

Mid-Trent Multi Academy Trust

Trustees report and financial statements

For the Year Ended 31 August 2017

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

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Mid-Trent Multi Academy Trust
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Reference and administrative details
For the Year Ended 31 August 2017

Members

S P Butt
D W Clay
J Mayne
Church of England Central Education Trust

Trustees

J E Alexander, Accounting Officer¹
M D Blundy¹
N J Clay
M E Evans, Chairman
P A Haywood
J Hodgkiss (resigned 17 October 2017)¹
A Mulligan
V Starkie

¹ Finance Committee member

Company registered number

09878928

Company name

Mid-Trent Multi Academy Trust

Principal and registered office

c/o Colwich Primary School, Main Road, Stafford, Staffordshire, ST17 0XD

Senior management team

JE Alexander, Head teacher - St Peter's Cof E Primary School
NJ Clay, Head teacher - Colwich Cof E Primary School
PA Haywood, Head teacher - St Andrew's Cof E Primary School
A Nield, Finance and support manager

Independent auditors

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

Mid-Trent Multi Academy Trust
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Trustees' report
For the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Mid-Trent Multi Academy Trust operates three primary academies covering the ages of 4 – 11 serving the areas of Colwich, Weston and Hixon near Stafford. Its academies had a roll of 470 in the school census on October 2016.

Structure, governance and management

Constitution

The Mid-Trent Multi Academy Trust was incorporated on 18 November 2015 and began operating on 1 February 2016.

The academies within the trust are:-

- Colwich Church of England Primary School
- St Andrew's Church of England Primary School
- St Peter's Church of England Primary School

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

The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust.

The Trustees of Mid-Trent Multi Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Mid-Trent Multi Academy Trust.

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

Members' liability

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

Trustees' indemnities

The Mid-Trent Multi Academy Trust has taken out insurance with a third party and part of this insurance relates to Trustees and Governors cover providing a £2,000,000 limit of indemnity.

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Trustees' report (continued)
For the Year Ended 31 August 2017

Method of recruitment and appointment or election of Trustees

Trustees are appointed or elected under the terms set out in the articles of association which provide for:-

- The number of Trustees should not be less than three
- The Members can appoint up to nine trustees
- At least two trustees can be appointed by CECET but cannot exceed 25% of the total number of Trustees
- Staff Trustees shall not be more than one third of the total number of trustees
- Staff Trustees are chosen by holding a secret ballot of all employees under contract to supply services at a relevant academy.
- A minimum of two parent trustees unless provision is made for them to be included on the Local Governing Bodies, to be eligible they must be a parent at the time of election or appointment.
- The Trustees with the consent of Diocesan Board of Education may appoint up to two co-opted trustees.

Members and Trustees will take into account the skill set of the existing Trustees when recruiting to the Board and Local Governors.

Policies and procedures adopted for the induction and training of Trustees

The training and Induction of trustees will be tailored to meet their needs and experience. All trustees will be provided with the relevant documentation required for their role. Any training that is required will be provided based on their role and position.

Organisational structure

The organisational structure consists of the following levels:-

- Board of Trustees
- MAT Finance Committee
- Local Governing Bodies and sub Committees
- Executive Committee
- Non-Executive Committee
- School Leadership Teams

The Board of Trustees are responsible for the strategic direction, governance and vision of the multi academy trust. The board will establish an overall framework for a school to work within covering membership, terms of reference for committees and procedures for a Local Governing Body. The Board approves the budgets for each school and approves the final accounts.

The Trust Finance Committee is responsible for the financial controls and procedures across all schools. The committee also performs the role of the audit committee.

Each school within the trust has a Local Governing Body (LGB) which is responsible for the local management of their school. Each LGB will manage their school adhering to the policies and procedures approved by the trustees. The trustees monitor the activities of the schools by minutes of meetings, reports from the LGB Chairs and Headteachers.

The finance policy and scheme of delegation approved by the Board of Trustees clearly sets out the relevant authorisation and limits for financial activities.

