

**Chester Diocesan Academies Trust
(A Company Limited by Guarantee)**

Report and Financial Statements

Period Ended

31 August 2014

Company Registration Number:
08451787 (England and Wales)

Chester Diocesan Academies Trust

Report and financial statements for the period ended 31 August 2014

Contents

Page:

1	Reference and Administrative Details
2	Trustees' Report
7	Governance Statement
9	Statement on Regularity, Propriety and Compliance
10	Statement of Trustees' Responsibilities
11	Independent Auditor's Report on the Financial Statements
13	Independent Reporting Accountant's Report on Regularity
15	Statement of Financial Activities incorporating Income & Expenditure Account
17	Balance Sheet
18	Cash Flow Statement
19	Notes to the Financial Statements, incorporating:
	- Statement of Accounting Policies
	- Other Notes to the Financial Statements

Chester Diocesan Academies Trust

Trustees' Report for the period ended 31 August 2014

Members

The Ven Dr Michael Robert Gilbertson
The Rt Rev Gordon Keith Sinclair
Canon Jeffrey Turnbull (*on behalf of Chester Diocesan Board of Education*)

*All appointed on 19 March 2013
No resignations during the year*

Directors

The Ven Dr Michael Robert Gilbertson	<i>appointed 19/03/2013</i>
Mr Edward Owen	<i>appointed 19/03/2013</i>
Canon Elizabeth Renshaw MBE	<i>appointed 19/03/2013</i>
The Rt Rev Gordon Keith Sinclair	<i>appointed 19/03/2013</i>
Canon Jeffrey Turnbull	<i>appointed 20/05/2013</i>
Canon Prof Timothy J Wheeler DL	<i>appointed 19/03/2013</i>

Secretary and registered office

Mr Anthony Parker, Church House, 5500 Daresbury Park, Warrington, WA4 4GE

Chief Executive Officer

Canon Jeffrey Turnbull

Deputy Chief Executive Officer

Mrs Sue Noakes

Company registered number

08451787

Bankers

National Westminster Bank plc, P O Box 8, 33 Eastgate Street, Chester, CH1 1XA

Solicitors

Lee Bolton Monier-Williams, 1 The Sanctuary, Westminster, London, SW1P 3JT

Auditors

BDO LLP, 3 Hardman Street, Manchester, M3 3AT

Chester Diocesan Academies Trust

Trustees' Report for the period ended 31 August 2014

The directors present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 January 2014 to 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates one primary academy in Stockport. This academy has a pupil capacity of **250** and had a roll of 198 in the school census on 16 January 2014.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Chester Diocesan Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Chester Diocesan Academies Trust.

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

Members' Liability

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

Trustees' Indemnities

The trust through its articles has indemnified its trustees to the fullest extent permissible by law.

Method of Recruitment and Appointment or Election of Directors

Members of the Trust (all of whom are currently appointed by Chester Diocesan Board of Education) appoint a minimum of 5 Directors. The members may agree to appoint such additional members as they think fit and would do so by considering skills needed to ensure the Board could successfully fulfil its duties.

Policies and Procedures Adopted for the Induction and Training of Directors

All newly appointed directors receive a basic introduction to their membership by the chief executive officer. This includes the provision of all relevant papers and reports. All newly appointed directors are subject to the necessary Disclosure and Barring Service checks.

All governors are provided with information about training courses organised by the Diocesan Board of Education and other providers and are encouraged to attend appropriate courses.

Organisational Structure

The management structure consists of three levels: the directors, the local governing body and the senior leadership team of the school. There is a detailed scheme of delegation which demonstrates the responsibility for decision making within the trust. The directors are responsible for settling general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction, vision of the academy, capital expenditure and senior staff appointments. The local governing body makes school specific decisions and the senior leadership team control the academy at a day-to-day level, implementing the policies laid down by the directors and the agreed School Development Plan. The chief executive officer is the accounting officer of the trust.

