

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

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CAMBRIDGE MERIDIAN ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS MEMBERS/TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Trustees and members

S Jamieson, Chair of trustees
J Hall
M Woods, Chief executive officer and accounting officer
M Fox (resigned 29 February 2016)
J Handy (resigned 1 December 2015)
D Ruddy
M Squires
A Hardy
L Birch
R Moore (appointed 5 October 2015)
N Grimston (appointed 3 October 2016)

Company registered number

07552498

Company name

Cambridge Meridian Academies Trust

Principal and registered office

Gibraltar Lane, Swavesey, Cambridgeshire, CB24 4RS

Chief executive officer

M Woods

Senior management team

M Woods, Chief executive officer
I McEwan, Chief operating officer
A Daly, Principal Swavesey Village College
S Howard, Principal Nene Park Academy
M Campbell, Principal North Cambridge Academy
J Dooley, Principal West Town Primary Academy
A Partington, Principal Stamford Welland Academy
S Wilson, Principal Sawtry Village Academy
R Spencer, Principal Ely College

Independent auditors

Larking Gowen, King Street House, 15 Upper King Street, Norwich, NR3 1RB

Bankers

Barclays Bank plc, Huntingdon, PE29 3AE

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS
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Advisers (continued)

Solicitors

Stone King LLP, Thirty Station Road, Cambridge, CB1 2RE

CAMBRIDGE MERIDIAN ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

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

The trust operated seven academies in the financial year, Swavesey Village College (SVC), Nene Park academy (NPA), North Cambridge academy (NCA), West Town Primary academy (WTPA), Stamford Welland academy (SWA), Sawtry Village academy (SVA) and Ely College (since 1st July 2016).

Structure, governance and management

a. CONSTITUTION

The trust and the group is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association (updated 17 March 2014) are the primary governing documents of the trust. The trustees of Cambridge Meridian Academies Trust (CMAT) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cambridge Meridian Academies Trust.

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

b. 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.

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the trust has purchased insurance to protect trustees, councillors and officers from claims arising from negligent acts, errors or omissions occurring while on trust business.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The number of trustees shall be not less than three but not subject to any maximum. The company shall have the following trustees:

- (a) The chief executive officer of Cambridge Meridian Academies Trust
- (b) Up to eight community trustees
- (c) Up to five education trustees, and
- (d) A minimum of two parent trustees if appointed pursuant to Articles 53 and 55, unless there are academy councils or advisory bodies which include at least two parent members.

The trustees may appoint up to two co opted trustees.

In certain circumstances the Secretary of State for Education has the power to appoint trustees.

The members may elect:

- the community trustees. The community trustees shall be drawn from the communities served by the academies.
- the education trustees. The education trustees shall have a background in education.
- the community trustees and the education trustees through such process as they may determine.

The total number of trustees (including the chief executive officer) who are employees of the trust shall not exceed one third of the total number of trustees.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new trustees will depend on their existing experience; an induction pack is given to all trustees. During the year, the trust has subscribed to the Governing Bodies Training Programme provided by the local authority; the National Governors Association and the Specialist Schools Academies Trust (SSAT). All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role as trustees. As there are normally only two or three new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

f. ORGANISATIONAL STRUCTURE

A clear management structure exists to effectively manage the trust. The structure now consists of four levels, the trustees, the academy councils, the trust executive and the academy senior leadership teams (SLT). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trust is responsible for strategic direction and planning, approving the academies budgets, monitoring individual academy performance and making major decisions about the direction of the trust. The academy councils are responsible for setting individual school policy, approving the school development plan and staff appointments.

The trust executive team consists of the chief executive officer, chief operating officer, trust finance director, accountants, site manager, HR Manager and IT director.

The senior leadership teams comprise of the principal, deputy principals and assistant principals. These managers control each academy at an executive level implementing the policies laid down by the trust. As a group, the senior leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

Key management personnel include trustees and those staff to whom the trustees have delegated significant authority and responsibility in the day-to-day running of the trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the trust size, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the trust's appointment and pay policies.

All amendments to key management's pay and remuneration are approved by the appropriate sub-committee and ratified by the trustees.

Objectives and Activities

a. OBJECTS AND AIMS

The trust's object is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum.

To promote for the benefit of the inhabitants of the areas in which the academies are located and the surrounding areas the provision of facilities for recreation or other leisure occupation of individuals who have need of such facilities by reason of their youth, age infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

It is the belief of the trust that the individual needs of every student should lie at the heart of any education system.

The trust equips, enables and encourages the students to achieve their very best. The trust wants them to be successful learners, confident individuals and responsible citizens.

The trust aims to accomplish this by keeping every single one of the young people at the very core of the trust's work.

As part of the CMAT family, the academies pool expertise and resources, think more strategically and work more confidently and imaginatively; providing collectively a higher quality education than could be achieved individually.

The hard endeavour and outstanding dedication of the staff has been vital to what has been achieved. The students and their families have been hugely supportive of the changes.

The trust is exceptionally proud of the achievements so far, but it is also looking to the future. There are exciting opportunities for the trust at Northstowe and Darwin Green and the trustees are confident that further opportunities will come that enhance the capacity and expertise of the trust's family of schools.

In the end though, what matters most is the quality of the education the students receive. The trustees are proud that the trust has built an environment which enables the students to learn well, to be receptive to the excellent teaching provided and, most of all, to flourish.