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Trustees' report (continued)
For the Year Ended 31 August 2017

Organisational structure (continued)

Each school has a head teacher who is responsible for the day to day management of their respective school. Each school has its own development plan and budget.

The Head teachers and Business Manager form the Executive Committee and form the Senior Leadership Team of the Multi Academy Trust, providing collaboration and consistency on common arrangements.

The head teacher of St Peters CofE Primary School is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

There is a MAT wide pay policy approved by the Board of Trustees. At present each Local Governing Body would set the pay for the key management staff following a performance review and within the approved policy.

Related parties and other Connected Charities and Organisations

Owing to the nature of the academy's operations and the compositions of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. During the year related party transactions took place with AM Education Ltd – a company in which A Mulligan (a trustee of the Trust) has a majority interest.

Objectives and Activities

Objects and aims

The aim of Mid-Trent Multi Academy Trust is to provide excellent education in a safe learning environment whilst operating in a strong Christian ethos.

MID-TRENT MAT VISION:

"Our vision is always to put the children first. We offer education of the highest quality, underpinned by Christian values, from beginning to end. We are a family of schools which pool together our expertise, resources and joy for learning to give all our children an education fitting them to be members of the wider community, preparing them for the opportunities, responsibilities and experiences that lie ahead."

Objectives, strategies and activities

The objectives of the trust were:

- To devise and implement policies and procedures across the trust
- To promote teamwork across the trust and its constituent schools.
- To develop its procedures and reporting structure with Local Governing Bodies
- To assess how working together can bring better efficiency and effectiveness across its constituent schools
- To implement and embed its financial systems across the trust and share best practice.

Public benefit

The trustees are satisfied that they have complied with their duty in regard to the guidance on public benefit published by the Charity Commission. The Board of Trustees aims are to advance education for the public benefit.

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Trustees' report (continued)
For the Year Ended 31 August 2017

Strategic report

Achievements and performance

A core infrastructure of the management team enables the trust to operate effectively, giving the platform to consolidate best practice and review the changes required now we are a multi academy trust.

The trust has purchased a new budget modelling system across the schools and are able to analyse the data to ensure the financial resources are well managed and look forward to planning future year's budgets.

The trust has performed well at Early Years, KS1 and KS2, here are the SAT results for 2016/17:-

Colwich CE Primary School

KS1 End Year 2 No of pupils:28	Working below	Working towards standard	Working at standard	Working at greater depth
Reading	No of pupils & %	No of pupils & % 2/7.1%	No of pupils & % 10/35.7%	No of pupils & % 16/57.1%
Writing	No of pupils & %	No of pupils & % 6/21.4%	No of pupils & % 10/35.7%	No of pupils & % 12/42.9%
Mathematics	No of pupils & %	No of pupils & % 5/17.9%	No of pupils & % 11/39.3%	No of pupils & % 12/42.9%
GPS	No of pupils & %	No of pupils & %	No of pupils & %	No of pupils & %

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Trustees' report (continued)
For the Year Ended 31 August 2017

KS2	N	Working below (80-99)	Working at standard (100- 109)	Working at greater depth (110-114)	Working at greater depth (115-120)
End Year 6					
No of pupils:22				No & %	No & %
Reading	No of pupils & %	No of pupils & %	No of pupils & % 10/45.5%	No of pupils & % 5/22.7%	No of pupils & % 7/31.8%
Writing	No of pupils & %	No of pupils & %	No of pupils & %	No of pupils & %	No of pupils & %
Mathematics	No of pupils & %	No of pupils & %	No of pupils & % 11/50.0%	No of pupils & % 7/31.8%	No of pupils & % 4/18.2%
GPS	No of pupils & %	No of pupils & %	No of pupils & % 10/45.5%	No of pupils & % 4/18.2%	No of pupils & % 8/36.4%

2017 PHONICS YEAR 1	No of pupils & %	19/21	90%
PHONICS YEAR 2	No of pupils & %	2/4	50%
EYFS GLD	No of pupils & %	20/24	83.3%