Chester Diocesan Academies Trust

Trustees' Report for the period ended 31 August 2014 (*continued*)

Connected Organisations including Related Party Relationships

As members of the Trust are appointed by Chester Diocesan Board of Education (a company limited by guarantee registered in England (no. 85176) and a registered charity (no. 525790)), it has a close working relationship with that body.

Objectives and Activities

Objects and Aims

The Trust has been established for any Church of England school in the Diocese of Chester that either wishes to join or needs a sponsor.

At the heart of our educational aims and objectives is the provision of high quality education to peoples of all faiths and none within the context of an open Christian ethos. We see it as the right of every child in our church schools to receive a high quality educational experience, set within the ethos and context of a distinctively Christian establishment. Every child is loved by God and all should all be able to fulfil their potential to the maximum through receiving the very best education possible. We seek to provide outstanding and inclusive education within a distinctively Christian context.

Objectives, Strategies and Activities

The main objectives of the academy during the year to 31 August 2014 are summarised below:

- To support our leaders to be highly effectively in leading school improvements;
- To support our teachers and support staff to be outstanding practitioners – providing high quality teaching so that every child learns and makes progress;
- To provide a curriculum that is broad, rich and balanced; focussed on developing knowledge and skills and meets the needs of every child;
- To provide learning opportunities that are inclusive, engaging and stretch every child;
- To ensure all children make at least the expected level of progress – with many exceeding – and all achieving their full potential;
- To ensure children are listened to and their views taken into account;
- To work with parents to enable them to contribute to their children's learning;
- To work with other schools and the wider community to ensure that we maximise on the learning opportunities that they can provide for our children and staff
- To value and respect children from all faiths and beliefs – and take into account their beliefs when planning for their learning and the learning of others;

Public Benefit

The trust provides educational services to all children in the local area of the academy. The directors confirm that they have complied with their duty in section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charities Commission.

Strategic Report

Achievements and Performance

The academy has improved significantly. It has a better ethos. Teaching is improved, pupils' standards and progress are improving and staff are more positive about the future. Monitoring, assessment and accountability have all improved.

Going Concern

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

Chester Diocesan Academies Trust

Trustees' Report for the period ended 31 August 2014 (*continued*)

Key Performance Indicators

Key Stage 2

In the predecessor school, attainment at the end of Key Stage 2 was below average for the last five years and significantly so in three of them (2009, 2010, 2012). Attainment in 2013 was better, because of better teaching in Years 5 and 6. The trend towards improvement continued this year, although the year group was not as able as the previous Year 6, and 12 of the 18 pupils were eligible for the pupil premium. However, attainment in mathematics was above the 2014 national average (a first for the school) at Levels 4 and 5 and three pupils achieved a Level 6. Attainment in reading, writing and spelling, punctuation and grammar were below national average but represented respectable results for this cohort of pupils which, at the beginning of the year, was expected to fall below floor targets. Good teaching and an intensive programme of booster sessions explains the better outcomes.

The reading, writing and mathematics combined results showed 67% of pupils achieved Level 4+ against the floor target of 65%. The expected level of progress was achieved by 78% of pupils in reading school, 89% in writing and 89% in mathematics, national 89%. 33% of pupils achieved Level 5+ in reading, writing and mathematics which was substantially above the national average.

Early Years Foundation Stage and Key Stage 1

61% of pupils achieved a good level of development in Reception, which is around the national average. The lack of school readiness of some children arriving in Nursery is an issue.

There has been a significant increase in the proportion of pupils in Year 1 with good phonics knowledge, 72% (compared to 59% last year). This is attributable to whole staff CPD in the teaching of phonics and the implementation of a rigorous and structured system for teaching phonics.

Attainment at the end Key Stage 1 is below average, as it has been for the last five years.

To ensure that standards are raised, the trust, local governing body and the senior leadership team:

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning;
- Is scrutinised and supported by an educational adviser;
- Undertakes a rigorous review of attainment using RAISEonline and regular monitoring to measure the progress of pupils, paying particular regard to the achievement on entry and levels of progress secured with particular emphasis on pupil premium pupils.