The trust is particularly proud of the following:

- 1) All secondary academies recorded a positive first Progress 8 figure, with 3 out of 5 existing academies being "above average".
- 2) CMAT academies have continued to take a leading role in key organisations such as Whole Education, the SSAT and in supporting many Local Authority (LA) projects to further school improvement in the areas we serve.
- 3) Ely College successfully joining the trust and immediately both benefitting from but also contributing to our work.
- 4) New primary progress measures at West Town Primary Academy further demonstrated the speed of development at the academy.
- 5) Sawtry Village Academy was taken out of special measures as a result of the work of the academy leaders and the trust.
- 6) The value for money provided by the skilful management of the rebuild of North Cambridge Academy.
- 7) Nene Park Academy being full with students from the community it serves who selected this school as their first choice for secondary education for the first time since the trust took over the academy.
- 8) The promotion of the new Darwin Green Academy in North-West Cambridge being awarded to the trust, and the decision of Sawtry Junior School to become the 8th CMAT academy.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

CMAT and SVC maintained an excellent track record in providing support for Local Authorities and schools often through Teaching Schools Alliance initiatives. The Cambridge Partnership was also responsible for successfully training over 90 teachers. The trust's ability to deliver high quality leadership training was further enhanced during the year as the Leadership East team joined the trust. The introduction of the excellent community learning facilities at Ely College, allied with the already outstanding work at North Cambridge and Swavesey Village College and the developing confidence of Sawtry Village Academy demonstrate our continued commitment to ensuring all of the community we serve have access to our academies.

d. PUBLIC BENEFIT

The charitable company's aims are set out in this report. The trustees have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Achievements and performance

a. GOING CONCERN

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

b. KEY FINANCIAL PERFORMANCE INDICATORS

The board of trustees continues to use both financial and non financial key performance indicators to manage the trust. The trust maintains a strong management information function which is focused on regular and accurate reporting including the issue of timely financial information to the trust inclusive of a financial commentary. Financial KPIs are measured continuously and the trust was successful in delivering its financial surplus in the year.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. FINANCIAL REVIEW

Most of the trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. These grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The trust has also been in receipt of capital grants from the EFA through the bid process for Capital Maintenance Fund. In accordance with the Charities SORP 2015 such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2016, total expenditure of £32,108,000 was more than covered by recurrent grant funding from the EFA together with other income. The excess of income over expenditure for the year (excluding pension funds, assets and liabilities transferred on schools joining the trust and restricted fixed asset funds movements) was £528,000.

At 31 August 2016, the net book value of fixed assets was £86,953,000 and movements in tangible fixed assets are shown in the note 16 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the trust.

d. FUNDRAISING ACTIVITIES/INCOME GENERATION

Most academies within the trust generate additional income through lettings outside operational hours. In addition to this the subsidiary trading company (CMAT Education Services Limited) began trading, the primary income was from selling IT support services to schools outside the trust.

e. INVESTMENT POLICY AND PERFORMANCE

During this year, the trust has held all its funds in an interest bearing current account.

Financial review

a. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The trust's main source of income is funding from the EFA that is paid monthly to the academies throughout the year. Given this and the planned reserves at each academy the trust board do not consider they have a cash flow or liquidity risk.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The trust board has considered and agreed an ongoing risk register. The trust board considers the principal risks and uncertainties are regarding changes in funding levels, the inherited declining rolls at Sawtry and Stamford and the actions of Cambridgeshire LA with regard to places planning in the north of Cambridge. All academies aim to maximise the recruitment and retention of students and the trust board seeks to ensure maximum funding is received.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

c. RESERVES POLICY

The trustees will review the reserve levels of the trust in accordance with the trust reserves policy. This review encompasses the nature of income and expenditure streams, the need to match income commitment and the nature of reserves.

Trustees determine what the level of uncommitted reserves should be. The aim is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

At 31 August 2016 the trust had revenue reserves, excluding invested in property and the pension deficit, of £2,687,000 (split between restricted & unrestricted).

The pension reserve is in deficit due to the trust's share of the Local Government Pension Scheme (LGPS) liabilities exceeding its share of the assets.

Plans for future periods

a. FUTURE DEVELOPMENTS

The trust is keen to explore and develop partnership models, including inviting good or outstanding schools to share in its family of schools, to work with the trust to share best practice and increase the individual and collective school improvement capacity.

FUNDS HELD AS CUSTODIAN

During 2014-15 and until December 2015, the trust, through SVC, acted as banker school for East and South Cambridgeshire Improvement Partnership (ESCIP) which represents 13 schools in the locality. Funding for provision of Education Other Than at School (EOTAS) is devolved by the local authority to this group to deliver this provision, the annual sum devolved was £1.2m.

Funds were held in a control account within the trust's accounting software and reported on at the regular ESCIP meetings and an annual statement was agreed by the committee, these transactions and balances were included as part of the external audit each year.

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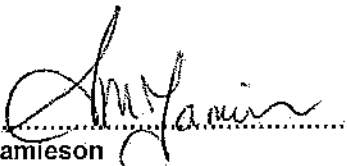
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are trustees at the time when this trustees' report is approved has confirmed that:

- so far as that trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- each trustee has taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

This report was approved by order of the trust board as the company directors, on 5 December 2016 and signed on its behalf by:



S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Cambridge Meridian 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 trust board has delegated the day-to-day responsibility to the chief executive officer, 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 Cambridge Meridian Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the trust board 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 trustees' responsibilities statement. The trust board has formally met 4 times during the year. Attendance during the year at meetings of the trust board was as follows:

Trustee	Meetings attended	Out of a possible
S Jamieson, chair of trustees	4	4
J Hall	4	4
M Woods, chief executive officer and accounting officer	4	4
M Fox (resigned 29/02/16)	2	2
J Handy (resigned 01/12/15)	2	2
D Ruddy	3	4
M Squires	3	4
A Hardy	3	4
L Birch	3	4
R Moore	4	4
N Grimston (appointed 03/10/16)	0	0

The finance committee is a sub-committee of the main trust board. Its purpose is to monitor and review the financial performance of the trust, including budget setting and monitoring.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
A Hardy	5	5
D Ruddy	5	5
M Woods	4	5
G Brighty	2	5
M Dixon	4	5
P Whitbread	0	1
M Bedlow	2	3
S Wojtowicz	2	3

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GOVERNANCE STATEMENT (continued)

The audit committee is also a sub committee of the main trust board. Its purpose is to review the effectiveness of the internal controls systems and internal audit function, to review with the external auditors the findings of their work and to respond to, and advise on, other issues within the trust that have wider implications than solely financial consequences. The audit committee will therefore review the risks to internal financial control at the trust and agree an annual programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors. This committee was dissolved in January 2016 and was subsumed into the finance committee.