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Trustees' report (continued)
For the Year Ended 31 August 2017

St Andrew's CE Primary School

KS1	Working below	Working towards standard	Working at standard	Working at greater depth
End Year 2				
No of pupils: 19				
1 pupil: 5.3%				
Reading	No of pupils & % 1 (5.3%)	No of pupils & % 3 (15.8%)	No of pupils & % 8 (42.1%)	No of pupils & % 7 (36.8%)
Writing	No of pupils & % 1 (5.3%)	No of pupils & % 2 (10.5%)	No of pupils & % 12 (63.2%)	No of pupils & % 4 (21.1%)
Mathematics	No of pupils & % 1 (5.3%)	No of pupils & % 4 (21.1%)	No of pupils & % 11 (57.9%)	No of pupils & % 3 (15.8%)
EGPS	No of pupils & %	No of pupils & %	No of pupils & %	No of pupils & %

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Trustees' report (continued)
For the Year Ended 31 August 2017

KS2	Working below	Working towards standard	Working at standard	Working at greater depth
End Year 6				
No of pupils: 24				
1 pupil: 4.2%				
Reading	No of pupils & % -	No of pupils & % 6/25.0	No of pupils & % 14/58.3	No of pupils & % 4/16.7
Writing	No of pupils & % -	No of pupils & % 4/16.7	No of pupils & % 10/45.8	No of pupils & % 9/37.5
Mathematics	No of pupils & % 1/4.2	No of pupils & % 3/12.5	No of pupils & % 11/45.8	No of pupils & % 9/37.5
EGPS	No of pupils & % 1/4.2	No of pupils & % 4/16.7	No of pupils & % 10/41.7	No of pupils & % 9/37.5

2017 PHONICS YEAR 1	No of pupils & % 21/24 87.5%
PHONICS YEAR 2	No of pupils & % 5/6 83%
EYFS GLD	No of pupils & % 23/28 82.1%

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Trustees' report (continued)
For the Year Ended 31 August 2017

St Peter's CE Primary School

KS1	Working below	Working towards standard	Working at standard	Working at greater depth
End Year 2				
No of pupils: 18				
1 pupil: 5.6%				
Reading	No of pupils & %	No of pupils & % 3/16.7	No of pupils & % 9/50	No of pupils & % 6/33.3
Writing	No of pupils & %	No of pupils & % 2/11.2	No of pupils & % 12/66.6	No of pupils & % 4/22.2
Mathematics	No of pupils & %	No of pupils & % 3/16.7	No of pupils & % 9/50	No of pupils & % 6/33.3
EGPS	No of pupils & %	No of pupils & % 2/11.2	No of pupils & % 11/61.6	No of pupils & % 5/28

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Trustees' report (continued)
For the Year Ended 31 August 2017

KS2	Working below	Working towards standard	Working at standard	Working at greater depth
End Year 6				
No of pupils: 17				
1pupil: 5.9%				
Reading	No of pupils & %	No of pupils & % 1/5.9	No of pupils & % 10/59	No of pupils & % 6/35.4
Writing	No of pupils & %	No of pupils & % 2/11.8	No of pupils & % 10/59	No of pupils & % 5/29.5
Mathematics	No of pupils & %	No of pupils & %	No of pupils & % 8/47.2	No of pupils & % 9/53.1
EGPS	No of pupils & %	No of pupils & % 3/17.7	No of pupils & % 6/35.4	No of pupils & % 8/47.2

2017 PHONICS YEAR 1	No of pupils & % 10/11 90.9%
PHONICS YEAR 2	No of pupils & % 2/2 100%
EYFS GLD	No of pupils & % 12/14 85.7%

Key performance indicators

The trustees are in the process of identifying key performance indicators for the trust, which will include financial indicators and also analysis of other areas such as education and pupil data, employees as well as any Ofsted inspection outcomes or other outside indicators required.