Key financial performance indicators

	£'000
Incoming resources	959
Net income (outgoing)	105
Funds as at 31 August	40
Net current assets	40

Key non-financial performance indicators

Attendance	95.5%
Exclusions	One child was excluded on 4 occasions for extreme behaviour. He now attends a special school.

Chester Diocesan Academies Trust

Trustees' Report for the period ended 31 August 2014 (*continued*)

Financial Review

Most of the trust's income is obtained from the DfE/EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the statements of financial activities.

Reserves Policy

The trust currently has no unrestricted reserves. The directors have decided that any unrestricted reserves will be utilised in helping the trust's academy achieve its objectives.

Investment Policy

The academy's investment policy is consistent with its charitable status. Investments must always be made in accordance with written procedures adopted by the directors and must always ensure the maximum integrity of such investments. The priority is for the academy to have cash invested in liquid investments that bear minimal risk.

Principal Risks and Uncertainties

The financial instruments that the academy deals with are largely bank balances and trade creditors with limited trade and other debtors and therefore its financial risk is minimal. However it does have to carry the deficit on the local government defined benefit pension scheme on its balance sheet.

Falling pupil numbers are a principal risk for the trust. Pupil numbers and the impact on budget, planning and outcomes continue to be carefully monitored. The academy is seeking to advertise effectively and work with the local community to attract parents.

The budget monitoring process is ongoing throughout the year and known changes are addressed to reflect any future impact.

Plans for Future Periods

The main objectives of the academy for the academic year 2014/15 are summarised below:

- To improve the outcomes for all pupils;
- To raise the quality of teaching across the whole school;
- To develop an interesting and exciting curriculum so that children of all abilities have a positive experience at school, develop good attitudes to learning, achieve well, and leave the academy well prepared for secondary school;
- To monitor and support new and existing staff to ensure that behaviour management strategies are applied consistently across all year groups, so that all children respond quickly and willingly;
- To develop and implement a new assessment policy that is compatible with the new National Curriculum;
- To secure the confidence and trust of parents, including those who might find working with the school difficult, to achieve positive benefits for pupils;
- To develop the role of subject leader;
- To enhance the effectiveness of the local governing body;
- To further enhance the Christian ethos of the academy.

Insofar as each director at the date the directors' report is signed is aware there is no relevant audit information of which the charitable company's auditor is unaware; and the directors 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.

Chester Diocesan Academies Trust

Trustees' Report for the period ended 31 August 2014 (*continued*)

Auditors

The auditors, BDO LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

By order of the directors, the directors' report, incorporating the strategic report, has been approved by:



The Ven Dr M R Gilbertson
Director

Date: 16 December 2014

Chester Diocesan Academies Trust

Governance Statement for the period ended 31 August 2014

Scope of Responsibility

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

The board of directors has delegated the day to day responsibility to the chief executive as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Chester Diocesan Academies Trust and the Secretary of State for Education. He is also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of directors has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Director	Meetings attended	Out of a possible
The Ven Dr M R Gilbertson	4	4
Mr E Owen	1	4
Canon E Renshaw	3	4
The Rt Rev G K Sinclair (Chairman)	4	4
Canon J Turnbull (Chief Executive Officer)	4	4
Canon Prof T J Wheeler	2	4

The trust will undertake a review of governance in the next calendar year.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Chester Diocesan Academies Trust for the period 1 January 2014 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of directors has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 January 2014 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

Chester Diocesan Academies Trust

Governance Statement for the period ended 31 August 2014 (continued)

The Risk and Control Framework

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

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

The board of directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the directors have appointed BDO LLP, the external auditor, to perform additional checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the auditor reports to the board of directors on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

The auditors have delivered their schedule of work as planned and reported no material control issues.