Attendance at meetings in the year was as follows:

	Meetings attended	Out of a possible
M Fox	1	1
J Handy	1	1
M Bedlow	1	1

REVIEW OF VALUE FOR MONEY

As accounting officer, the chief executive officer has responsibility for ensuring that the trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

The trust is accountable for the way in which resources are allocated to meet the objectives set out in the development plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the academies achievements and services.

What is Best Value

Trustees will apply the four principles of best value:

- Challenge: Why, how and by whom a service is provided
- Compare: academy performance against available data.
- Consult: With service users, the local community etc.
- Competition: Wherever practicable, to secure efficient and effective services

The Trustees' Approach

The trustees and academy managers apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of individual academies
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

The trustees and the academy managers:

- make comparisons with other/similar academies using available data, e.g. RAISE online, quality of teaching and learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost
- require suppliers to compete on grounds of cost and quality/suitability of services/products
- consult individuals and organisations on quality/suitability of service we provide to parents, pupils, and services we receive from providers

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GOVERNANCE STATEMENT (continued)

This will apply in particular to:

- **staffing** – deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management with a clear focus on individual student achievement.
- **use of premises** – consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources and opportunities to generate income from the premises assets.
- **use of resources** – deploy equipment, materials and services to provide pupils and staff with resources which support high quality teaching and learning.
- **quality of teaching** – review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has raised expectations of children's achievement.
- **quality of learning** – review the quality of pupil's learning by setting and tracking pupil achievement targets.
- **purchasing** – have clear procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.
- **pupil's welfare** – review the quality of the academy environment and the academy ethos, in order to provide a supportive environment conducive to learning and recreation.
- **health and safety** – review the quality of the academy environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

These areas are monitored for best value by:

1. Departmental reviews by the principal & senior leadership team
2. Target setting meetings between principal, senior leadership team and head of departments
3. Annual performance management
4. Annual budget planning
5. Feedback from internal auditor and audit reports
6. Analysis of individual academy pupil performance data
7. Benchmarking across the trust and with comparable schools locally
8. Analysis of DfE pupil performance data
9. Key issues for action identified by OFSTED
10. Trustee committee meetings
11. Trustee annual staff salary review

The trust has engaged with other educational providers over the last year to share delivery and good practice – these include Cambridge & Peterborough Academies Group and Cambridge Primary Education Trust.

As a multi academy trust CMAT provides the following shared services across the trust:

- ICT
- HR
- Finance
- Premises
- Audit
- Educational Support Services

The trust is committed to maximising the income from the resources at its disposal and is currently reviewing the level of income derived from lettings and associated activities.

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GOVERNANCE STATEMENT (continued)

Review and control

Budget reports are produced on a monthly basis, additional leadership resource has been recruited to further develop the provision of timely, accurate and strategic reports as the trust continues to grow.

Funding in Cambridgeshire is amongst the lowest in the country and spare resources are scarce, however trustees are keen to establish an acceptable level of reserves.

The trust has a risk register which is reviewed to ensure there is a clear focus on the most relevant and appropriate strategic financial risks.

The trust has an internal audit function which produces regular reports for the finance committee and this is supported by the external auditors work.

The main challenges for the coming year are managing the anticipated growth of the trust, continuing to integrate new staff into the core trust service teams, particularly in the finance function, ensuring all pupils achieve, standardisation of systems and procedures across the trust, further refining our schemes of delegation, encouraging good or outstanding academies/schools to join the trust and re-establishing a working relationship and trust with Cambridgeshire County Council.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Cambridge Meridian Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

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GOVERNANCE STATEMENT (continued)

THE RISK AND CONTROL FRAMEWORK

The 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 trust board;
- 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.

The trust board has considered the need for a specific internal audit function and has appointed Dr Claire Hagger as internal auditor, who is independent of the day to day finance team, to carry out a programme of internal checks. The internal auditor reports on a quarterly basis to the board of trustees through the finance committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

- month end procedures.
- income from trading activities.
- business cards
- payroll
- reimbursements
- minibuses

The internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the appointee's work and, if relevant, described what remedial action is being taken to rectify the issues.

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GOVERNANCE STATEMENT (continued)

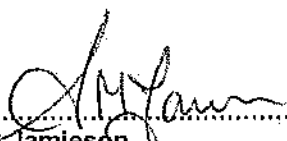
REVIEW OF EFFECTIVENESS

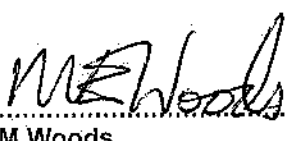
As accounting officer, the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal audit team;
- the work of the external auditors;
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the trust board on 5 December 2016 and signed on their behalf, by:


.....
S Jamieson
Chair of Trustees


.....
M Woods
accounting officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Cambridge Meridian 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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


.....