The board will ensure these key performance indicators are in place at its earliest opportunity and reviewed on a regular basis.

Going concern

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

Mid-Trent Multi Academy Trust
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Trustees' report (continued)
For the Year Ended 31 August 2017

Financial review

Review of financial performance

The trust's key source of income is the General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA). Funding from the ESFA is shown as restricted funds in the statement of financial Activities. During the period, the Trust received grants from the ESFA totalling £1,944,190. The analysis of the specific grants and income received can be seen within notes 2 to 5 to the financial statements.

During the year to 31 August 2017, total resources expended are £2,206,261 excluding depreciation. Depreciation of £26,205 has been charged during the year against the restricted fixed asset fund.

The excess of expenditure over income for the period (excluding the movement in the pension reserve and restricted fixed asset fund) was £28,974.

At 31 August 2017, the net book value of tangible fixed assets totalled £465,817 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the academy.

Reserves policy

The governors will review the reserve levels annually. The review will encompass the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors will determine an appropriate level of free reserves to provide sufficient working capital to cover delays between spending and receipt of grants and provide a cushion to deal with any unexpected emergencies.

The academy has current reserves of £309,878 (excluding the pension reserve and restricted fixed asset fund).

The academy also has restricted fixed asset reserves of £480,796 and a pension deficit of £740,000.

Investment policy

The Trust have not secured any investment opportunities.

The Trust is in the process of writing a policy on the investments which will be approved by the MAT Board. The policy will be to maximise the returns on investments but ensuring that risk is kept to a minimum.

Principal risks and uncertainties

The Trust holds a Risk Register together with a Risk Management Strategy and a Risk Management Policy that focus on how the Trust will manage risk and highlight the key risks and uncertainties that it faces, focussing on those that could affect the performance, future prospects or reputation of the trust and ensuring its continued viability.

The key risk presently is the level of funding weighed against the increasing costs of operating its academies.

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Trustees' report (continued)
For the Year Ended 31 August 2017

Plans for future periods

After only one full year for the multi academy trust the Trustees will be focussing their attentions on providing solid foundations for the future, by:-

- Reviewing the long term aim of the Trust
- Continuing to devise and implement a robust governance structure, ensuring this is embedded across the trust. This is being informed by a review from an independent consultant.
- Reviewing its educational standards across the constituent schools and identify potential areas for improvement
- Further enhancing and promoting teamwork and collaboration across the constituent schools within the Trust
- Reviewing its assets and identify any amounts that need committing
- Analysing its systems and strengthening them where necessary
- Considering other schools joining the Mid-Trent MAT

Funds held as custodian

There were no funds held as custodian Trustee on behalf of others.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2017 and signed on its behalf by:



M E Evans
Chair of Trustees

Mid-Trent Multi Academy Trust
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Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Head Teacher of St Peters Church of England Primary School, 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 Mid-Trent Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of a possible
J E Alexander, Accounting Officer	4	4
M D Blundy	4	4
N J Clay	4	4
M E Evans, Chairman	4	4
P A Hayward	4	4
J Hodgkiss	3	4
A Mulligan	3	4
V Starkie	4	4

The Mid-Trent Multi Academy Trust has only been operating for 18 months and has reviewed their governance and has taken the following actions:-

- It has recognised it needs strong support and has recruited its own Clerk to the Trustees, this position will commence on 1 September 2017.
- The trust board has decided to have an independent review of its governance but due to external factors beyond its control, the review will now commence in the autumn term of 2017/18.