Review of Effectiveness

As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

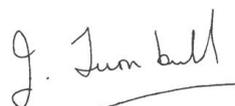
- the work of the external auditor;
- the work of the principal and school business manager within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on **[date]** and signed on its behalf by:



The Ven Dr M R Gilbertson
Director



Canon J Turnbull
Accounting Officer

Chester Diocesan Academies Trust

Statement on Regularity, Propriety and Compliance

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

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

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

A handwritten signature in black ink that reads "J. Turnbull". The signature is written in a cursive style and is underlined with a single horizontal line.

Canon Jeffrey Turnbull
Accounting Officer

Date: 16 December 2014

Chester Diocesan Academies Trust

Statement of Trustees' Responsibilities for the period ended 31 August 2014

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 16 December 2014 and signed on its behalf by:



The Ven Dr M R Gilbertson
Trustee

Chester Diocesan Academies Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHESTER DIOCESAN ACADEMIES TRUST

We have audited the financial statements of Chester Diocesan Academies Trust ("the Academy") for the year ended 31 August 2014 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 2013 to 2014 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 2013 to 2014. 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 Chester Diocesan Academies 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 2014 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 2013 to 2014 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.

Chester Diocesan Academies Trust

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHESTER DIOCESAN ACADEMIES TRUST

Matters on which we are required to report by exception

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

- adequate 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.



Brian Ricketts (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Liverpool
United Kingdom
Date 16 December 2014

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

Chester Diocesan Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Chester Diocesan Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 17 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 2014 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 accountant

The accounting officer is responsible, under the requirements of The Academy's funding agreement with the Secretary of State for Education dated 23 December 2013 and the Academies Financial Handbook, extant from 1 September 2013, 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 19 March 2013 to 31 August 2014 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 2013 to 2014 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 2013 to 2014.

Chester Diocesan Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to Chester Diocesan Academies Trust and the Education Funding Agency (*continued*)

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 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



BDO LLP
Chartered Accountants
Liverpool
United Kingdom
Date 19 December 2014

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

Chester Diocesan Academies Trust

Statement of financial activities for the period ended 31 August 2014

	Note	Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income	2	85	131	-	216
Inherited on conversion	2	-	-	41	41
Activities for generating funds	3	10	12	-	22
<i>Incoming resources from charitable activities:</i>					
Funding for the academy trust's educational operations	4	-	818	59	877
Total income resources		95	961	100	1,156
Resources expended					
<i>Cost of generating funds:</i>					
Cost of generating voluntary income		-	-	-	-
Inherited on conversion			73		73
<i>Charitable activities:</i>					
Academy trust educational operations	6	10	950	6	966
Governance costs	7	-	12	-	12
Total resources expended		10	1,035	6	1,051
Net incoming/(outgoing) resources before transfers		85	(74)	94	105
Gross transfers between funds	16	-	-	-	-
Net income/(expenditure) for the year		85	(74)	94	105

Chester Diocesan Academies Trust

Statement of financial activities for the period ended 31 August 2014 *(continued)*

		Un- restricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2014 £'000
	Note				
Net income/(expenditure) for the year (bfwd)		85	(74)	94	105
Other recognised gains and losses					
Actuarial (losses) gains on defined benefit pension schemes	23	-	(65)	-	(65)
Net movement in funds	16	85	(139)	94	40
Reconciliation of funds					
Total funds brought forward at 19 March 2013	16	-	-	-	-
Total funds carried forward at 31 August 2014	16	85	(139)	94	40

All of the academy's activities derive from continuing operations during the above financial period.

Chester Diocesan Academies Trust

Balance sheet
at 31 August 2014

<i>Company number: 08451787</i>	Note	2014 £'000	2014 £'000
Fixed assets			
Tangible assets	12		38
Current assets			
Stocks	13	1	
Debtors	14	56	
Cash at bank and in hand		167	
		224	
Liabilities			
Creditors: amounts falling due within one year	15	(78)	
Net current assets			146
Total assets less current liabilities			184
Pension scheme liability	23		(144)
Net assets including pension liability			40
Funds of the academy trust			
Restricted funds			
Fixed asset fund	16	91	
General fund	16	94	
Pension reserve	16	(144)	
Total restricted funds			41
Unrestricted income funds			
General fund	16	(1)	
Total unrestricted funds			(1)
Total funds	16		40