M Woods
accounting officer

Date: 5 December 2016

CAMBRIDGE MERIDIAN ACADEMIES TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the trustees' report (including the strategic 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 trust board on 5 December 2016 and signed on its behalf by:


S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGE MERIDIAN ACADEMIES TRUST**

We have audited the financial statements of Cambridge Meridian Academies Trust for the year ended 31 August 2016 which comprise the group Statement of Financial Activities, the group and academy Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the trust for the purposes of company law) are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 trust's affairs as at 31 August 2016 which comprise and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

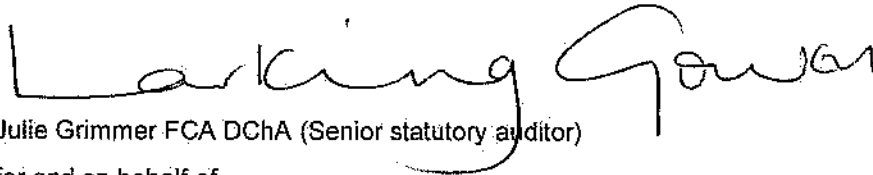
CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGE MERIDIAN 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:

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



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

Norwich

Date:

16 December 2016

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE
MERIDIAN ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cambridge Meridian Academies Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF CAMBRIDGE MERIDIAN ACADEMIES TRUST'S ACCOUNTING
OFFICER AND THE REPORTING AUDITORS**

The accounting officer is responsible, under the requirements of Cambridge Meridian Academies Trust's funding agreement with the Secretary of State for Education dated 30 March 2011, and the Academies Financial Handbook extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE
MERIDIAN ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

APPROACH (continued)

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the trust's process for checking its financial systems, controls, transactions and risks.

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen

Chartered Accountants
Statutory Auditors

Norwich

Date:

16 December 2016

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Note					
INCOME FROM:					
Donations and capital grants	3	-	(1,155)	59,790	20,149
Charitable activities	6	2,308	27,906	-	23,950
Other trading activities	4	494	-	494	332
Investments	5	14	-	14	25
TOTAL INCOME		2,816	26,751	59,790	44,456
EXPENDITURE ON:					
Charitable activities		2,463	27,786	1,859	24,719
TOTAL EXPENDITURE	7	2,463	27,786	1,859	24,719
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between funds	23	353	(1,035)	57,931	19,737
		350	(856)	506	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		703	(1,891)	58,437	19,737
Actuarial losses on defined benefit pension schemes	29	-	(4,488)	-	(177)
NET MOVEMENT IN FUNDS		703	(6,379)	58,437	19,560
RECONCILIATION OF FUNDS:					
Total funds brought forward		2,024	(4,050)	29,253	27,227
TOTAL FUNDS CARRIED FORWARD		2,727	(10,429)	87,690	79,988

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07552498

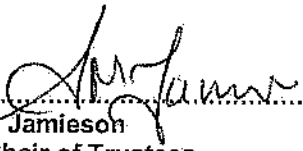
CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	2015 £000
FIXED ASSETS				
Tangible assets	16	86,953		28,715
Investment property	17	350		350
			<u>87,303</u>	<u>29,065</u>
Total tangible assets			<u>87,303</u>	<u>29,065</u>
CURRENT ASSETS				
Stock	19	73		70
Debtors	20	2,462		1,993
Cash at bank and in hand		4,283		3,887
			<u>6,818</u>	<u>5,950</u>
CREDITORS: Amounts falling due within one year	21	(3,349)		(3,184)
NET CURRENT ASSETS			<u>3,469</u>	<u>2,766</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>90,772</u>	<u>31,831</u>
CREDITORS: Amounts falling due after more than one year	22	(45)		(69)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>90,727</u>	<u>31,762</u>
Defined benefit pension scheme liability	29	(10,739)		(4,535)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>79,988</u>	<u>27,227</u>
FUNDS OF THE TRUST				
Restricted funds:				
Restricted income funds	23	310		485
Restricted fixed asset funds	23	87,690		29,253
			<u>88,000</u>	<u>29,738</u>
Restricted funds excluding pension liability				
Pension reserve		(10,739)		(4,535)
			<u>77,261</u>	<u>25,203</u>
Total restricted funds			<u>77,261</u>	<u>25,203</u>
Unrestricted income funds	23		2,727	2,024
TOTAL FUNDS			<u>79,988</u>	<u>27,227</u>

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:


.....
S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07552498

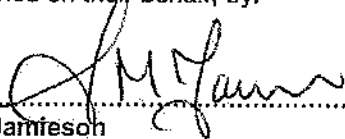
TRUST BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£000	2016 £000	£000	2015 £000
FIXED ASSETS					
Tangible assets	16	86,953		28,715	
Investment property	17	350		350	
Total tangible assets			87,303		29,065
Investments	18		-		-
			87,303		29,065
CURRENT ASSETS					
Stock	19	73		70	
Debtors	20	2,473		1,993	
Cash at bank and in hand		4,271		3,887	
		6,817		5,950	
CREDITORS: Amounts falling due within one year	21	(3,348)		(3,184)	
NET CURRENT ASSETS			3,469		2,766
TOTAL ASSETS LESS CURRENT LIABILITIES			90,772		31,831
CREDITORS: Amounts falling due after more than one year	22		(45)		(69)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			90,727		31,762
Defined benefit pension scheme liability	29		(10,739)		(4,535)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			79,988		27,227
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income funds	23	310		485	
Restricted fixed asset funds	23	87,690		29,253	
Restricted funds excluding pension asset		88,000		29,738	
Pension reserve		(10,739)		(4,535)	
Total restricted funds			77,261		25,203
Unrestricted income funds	23		2,727		2,024
TOTAL FUNDS			79,988		27,227

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2016

The financial statements were approved by the trustees, and authorised for issue, on 5 December 2016 and are signed on their behalf, by:


.....
S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net cash provided by operating activities	25	172	1,167
Cash flows from investing activities			
Dividends, interest and rents from investments		14	14
Purchase of tangible fixed assets		(2,118)	(4,472)
Capital grants from DfE/EFA		2,352	4,240
Cash transferred on schools joining the trust		-	481
Net cash provided by investing activities		248	263
Cash flows from financing activities			
Repayments of borrowings		(24)	-
Cash inflows from new borrowing		-	79
Net cash (used in)/provided by financing activities		(24)	79
Change in cash and cash equivalents in the year		396	1,509
Cash and cash equivalents brought forward		3,887	2,378
Cash and cash equivalents carried forward	26	4,283	3,887

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Cambridge Meridian Academies Trust constitutes a public benefit entity as defined by FRS 102.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the trust alone as permitted by section 408 of the Companies Act 2006.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 36.

