	272	36	545	2,134
Oxford Spires Academy	3,258	722	79	984	5,043
Queensbury Academy	3,062	574	53	769	4,458
Stamford Queen Eleanor School	146	(79)	2	460	529
Sir John Gleed School	5,370	897	115	1,913	8,295
St Mark's Academy	2,899	576	51	1,072	4,598
Central Services	13	1,126	-	632	1,771
	<u>42,231</u>	<u>9,506</u>	<u>735</u>	<u>14,213</u>	<u>66,685</u>

** Excluding depreciation (£5,181K), disposal of fixed assets (£72k), academy fixed assets transferred out (£7,669k) and capital grant funded expenditure (£386K).

17 CENTRAL SERVICES

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

Leadership and governance	Property management
Educational improvement	Information technology
Finance	Marketing and communication
Human Resources	

The Trust charges for these services on the following basis:

The Membership Fee charges are calculated on a % of **relevant income*** based on the school's Ofsted Grade at the point on entering the Trust and thereafter from the Ofsted Grade at the beginning of each academic year. This fee is not altered during the year even if the Ofsted grade changes.

The % breakdown is as follows:
Outstanding and good academy - 3%
Requires improvement / satisfactory academy - 4%
Special measures - 5%

***Relevant income against which the Membership Fee is charged:**

Relevant income is regarded as that which is detailed in the EFA final funding allocation letter which is issued in March/April of the preceding academic year. This includes all revenue due to the academy that is automatically awarded to the school as a result of its status or cohort or teaching mix; Income for these purposes would include all school income except for: Capital Grant Income, Pupil Premium Funding, income generated from academy bidding activity and income generated locally (lettings, catering, uniform sales, sponsorship, donations etc).

The actual amounts charged during the year were as follows:	£'000
Abacus Belsize Primary School	16
All Saints Junior School	16
Abbey Woods Academy	46
Benjamin Adlard Primary School	32
Boston West Academy	39
Danum Academy	415
The Deepings School	140
City of Ely Community College	173
Gladstone Park Primary School	148
Grampian Primary Academy	28
Judith Kerr Primary School	45
Lincoln Carlton Academy	15
Mount Street Infant Academy	30
Meadow Park Academy	62
Oakbank School	60
Oxford Spires Academy	119
Queensbury Academy	95
Stamford Queen Eleanor School	8
St Mark's Academy	143
Sir John Gleed School	385
	<u>2,015</u>

18 INCOMING ACADEMIES INTO THE TRUST AND ACADEMIES TRANSFERRING OUT

On the 1st November 2014 St Marks Academy transferred into the Trust whereas previously it was a stand alone academy sponsored by CfBT Education Trust.. At the point of transition all assets and liabilities of the school were transferred.

The following table sets out the fair values of the identifiable assets and liabilities transferred out and an analysis of their recognition in the Statement Of Financial Activities.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income/resources expended in the Statement of Financial Activities as voluntary income/ resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred in and an analysis of their recognition in the Statement

	Unrestricted General Fund	Restricted School Operating Fund	Restricted Fixed Assets Fund	Restricted Pension Reserve Fund	Total Funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets					
Freehold / leasehold land and buildings	-	-	23,560	-	23,560
Other tangible fixed assets	-	-	394	-	394
Net current assets	477	504	-	-	981
LGPS pension (deficit)	-	-	-	(1,055)	(1,055)
Net assets	<u>477</u>	<u>504</u>	<u>23,954</u>	<u>(1,055)</u>	<u>23,880</u>

18 INCOMING ACADEMIES INTO THE TRUST AND ACADEMIES TRANSFERRING OUT (continued)

On the 1st October 2014 Stamford Queen Eleanor Academy transferred out of the Trust to Cambridge Meridian Academy Trust (CMAT). At the point of transition all assets and liabilities of the school were transferred.

The following table sets out the fair values of the identifiable assets and liabilities transferred out and an analysis of their recognition in the Statement Of Financial Activities.