The financial statements on pages 15 to 39 were approved by the trustees, and authorised for issue on 16 December 2014 and are signed on their behalf by:

M. R. Gilbertson

The Ven Dr M R Gilbertson
Trustees

J. Turnbull

Canon J Turnbull

Chester Diocesan Academies Trust

Cash flow statement for the period ended 31 August 2014

	Note	2014 £'000
Net cash inflow from operating activities	19	114
Capital expenditure	20	53
		<hr/>
(Decrease)/increase in cash in the year	21	167
		<hr/>
Reconciliation of net cash flow to movement in net funds		
Net funds at 1 January 2014		-
		<hr/>
Net funds at 31 August 2014	17	167
		<hr/> <hr/>

Chester Diocesan Academies Trust

Notes forming part of the financial statements for the period ended 31 August 2014

1 Accounting policies

Basis of Preparation

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 issued by the EFA 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 trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming Resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

▪ Grants Receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. The General Annual Grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the statement of financial activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

▪ Sponsorship Income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

▪ 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.

▪ Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with academy trust's policies.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

1 Accounting policies (*continued*)

Resources Expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of Generating Funds**

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

- **Charitable Activities**

These are costs incurred on the academy trust's educational operations.

- **Governance Costs**

These included the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write-off the cost of each asset on a [straight-line/reducing balance] basis over its expected useful life, as follows:-

- Fixtures, fittings and equipment 10-20% straight line
- Computer equipment 33.3% straight line

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

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

Chester Diocesan Academies Trust

Notes forming part of the financial statements for the period ended 31 August 2014 (*continued*)

1 Accounting policies (*continued*)

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 2 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by Government Actuary on the basis of quin-quennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

1 Accounting policies (*continued*)

Fund Accounting

- **Unrestricted funds**

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

- **Restricted fixed asset funds**

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

- **Restricted general funds**

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

2 Voluntary income	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Inherited on conversion	-	41	41
Other donations	85	131	216
	85	172	257
3 Activities for Generating funds	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Other activities for raising funds	3	-	3
Sales of goods and services	2	12	14
Catering income	5	-	5
	10	12	22
4 Funding for the Academy Trust's Educational Operations	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
DfE/EFA revenue grants			
General Annual Grant (GAG)	-	591	591
Start up grants	-	120	120
Capital grants	-	56	56
Other DfE/EFA grants	-	52	52
	-	819	819

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

4 Funding for the Academy Trust's Educational Operations (continued)

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2014 £'000
Other Government grants			
Local authority grants	-	31	31
Other grants	-	27	27
	-	58	58
	-	877	877

5 Resources expended

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2014 £'000
Inherited on conversion	-	-	73	73
Academy's educational operations:				
Direct costs	376	4	160	540
Allocated support costs	96	225	105	426
	472	229	338	1,039
Governance costs including allocated support costs	-	-	12	12
	472	229	350	1,051

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

6 Charitable activities	Total 2014 £'000
Direct costs – educational operations	
Teach and educational support staff costs	376
Depreciation	4
Educational supplies	21
Staff development	5
Educational consultancy	83
Other direct costs	51
	<hr/> 540 <hr/>
Support costs – educational operations	
Support staff costs	96
Depreciation	2
Technology costs	7
Maintenance of premises and equipment	73
Cleaning	5
Rent and rates	133
Energy costs	12
Insurance	7
Catering	18
Other support costs	73
	<hr/> 426 <hr/>
Total direct and support costs	<hr/> 966 <hr/>
7 Governance costs	Total 2014 £'000
Auditors' remuneration:	
Audit of financial statements	9
Other audit costs	3
	<hr/> 12 <hr/>

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

8 Staff	2014
	£'000
a. Staff costs	
Staff costs during the period were:	
Wages and salaries	372
Social security costs	23
Pension costs	71
	<hr/> 466
Supply staff costs	-
Staff restructuring costs	6
	<hr/> 472
	<hr/>
b. Staff severance payments	
Included in staff restructuring costs are non-contractual severance payments totalling £5,750, payable whole to 1 individually.	
c. Staff average numbers	
The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:	
	2014
Charitable activities	No
Teachers	10
Administrations and support	20
Management	1
	<hr/> 31
	<hr/>
d. Highest paid staff	
There were no employees whose emoluments exceeded £60,000.	