1.2 Fund accounting

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

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.5 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 trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.6 Basis of consolidation

The financial statements consolidate the accounts of Cambridge Meridian Academies Trust and all of its subsidiary undertakings ('subsidiaries').

The trust has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the trust was £57,249,000 (2015 - £19,737,000).

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

The land and buildings of Nene Park Academy were occupied under a short term license and not recognised in the financial statements. The buildings on conversion at Nene Park Academy have been rebuilt and during the period the trust entered into a 125 year lease for the site. To reflect the future 'right of use' the buildings have now been recognised in the financial statements at their fair value with a corresponding amount recognised in donations.

North Cambridge Academy joined the trust in September 2013. The freehold title to the North Cambridge Academy site was transferred to the trust as part of the conversion for £nil consideration. The North Cambridge Academy buildings were in poor condition and the school was to be rebuilt under the Priority Schools Building Programme. In view of this, the value of the old buildings was judged to be negligible. It was not considered practical to value the underlying land in isolation within the financial statements and no value was reflected in the financial statements at conversion. The rebuild was completed in the current year and the school moved into the new premises in February 2016. The new property has been recognised in these financial statements at its fair value with a corresponding amount recognised in donations.

The land and buildings of West Town Primary Academy are occupied under a short term license. New school buildings are being built for West Town Primary Academy, and once complete, the trust will enter into a 125 year lease for the buildings with the Local Authority. While the trust only has the right to occupy the land and buildings on a short term license, no tangible fixed asset value is recognised in the financial statements in relation to land and buildings. Additionally, the trust has not placed any short term valuation on licences to occupy because any valuation of these rights is considered impractical.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	25 to 100 years straight line
Long term leasehold property	-	20 to 50 years straight line
Long term leasehold land	-	125 years straight line
Motor vehicles	-	5 or 8 years straight line
Fixtures and fittings	-	3 to 10 years straight line
Computer equipment	-	1 or 3 years straight line

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 Investments in subsidiaries

Investments in subsidiaries are valued at cost less provision for impairment. There is no readily available market value and cost of valuation exceeds the benefit derived.

1.9 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.10 Stock

Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Interest receivable

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

1.12 Taxation

The trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the 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.

1.13 Debtors

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

1.14 Cash at Bank and in hand

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Liabilities and provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.16 Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.17 Pensions

Retirement benefits to employees of the 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 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.18 Schools joining the trust

Upon Ely College joining the trust the identifiable assets and liabilities and the operation of the school transferred to the trust for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in donations in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 27.

1.19 Agency arrangements

The trust acts as an agent distributing initial teacher training funds. Funding received from National College for Teaching and Leadership and subsequent distributions are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

1.20 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State some academies within the trust were subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2016.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Net assets gifted to trust	-	(1,155)	57,414	56,259	15,920
Other grants	-	-	-	-	47
Government grants	-	-	2,376	2,376	4,182
Total donations and capital grants	-	(1,155)	59,790	58,635	20,149

In 2015, of the total income from donations and capital grants, £ NIL was to unrestricted funds and £20,149,000 was to restricted funds.

Included in 'Net assets gifted to trust' is £37,502,000 in respect of the recognition of the Nene Park Academy and North Cambridge Academy buildings (see accounting policy note 1.7) and £18,757,000 in respect of the net assets gifted to the trust when Ely College joined on 1 July 2016 (see note 27).

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Hire of facilities	142	-	142	109
Rental income	22	-	22	11
Other income from activities	97	-	97	3
Sports centre income	233	-	233	209
Total	494	-	494	332

In 2015, of the total income from other trading activities, £332,000 was to unrestricted funds and £ NIL was to restricted funds.

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5. INVESTMENT INCOME

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	<i>Total funds 2015 £000</i>
Investment income	14	-	14	14
Pension income	-	-	-	11
	<u>14</u>	<u>-</u>	<u>14</u>	<u>25</u>

In 2015, of the total investment income, £14,000 was to unrestricted funds and £11,000 was to restricted funds.

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6. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
DfE/EFA grants				
General Annual Grant (GAG)	-	22,675	22,675	17,291
Start-up and conversion grants	-	954	954	636
Other DfE / EFA revenue grants	-	1,710	1,710	2,024
Graduate training programme	-	649	649	367
Pupil premium	-	1,046	1,046	1,042
	-	27,034	27,034	21,360
Other government grants				
SEN funding	-	590	590	534
EOTAS funding	-	265	265	89
	-	855	855	623
Other funding				
Catering income	249	-	249	138
Contributions towards school trips	450	-	450	201
Contributions towards clubs and educational activities	511	-	511	383
Other incoming resources	1,098	17	1,115	1,245
	2,308	17	2,325	1,967
	2,308	27,906	30,214	23,950

In 2015, of the total income from charitable activities, £1,970,000 was to unrestricted funds and £21,980,000 was to restricted.