	Unrestricted General Fund	Restricted School Operating Fund	Restricted Fixed Assets Fund	Restricted Pension Reserve Fund	Total Funds
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets					
Freehold / leasehold land and buildings	-	-	7,612	-	7,612
Other tangible fixed assets	-	-	57	-	57
Net current assets	140	281	-	-	421
LGPS pension (deficit)	-	-	-	(97)	(97)
Net assets	140	281	7,669	(97)	7,993

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2015 are represented by:	Unrestricted General Fund	Restricted School Operating Fund	Restricted Fixed Assets Fund	Restricted Pension Reserve Fund	Total Funds 2015	Total Funds 2014
	£'000	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	126,290	-	126,290	106,164
Current assets	1,612	11,717	464	-	13,793	14,669
Current liabilities	-	(8,964)	-	-	(8,964)	(5,655)
Pension scheme liability	-	-	-	(15,429)	(15,429)	(13,338)
Total net assets	1,612	2,753	126,754	(15,429)	115,690	101,840

20 COMMITMENTS

Operating leases

At 31 August 2015 the Trust had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Land and buildings		
Expiring within one year	-	70
Expiring within two and five years inclusive	150	-
Expiring in over five years	2	2
	152	72
Other		
Expiring within one year	8	87
Expiring within two and five years inclusive	80	70
Expiring in over five years	11	11
	99	168

Capital commitments

At 31 August 2015 the Trust had contracted for, but not provided in the financial statements capital commitments of £1.4 million.

21 MAJOR NON-CASH TRANSACTIONS

During the year an academy joined CfBT Schools Trust. Where the academy occupies a building on a freehold or long term leasehold arrangement, the value of the building and land has been included as a fixed asset in the balance sheet and the fair value recognised as a donation in the Statement of Financial Activities. See note 18 for details.

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/it is a member, or within one year after he/she/it ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she/it ceases to be a member.

23 PENSIONS AND SIMILAR OBLIGATIONS

The Trust employees belong to two principal pension schemes, the Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS). Both are defined benefit schemes. The total pension cost for the year ended 31 August 2015 was £6,313,895 (2014: £4,843,000)

Contributions amounting to £530,646 (2014 £454,977) were payable to the schemes at 31st August 2015 and are included in creditors.

Teachers' Pension Scheme

Under the definitions set out in Financial Reporting Standard 17 - Retirement benefits, the Teacher's pension scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the Trust has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the Trust. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The Trust has set out below the information available on the Scheme and the implications for the Trust in terms of the anticipated contribution rates.

The employers' contribution rates for the Trust's academic staff were 14.1% of pensionable salaries from September 2014 to 31 August 2015.

The Teachers' Pension Scheme is a statutory, contributory, unfunded, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining

The last valuation of the TPS related to the period 1 April 2004 to 31 March 2012. The Government Actuary's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed real rate of return is 3% in excess of prices and 1.25% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

The next formal actuarial valuation is due as at 31 March 2016.

Local Government Pension Scheme

Contributions are also made to the Local Government Pension Scheme for non-teaching staff. The assets of the schemes are held separately from those of the company. The total amount of contributions in respect of the year was £2,138K (2014: £1,904K). The pension cost is assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

Derivation of figures

The figures disclosed below have been derived by approximate methods from the full actuarial valuations of the funds at 31 August 2015 undertaken by Mercer Ltd (South Yorkshire Pension Fund), Barnett Waddingham (Oxfordshire CC Pension Fund and Royal County of Berkshire Pension Fund), AON Hewitt (London Borough of Southwick Pension Fund) and Hymans Robertson LLP (Bedfordshire Pension Fund, Cambridgeshire Pension Fund, London Borough of Brent Pension Fund, Derbyshire CC Pension Fund, London Borough of Camden Pension Fund and Lincolnshire Pension Fund). There is no provision for unitising the assets of a fund under the LGPS. The assets of each fund as a whole are allocated to participating bodies on a consistent and reasonable basis. The values placed on the assets and liabilities that relate to the Trust are shown below.

Mortality assumptions

A set of demographic assumptions that are appropriate for each fund have been used for this valuation. Different tables are used including SP1A, SAPS year of birth and VitaCurves, all with a medium cohort improvement with a minimum of a 1% underpin.

Return on assets

The overall long term rate of return expected at 31 August 2015 is 4.6% (2014: 5.8%). The rates for the individual funds vary between 3.7% and 5.9% (2014: 5.4% and 6.4%).