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Governance Statement (continued)

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

- undertake the role and duties of the audit committee
- review the Annual Budget and to make recommendations to the Board
- review the Academy's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
- consider all relevant reports by the Finance and Support Manager or the appointed external auditor, including reports on the Trust's accounts, achievement of value for money and the response to any management letters;
- review the effectiveness of the Trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- review any report from the Finance and Support Manager in relation to the operation of the Trust's Buildings and Grounds;
- review new and existing policies relating to the employment and conditions of staff at the Trust and make recommendations to the MAT Board;
- review and monitor the Health and Safety policy statement in order to safeguard the health and wellbeing of students, employees and visitors to the Trust, and to make recommendations to the MAT Board;
- review the operation of the Trust's code of practice for Governor members and code of conduct for staff;

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Hodgkiss	3	3
M D Blundy	3	3
J E Alexander, Accounting Officer	3	3

The audit committee duties are conducted by the finance committee.

Review of Value for Money

As Accounting Officer, the Head Teacher of St Peters CofE Primary School has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Completing a tendering process for Insurance
- Reviewing and changing the Absence Insurance provider
- Changing the FR102 pension report to be provided for the MAT

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Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mid-Trent Multi Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees appointed J Hodgkiss, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing range of checks on the academy trust's financial systems.

Although a programme of detailed internal checks was not carried out during the year, J Hodgkiss has provided appropriate scrutiny to the financial controls and procedures during the year through the interrogation of financial reports, budgets and policies. The board are satisfied that an appropriate level of monitoring and review has taken place during the year, but will ensure that operational controls and processes are periodically tested at a detailed level in future. These checks will include:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The reviewer reported 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.

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Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the Head Teacher of St Peters CofE Primary School has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

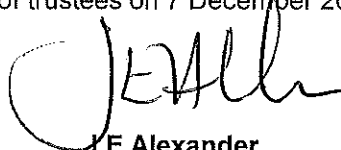
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer will be advised of the implications of the result of their review 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 board of trustees on 7 December 2017 and signed on their behalf, by:



M E Evans
Chair of Trustees



J E Alexander
Accounting Officer

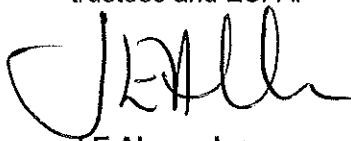
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Mid-Trent Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA 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 2016.

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 2016.

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



J E Alexander
Accounting Officer

7 December 2017

Mid-Trent Multi Academy Trust
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Statement of Trustees' responsibilities
For the Year Ended 31 August 2017

The Trustees (who act as governors of Mid-Trent Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 7 December 2017 and signed on its behalf by:



M E Evans
Chair of Trustees

Mid-Trent Multi Academy Trust
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Independent auditors' report on the financial statements to the members of Mid-Trent Multi Academy Trust

Opinion

We have audited the financial statements of Mid-Trent Multi Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Mid-Trent Multi Academy Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of Mid-Trent Multi Academy Trust

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Simon Hawkins (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Stoke on Trent
ST1 5RQ
7 December 2017

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to Mid-Trent Multi Academy Trust
and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 7 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Mid-Trent Multi Academy Trust during the year 1 September 2016 to 31 August 2017 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 Mid-Trent Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Mid-Trent Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Mid-Trent Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Mid-Trent Multi Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Mid-Trent Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 January 2016, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to Mid-Trent Multi Academy Trust
and the Education and Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Dains LLP

Dains LLP

Statutory Auditor
Chartered Accountants

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

Date: *7.12.17*

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds for 7 months 2016 £
Income from:						
Donations & capital grants:						
Transfer from the local authority on conversion	2	-	-	-	-	123,217
Other donations and capital grants	2	20,853	-	27,489	48,342	25,000
Charitable activities:	3					
Funding for the academy trust's educational operations		-	2,070,192	-	2,070,192	1,241,460
Other trading activities	4	86,004	-	-	86,004	56,403
Investments	5	238	-	-	238	113
Total income		107,095	2,070,192	27,489	2,204,776	1,446,193
Expenditure on:						
Raising funds		52,738	-	-	52,738	42,613
Other charitable activities		(4,936)	2,158,459	26,205	2,179,728	1,205,216
Total expenditure	6	47,802	2,158,459	26,205	2,232,466	1,247,829
Net income / (expenditure) before other recognised gains and losses		59,293	(88,267)	1,284	(27,690)	198,364
Actuarial gains/(losses) on defined benefit pension schemes	21	-	47,000	-	47,000	(167,000)
Net movement in funds		59,293	(41,267)	1,284	19,310	31,364
Reconciliation of funds:						
Total funds brought forward		166,120	(614,268)	479,512	31,364	-
Total funds carried forward		225,413	(655,535)	480,796	50,674	31,364

The notes on pages 27 to 51 form part of these financial statements.