7. EXPENDITURE ON EDUCATIONAL OPERATIONS

	Staff costs 2016 £000	Premises 2016 £000	Other costs 2016 £000	Total 2016 £000	Total 2015 £000
Activities:					
Direct costs	18,699	394	5,506	24,599	18,930
Support costs	4,713	1,573	1,223	7,509	5,789
	23,412	1,967	6,729	32,108	24,719

In 2015, of the total expenditure on educational activities £1,508,000 was to unrestricted funds and £23,211,000 was to restricted.

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8. SUPPORT COSTS

	Total 2016 £000	Total 2015 £000
Recruitment and support	147	124
Maintenance and equipment	842	453
Cleaning	82	57
Rent and rates	138	99
Energy	488	414
Water and sewerage	95	87
Insurance	276	269
Catering	420	307
Other support costs	124	449
Legal and professional fees	184	64
Wages and salaries	4,713	3,466
	7,509	5,789

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets: - owned by the charitable group	1,293	607
Operating lease rentals	102	21
	1,395	628

10. AUDITORS' REMUNERATION

	2016 £000	2015 £000
Fees payable to the trust's auditor and its associates for the audit of the trust's annual accounts	20	16
Fees payable to the trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the trust	2	-
All taxation advisory services not included above	1	1
All assurance services not included above	2	2
All other non-audit services not included above	2	1
	27	19

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

11. STAFF COSTS

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	22,495	17,377
Operating costs of defined benefit pension schemes	374	378
	<u>22,869</u>	<u>17,755</u>
Supply staff costs	493	490
Staff restructuring costs	50	101
	<u>23,412</u>	<u>18,346</u>

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

	2016 No.	2015 No.
Teachers	420	316
Administration and support	238	206
Management	48	40
	<u>706</u>	<u>562</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	4	5
In the band £80,001 - £90,000	2	1
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	1	1

All the above employees participated in the Teachers' Pension Scheme or Local Government Pension Scheme.

Included in staff costs are restructuring costs of non-statutory/non-contractual severance payments totalling £49,708 (2015: £101,189). This includes the following individual amounts: £11,408, £10,200, £9,000, £9,000, £9,000, £1,000 and £100.

Key management personnel of the trust comprise the trustees, the principals of each of the academies and other senior trust staff. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £996,000 (2015: £776,000).

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Wages and salaries breakdown

	2016 £000	2015 £000
Wages and salaries	18,101	14,219
Social security costs	1,412	1,016
Pension costs	2,982	2,141
Total	22,495	17,376

12. CENTRAL SERVICES

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

- Cost of leadership teams including principals
- information technology support and licenses
- Finance
- HR services
- Governance

The trust charges for these services based on use by the individual academies.

In 2015-16 the decision was taken to move certain additional costs into the central charge (e.g. IT support and licenses) which has enabled the trust to take advantage of economies of scale thus reducing the costs incurred by the trust overall.

The actual amounts charged during the year were as follows:

	2016 £000	2015 £000
Swavesey Village College	572	323
Nene Park Academy	580	323
North Cambridge Academy	300	187
West Town Primary Academy	179	138
Sawtry Village Academy	534	45
Stamford Welland Academy	268	167
Ely College	33	-
Total	2,466	1,183

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13. TRUSTEES' REMUNERATION AND EXPENSES

The chief executive officer has been paid remuneration or has received other benefits from an employment with the trust. The remuneration is only respect of services they provide undertaking the role of chief executive officer under their contract of employment, and not in respect of their role as trustee. The value of trustees' remuneration and other benefits was as follows:

	2016	2015
	£000	£000
M Woods (chief executive officer)		
Remuneration	105-110	100-105
Pension contributions paid	15-20	10-15

During the year, no trustees received any reimbursement of expenses (2015 - £NIL).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring while on trust business.

15. OTHER FINANCE INCOME

	2016	2015
	£000	£000
Interest income on pension scheme assets	395	483
Interest expense on pension scheme liabilities	(582)	(472)
	(187)	11

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**NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS

Group & Trust	Freehold property £000	Long term Leasehold Property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost						
At 1 September 2015	21,998	7,612	4	337	808	30,759
Additions	37,418	21,702	12	165	234	59,531
At 31 August 2016	<u>59,416</u>	<u>29,314</u>	<u>16</u>	<u>502</u>	<u>1,042</u>	<u>90,290</u>
Depreciation						
At 1 September 2015	956	201	4	125	758	2,044
Charge for the year	581	562	-	42	108	1,293
At 31 August 2016	<u>1,537</u>	<u>763</u>	<u>4</u>	<u>167</u>	<u>866</u>	<u>3,337</u>
Net book value						
At 31 August 2016	<u>57,879</u>	<u>28,551</u>	<u>12</u>	<u>335</u>	<u>176</u>	<u>86,953</u>
At 31 August 2015	<u>21,042</u>	<u>7,411</u>	<u>-</u>	<u>212</u>	<u>50</u>	<u>28,715</u>

Included in freehold property is freehold land of £12,085,000 (2015 - £3,605,000) and assets under the course of construction of £349,000 (2015 - £780,000) which are not depreciated.

The acquisition of freehold land includes £19,690,000 donated to the trust upon Ely College joining, £15,799,000 in respect of the recognition of the North Cambridge Academy buildings and a further £1,929,000 on building works and improvements at academies within the trust.

17. INVESTMENT PROPERTY

Group & Trust	Freehold investment property £000
Valuation	
At 1 September 2015 and 31 August 2016	<u>350</u>

The 2016 valuations were made by the trustees after taking professional advice, on an open market value for existing use basis.

The property is situated at North Cambridge Academy and was transferred to the trust as part of the school's conversion in a previous year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

18. FIXED ASSET INVESTMENTS

The trust holds the entire share capital of CMAT Education Services Limited. The cost of the shares at 1 September 2015 and 31 August 2016 is £1.