	2015	2014
Assumptions		
RPI	3.2% - 3.6%	3.1% - 3.5%
CPI	2.2% - 2.7%	2.1% - 2.7%
Salary increases pa	3.5% - 4.6%	3.4% - 4.5%
Pension increases pa	2.1% - 2.7%	2.1% - 2.7%
Discount Rate pa	3.7% - 4.0%	3.7% - 4.0%

The above salary increases are the long term rates, the current pay freezes are reflected in the valuations.

23 PENSIONS AND SIMILAR OBLIGATIONS (continued)

	2015	2014
	£'000	£'000
Assets		
Equities	15,935	14,265
Gilts	1,390	811
Other bonds	2,415	2,354
Property	2,299	1,966
Cash	417	325
Other (hedge funds)	623	409
Total	<u>23,079</u>	<u>20,130</u>
Reconciliation of funded status to balance sheet	£'000	£'000
Fair value of assets	23,079	20,130
Present value of funded liabilities	38,508	33,468
	<u>(15,429)</u>	<u>(13,338)</u>
Present value of unfunded liabilities		
Net liability	<u>(15,429)</u>	<u>(13,338)</u>
Amounts in the balance sheet		
Assets	-	-
Liabilities	(15,429)	(13,338)
Net liability	<u>(15,429)</u>	<u>(13,338)</u>
Analysis of SOFA charge	£'000	£'000
Current service cost	2,784	2,182
Past service cost	-	-
Interest cost	1,341	1,190
Expected return on assets	(1,201)	(823)
Curtailments & Settlement cost	51	-
Expense recognised	<u>2,975</u>	<u>2,549</u>
Return on assets	£'000	£'000
Actual return on assets	<u>581</u>	<u>5,668</u>
Analysis of amount recognised in STRGL	£'000	£'000
Total actuarial (losses) / gains	<u>(296)</u>	<u>412</u>
Changes to the present value of liabilities during the year	£'000	£'000
Opening present value of liabilities	33,468	23,437
Current service cost	2,784	2,182
Interest cost	1,341	1,190
Contributions by participants	611	543
Actuarial (gains) / losses on liabilities	(324)	4,433
Net benefits paid out	(424)	(233)
Transfers	1,001	1,916
Past service cost	-	-
Settlements	51	-
Closing present value of liabilities	<u>38,508</u>	<u>33,468</u>
Changes to the fair value of assets during the year	£'000	£'000
Opening fair value of assets	20,139	12,133
Expected return on assets	1,201	823
Actuarial gains / (losses) on assets	(620)	4,845
Contributions by the employer	2,138	1,904
Transfers	43	131
Settlements	-	-
Contributions by participants	611	536
Net benefits paid out	(424)	(233)
Closing fair value of assets	<u>23,088</u>	<u>20,139</u>

23 PENSIONS AND SIMILAR OBLIGATIONS (continued)

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
History					
Fair value of assets	23,079	20,146	12,133	6,897	870
Present value of liabilities	(38,508)	(33,468)	(23,437)	(14,986)	(1,831)
Surplus / (deficit)	<u>(15,429)</u>	<u>(13,322)</u>	<u>(11,304)</u>	<u>(8,089)</u>	<u>(961)</u>
Experience gains / (losses) on assets	<u>(620)</u>	<u>4,845</u>	<u>679</u>	<u>169</u>	<u>(18)</u>
Predicted SOFA charge					
	2015/16	2014/15	2013/14		
	£'000	£'000	£'000		
Estimated employer contributions - LGPS	<u>2,160</u>	<u>1,513</u>	<u>1,466</u>		

24 POST BALANCE SHEET EVENTS

There are no post balance sheet events to report

25 RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and members of the local governing bodies being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the local governing body may have 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 Trust purchases services from its primary sponsor CfBT Education Trust. All such services were purchased at cost only and amounted to £1,188,791 (2013/14 £ 1,282,521); £908,217 (2013/14 £796,059) relates to the recharge of salaries and related costs for staff seconded from CfBT Education Trust to the Trust.; £29,080 (2013/14 £118,104) relates to products and services purchased by CfBT Education Trust on behalf of the Trust and the remaining £251,494 (2013/14 £368,358) is for services provided by CfBT Education Trust staff to the Trust. At the 31st August 2015 the Trust owed CfBT Education Trust £332,875 (2013/14 £675,798), which is included in other creditors. This balance represents normal trading activity.