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

9 Central Services

No central services were provided by the trust to its academies during the period and no central charges arose.

10 Related Party Transactions – directors remuneration and expenses

Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

Other related party transactions involving the trustees are set out in note 23.

11 Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £50,000 on any one claim and the cost for the period ended 31 August 2014 is included in the total insurance cost.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

12 Tangible fixed assets

	Furniture and equipment £'000	Computer equipment £'000	Total £'000
Cost			
At 1 January 2014	-	-	-
Inherited on conversion	23	18	41
Additions	3	-	3
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 August 2014	26	18	44
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 January 2014	-	-	-
Charged in year	2	4	6
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 August 2014	2	4	6
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Net book value</i>			
At 31 August 2014	24	14	38
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13 Stock

	2014 £'000
Clothing	1
	<hr/>
	1
	<hr/> <hr/>

14 Debtors

	2014 £'000
Trade debtors	-
VAT recoverable	32
Prepayments and accrued income	24
	<hr/>
	56
	<hr/> <hr/>

All amounts shown under debtors fall due for payment within one year.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

15 Creditors: amounts falling due within one year

	2014 £'000
Taxation and social security	11
Other creditors	5
Accruals and deferred income	62
	<hr/>
	78
	<hr/> <hr/>

	2014 £'000
Deferred income	
Deferred income at 1 January 2014	-
Resources deferred in the year	21
Amounts released from previous years	-
	<hr/>
Deferred income at 31 August 2014	21
	<hr/> <hr/>

At the balance sheet date the academy trust was holding funds received in advance for lettings booked for the autumn term 2014.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

16 Funds

	Balance at 1 January 2014 £'000	Incoming resources £'000	Resources expended £'000	Gains, losses and transfers £'000	Balance at 31 August 2014 £'000
Restricted general funds					
General Annual Grant (GAG)	-	591	(586)	-	5
Start up Grant	-	120	(120)	-	-
Other DfE/EFA grants	-	52	(52)	-	-
Other restricted	-	198	(198)	-	-
Pension reserve	-	-	(79)	(65)	(144)
	-	961	(1,035)	(65)	(139)
Restricted fixed asset funds					
DfE/EFA capital grants	-	59	(1)	-	58
Inherited on conversion	-	41	(5)	-	36
	-	100	(6)	-	94
Total restricted funds	-	1,061	(1,041)	-	(45)
Unrestricted funds					
Unrestricted funds	-	95	(10)	-	85
Total unrestricted funds	-	95	(10)	-	85
Total funds	-	1,156	(1,051)	-	40

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

Restricted general funds are to be applied to meet the day to day working commitments of the academy in meeting its objects. Under the funding agreement with the Secretary of State, the academy is not subject to a limit on the amount of GAG that it can carry forward at 31 August 2014.

The restricted fixed asset fund represents transfers on conversion and government grants received for the purchase of fixed assets less the depreciation costs of those assets.

The unrestricted fund represents resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

16 Funds (*continued*)

Analysis of academies by fund balance

Fund balances at 31 August 2014 were allocated as follows:

	2014 £'000
St Matthew's C of E Primary School	62
Central services	28
	90
Total before fixed assets and pension reserve	90
Restricted fixed asset fund	94
Pension reserve	(144)
	40
Total	40

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total £'000
St Matthew's C of E Primary School	376	84	21	564	1,045
	376	84	21	564	1,045
Academy Trust	376	84	21	564	1,045

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

17 Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	38	38
Current assets	85	83	56	224
Current liabilities	-	(78)	-	(78)
Pension scheme liability	-	(144)	-	(144)
	85	(139)	94	40
Total net assets	85	(139)	94	40