19. STOCKS

	Group		Trust	
	2016	2015	2016	2015
	£000	£000	£000	£000
Clothing/uniform	73	70	73	70
	=====	=====	=====	=====

20. DEBTORS

	Group		Trust	
	2016	2015	2016	2015
	£000	£000	£000	£000
Trade debtors	402	643	391	643
Other debtors	147	202	147	202
Prepayments and accrued income	1,913	1,148	1,935	1,148
	=====	=====	=====	=====
	2,462	1,993	2,473	1,993
	=====	=====	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

21. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Trust</u>	
	2016 £000	2015 £000	2016 £000	2015 £000
Other loans	10	10	10	10
Trade creditors	139	1,110	139	1,110
Other taxation and social security	493	357	493	357
Other creditors	638	336	638	336
Accruals and deferred income	2,069	1,371	2,068	1,371
	<u>3,349</u>	<u>3,184</u>	<u>3,348</u>	<u>3,184</u>

	<u>Group</u>		<u>Trust</u>	
	2016 £000	2015 £'000	2016 £'000	2015 £'000
Deferred income				
Deferred income at 1 September 2015	523	220	523	220
Resources deferred during the year	682	523	682	523
Amounts released from previous years	(523)	(220)	(523)	(220)
Deferred income at 31 August 2016	<u>682</u>	<u>523</u>	<u>682</u>	<u>523</u>

At the balance sheet date the trust was holding funds received in advance of the 2016/2017 financial year in respect of grants received, rates and student deposits.

22. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Trust</u>	
	2016 £000	2015 £000	2016 £000	2015 £000
Other loans	45	69	45	69

Included in other loans is a 0% interest salix loan. The loan is repayable evenly over eight years by instalments paid every six months. The instalments commenced in March 2015.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

23. STATEMENT OF FUNDS

	Brought Forward £000	Income £000	Expenditur e £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
Unrestricted funds						
General funds	2,024	2,816	(2,463)	-	-	2,377
Investment property fund	-	-	-	350	-	350
	<u>2,024</u>	<u>2,816</u>	<u>(2,463)</u>	<u>350</u>	<u>-</u>	<u>2,727</u>
Restricted funds						
General Annual Grant (GAG)	-	22,675	(22,094)	(581)	-	-
Start-up grants	20	954	(707)	-	-	267
Pupil premium	-	1,046	(1,046)	-	-	-
Other DfE/EFA revenue grants	-	2,582	(2,582)	-	-	-
Graduate training programme	115	649	(721)	-	-	43
Funds transferred on joining the trust	350	-	-	(350)	-	-
Pension reserve	(4,535)	(1,155)	(636)	75	(4,488)	(10,739)
	<u>(4,050)</u>	<u>26,751</u>	<u>(27,786)</u>	<u>(856)</u>	<u>(4,488)</u>	<u>(10,429)</u>
Restricted fixed asset funds						
Fixed asset fund	28,714	57,414	(1,293)	2,118	-	86,953
DfE/EFA capital fund	492	1,806	(519)	(1,444)	-	335
Other capital grants	47	570	(47)	(168)	-	402
	<u>29,253</u>	<u>59,790</u>	<u>(1,859)</u>	<u>506</u>	<u>-</u>	<u>87,690</u>
Total restricted funds	<u>25,203</u>	<u>86,541</u>	<u>(29,645)</u>	<u>(350)</u>	<u>(4,488)</u>	<u>77,261</u>
Total of funds	<u>27,227</u>	<u>89,357</u>	<u>(32,108)</u>	<u>-</u>	<u>(4,488)</u>	<u>79,988</u>

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

Unrestricted reserves relate to unrestricted income to be used to support the trust's objectives and educational services.

The restricted general funds relate to the trust's development and operational activities.

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23. STATEMENT OF FUNDS (continued)

The restricted pension reserve represents the LGPS obligation to the employees of the trust.

The restricted fixed asset fund represents the tangible fixed assets of the trust. The DfE/EFA capital fund and other capital grants represent unspent capital funds at the 31 August 2016.

The transfers from the DfE/EFA capital fund and GAG to the fixed asset fund represents the acquisition of tangible fixed assets. The £350,000 transfer to the unrestricted investment property fund follows a review of the restrictions on the use of the property.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
Swavesey Village College	236	350
Nene Park Academy	1,026	961
West Town Primary Academy	262	232
North Cambridge Academy	(49)	(37)
Sawtry Village Academy	217	86
Stamford Welland Academy	196	421
Ely College	70	-
The Cambridge Partnership	43	115
Cambridge Meridian Academies Trust	686	31
Cambridge Meridian Academies Trust Investment property	350	350
Total before fixed asset fund and pension reserve	3,037	2,509
Restricted fixed asset fund	87,690	29,253
Pension reserve	(10,739)	(4,535)
Total	79,988	27,227

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £'000
North Cambridge Academy	(49)

CMAT took over this failing school which had results in the bottom ten of all schools in England at only 20% of pupils leaving with A* to C grades. We have invested in improving pupil outcomes and have already seen a three-fold increase in results.

The trust is taking the following action to return the academy to surplus:

During Spring 2016 the school moved into a new building which will be more efficient and this will enable us to recover this investment during the next few years.