18 Reconciliation of net income to net cash inflow from operating activities

	2014 £'000
Net income	105
Depreciation	6
Transfer of assets on conversion	(41)
Capital grants from DfE and other capital income	(56)
FRS 17 pension cost on conversion	73
FRS 17 pension cost less contribution payable	6
(Increase)/decrease in stocks	(1)
(increase)/decrease in debtors	(56)
Increase/(decrease) in creditors	78
	114
	114

19 Capital expenditure and financial investment

	2014 £'000
Purchase of tangible fixed assets	(3)
Capital grants from DFE/EFA	56
	53
Net cash outflow from capital expenditure and financial investment	53

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

20 Analysis of changes in net debt

	At 1 January 2014 £'000	Cash flow £'000	At 31 August 2014 £'000
Cash in hand and at bank	-	167	167
	<hr/>	<hr/>	<hr/>
	-	167	167
	<hr/>	<hr/>	<hr/>

21 Member's 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

Chester Diocesan Academies Trust

Notes forming part of the financial statements for the period ended 31 August 2014 (*continued*)

22 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

22 Pension and similar obligations

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative's bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

22 Pension and similar obligations (*continued*)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2014 was £31,000, of which employer's contributions totalled £23,000 and employees' contributions totalled £8,000. The agreed contribution rates for future years are 16.7 per cent for employers and 3.5-7.5 per cent for employees.

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

Principal actuarial assumptions	At 31 August 2014
Rate of increase in salaries	3.8%
Rate of increase for pensions in payment/inflation	2.7%
Discount rate for scheme liabilities	3.7%
Commutation of pensions to lump sums	5.5%

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

	2014 £'000
<i>Retiring today</i>	
Males	21.4
Females	24.0
<i>Retiring in 20 years</i>	
Males	24.0
Females	26.6

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 *(continued)*

22 Pension and similar obligations *(continued)*

Local Government Pension Scheme *(continued)*

	Expected return at 31 August 2014 £'000	Fair value at 31 August 2014 £'000
Equities	6.3%	201
Bonds	3.2%	51
Property	4.5%	17
Cash	3.3%	14
		283
Total market value of assets		(427)
Present value of scheme liabilities Funded		
Surplus/(deficit) in the scheme		(144)

The actual return on scheme assets was £14,000.

	2014 £'000
Amounts recognised in the statement of financial activities	
Current service cost (net of employee contributions)	(29)
	(29)
Analysis of pension finance income/(costs)	
Expected return on pension scheme assets	10
Interest on pension liabilities	(10)
	-
Pension finance income/(costs)	-

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

22 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

The actuarial gains and losses for the current period are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £65,000 loss.

Movements in the present value of defined benefit obligations were as follows:	2014 £'000
Inherited on conversion	311
Current service cost	29
Interest cost	10
Employee contributions	8
Actuarial (gain)/loss	69
	<hr/>
At 31 August	427
	<hr/> <hr/>

Movements in the fair value of academy's share assets:	2014 £'000
Inherited on conversion	238
Expected return on assets	10
Actuarial (gain)/loss	4
Employer contributions	23
Employee contributions	8
	<hr/>
At 31 August	283
	<hr/> <hr/>

The estimated value of employer contributions for the year ended 31 August 2015 is £33,000.

Chester Diocesan Academies Trust

Notes forming part of the financial statements
for the period ended 31 August 2014 (*continued*)

22 Pension and similar obligations (*continued*)

Local Government Pension Scheme (*continued*)

The five-year history of experience adjustments is as follows:

(*Completed only for the years since the academy trust joined the pension scheme*)

	2014 £'000
Presented value of defined benefit obligations	(427)
Fair value of share of scheme assets	283
	<hr/>
Deficit in the scheme	(144)
	<hr/> <hr/>
Experience adjustments on share of scheme assets	
Amount £'000*	<u>4</u>
Experience adjustments on scheme liabilities	
Amount £'000*	<u>=</u>

23 Related party transactions

No related party transactions took place in the period of account.