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23. STATEMENT OF FUNDS (continued)

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 2016 £000	Total 2015 £000
Swavesey Village College	4,393	820	332	1,462	7,007	6,253
Nene Park Academy	4,002	745	299	929	5,975	5,567
West Town Primary Academy	1,070	113	38	164	1,385	1,383
North Cambridge Academy	1,708	411	207	759	3,085	3,218
Sawtry Village Academy	3,948	786	237	1,278	6,249	2,863
Stamford Welland Academy	1,592	325	161	446	2,524	2,640
Ely College	730	217	21	170	1,138	-
The Cambridge Partnership	124	295	197	121	737	367
Cambridge Meridian Academies Trust	1,132	1,001	118	464	2,715	1,821
	<u>18,699</u>	<u>4,713</u>	<u>1,610</u>	<u>5,793</u>	<u>30,815</u>	<u>24,112</u>

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000	Total funds 2015 £000
Tangible fixed assets	-	-	86,952	86,952	28,714
Investment property	350	-	-	350	350
Current assets	5,715	310	793	6,818	5,950
Creditors due within one year	(3,338)	-	(10)	(3,348)	(3,183)
Creditors due in more than one year	-	-	(45)	(45)	(69)
Provisions for liabilities and charges	-	(10,739)	-	(10,739)	(4,535)
	<u>2,727</u>	<u>(10,429)</u>	<u>87,690</u>	<u>79,988</u>	<u>27,227</u>

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25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£000	£000
Net income for the year (as per statement of financial activities)	57,249	19,737
Adjustment for:		
Depreciation charges	1,293	607
Dividends, interest and rents from investments	(14)	(14)
Increase in stocks	(3)	(20)
Increase in debtors	(468)	(1,261)
Increase in creditors	165	2,016
Capital grants from DfE and other capital income	(2,352)	(4,240)
Defined benefit pension scheme obligation inherited	1,155	798
Defined benefit pension scheme cost less contributions payable	374	378
Defined benefit pension scheme finance cost	187	(11)
Fair value of gifted tangible fixed assets	(57,414)	(16,342)
Cash transferred on schools joining the trust	-	(481)
Net cash provided by operating activities	172	1,167

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£000	£000
Cash in hand	4,283	3,887
Total	4,283	3,887

27. ELY COLLEGE JOINING THE TRUST

On 1 July 2016 Ely College joined the trust and all the operations and assets and liabilities were transferred to Cambridge Meridian Academies Trust from CfBT Schools Trust for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. 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 a net gain in the statement of financial activities as donations.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

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**NOTES TO THE FINANCIAL STATEMENTS
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27. ELY COLLEGE JOINING THE TRUST (continued)

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold land and buildings	-	-	19,690	19,690
- Other tangible fixed assets	-	-	222	222
LGPS pension surplus/(deficit)	-	(1,155)	-	(1,155)
Net assets/(liabilities)	-	(1,155)	19,912	18,757

The above net assets include £nil cash.

28. CAPITAL COMMITMENTS

At 31 August 2016 the trust had capital commitments as follows:

	2016 £000	2015 £000
Contracted for but not provided in these financial statements	-	1,403

The prior year amount is in respect of an extension and refurbishment project at Swavesey Village College. The works were funded by capital grants and a salix loan.

29. PENSION COMMITMENTS

The trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council and Lincolnshire County Council. Both are defined benefit pension schemes.

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

Contributions amounting to £437,000 were payable to the schemes at 31 August 2016 (2015 - 325,000) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

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29. PENSION COMMITMENTS (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,959,000 (2015 - £1,266,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £1,300,000 (2015 - £1,122,000), of which employer's contributions totalled £1,023,000 (2015 - £875,000) and employees' contributions totalled £277,000 (2015 - £247,000). The agreed contribution rates for future years are 23.0% for employers and a tiered % 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.

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29. PENSION COMMITMENTS (continued)

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

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.5	22.5
Females	24.5	24.5
Retiring in 20 years		
Males	24.4	24.4
Females	26.9	26.9

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	12,176	6,879
Debt instruments	2,379	1,352
Property	1,202	817
Cash	414	221
Total market value of assets	<u>16,171</u>	<u>9,269</u>

The actual return on scheme assets was £2,201,000 (2015 - £135,000).

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

	2016 £000	2015 £000
Current service cost (net of employee contributions)	(1,397)	(1,253)
Net interest cost	(187)	11
Total	<u>(1,584)</u>	<u>(1,242)</u>

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29. PENSION COMMITMENTS (continued)

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

	2016 £000	2015 £000
Opening defined benefit obligation	13,804	7,988
Current service cost	1,397	1,253
Interest cost	582	472
Contributions by employees	277	247
Actuarial losses/(gains)	6,294	(171)
Liabilities assumed in a business combination	4,626	4,077
Benefits paid	(70)	(62)
	<u>26,910</u>	<u>13,804</u>

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

	2016 £000	2015 £000
Opening fair value of scheme assets	9,269	4,795
Interest income	395	483
Actuarial gains and (losses)	1,806	(348)
Contributions by employer	1,023	875
Contributions by employees	277	247
Assets acquired in a business combination	3,471	3,279
Benefits paid	(70)	(62)
	<u>16,171</u>	<u>9,269</u>

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30. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2016	2015
	£000	£000
Group		
Amounts payable:		
Within 1 year	111	102
Between 1 and 5 years	135	58
Total	<u>246</u>	<u>160</u>

At 31 August 2016 the trust had annual commitments under non-cancellable operating leases as follows:

Trust		
Amounts payable:		
Within 1 year	111	102
Between 1 and 5 years	135	58
Total	<u>246</u>	<u>160</u>

31. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

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

32. POST BALANCE SHEET EVENTS

On 1 November 2016 Sawtry Junior School joined the trust.

33. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
CMAT Education Services Limited	UK	100	Lettings and IT services

34. MEMBERS' LIABILITY

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

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35. AGENCY ARRANGEMENTS

The trust distributes initial teacher training funds as an agent. In the accounting period ending 31 August 2016 the trust received £410,000 and distributed £410,000. £nil is included in creditors relating to undistributed funds.

36. FIRST TIME ADOPTION OF FRS 102

It is the first year that the trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.