Mid-Trent Multi Academy Trust
(A company limited by guarantee)
Registered number: 09878928

Balance sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		465,817		472,950
Current assets					
Debtors	15	75,920		69,893	
Cash at bank and in hand		409,833		414,100	
		<u>485,753</u>		<u>483,993</u>	
Creditors: amounts falling due within one year	16	(160,896)		(218,579)	
Net current assets			<u>324,857</u>		<u>265,414</u>
Total assets less current liabilities			<u>790,674</u>		<u>738,364</u>
Defined benefit pension scheme liability	21		(740,000)		(707,000)
Net assets including pension scheme liabilities			<u><u>50,674</u></u>		<u><u>31,364</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	84,465		92,732	
Restricted fixed asset funds	17	480,796		479,512	
Restricted income funds excluding pension liability		<u>565,261</u>		<u>572,244</u>	
Pension reserve		(740,000)		(707,000)	
Total restricted income funds			<u>(174,739)</u>		<u>(134,756)</u>
Unrestricted income funds	17		<u>225,413</u>		<u>166,120</u>
Total funds			<u><u>50,674</u></u>		<u><u>31,364</u></u>

The financial statements on pages 24 to 51 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:



M E Evans
Chair of Trustees

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Statement of cash flows
For the Year Ended 31 August 2017

		year ended 31 August 2017 £	<i>period ended</i> <i>31 August</i> <i>2016</i> <i>£</i>
	Note		
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(12,922)	240,583
Cash flows from investing activities:			
Dividends, interest and rents from investments		238	113
Purchase of tangible fixed assets		(19,072)	(19,181)
Capital grants from DfE/ESFA		27,489	10,048
Capital funding received from sponsors and others		-	10,000
Net cash provided by investing activities		8,655	980
Cash flows from financing activities:			
Cash transferred from local authority		-	172,537
Net cash provided by financing activities		-	172,537
Change in cash and cash equivalents in the year		(4,267)	414,100
Cash and cash equivalents brought forward		414,100	-
Cash and cash equivalents carried forward	20	409,833	414,100

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mid-Trent Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Income

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

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

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

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

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

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

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold property	-	125 years straight line
Property improvements	-	15 years straight line
Fixtures and fittings	-	4 - 10 years straight line
Computer equipment	-	3 - 5 years straight line

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

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

The academy trust company occupies:

- (a) land provided to it by the local authority under a 125-year lease
- (b) land provided to it by site trustees under a mere licence (also referred to as a Church Supplemental Agreement) which contains a two year notice period

In respect of;

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

1.6 Interest receivable

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

1.7 Operating leases

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

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

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

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.11 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 Department for Education.

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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.

Local Government Pension Scheme

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 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

Leasehold land

The long term leasehold land within the accounts relates to the academy premises which were donated to the academy upon conversion on a 125 year lease from Staffordshire County Council. The leasehold land was valued using the ESFA valuation. These are being depreciated in accordance with the depreciation policies set out in note 1. No annual charge is made for the use of the land under the terms of the lease, based on management not being able to reliably measure the open market rate.

The land and building provided to the Academy by the Lichfield Diocesan Board of Education are not reflected in the accounts. Having considered the fact that the academy occupies the land and such buildings as may or may not be or may come to be erected on it by a mere licence that transfers to the academy no rights or control over the site save that of occupying it at the will of the site trustees under the terms of the relevant site trust, the trustees have concluded that the value of the land and the buildings occupied by the academy trust company will not be recognised on the balance sheet of the company.

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	<i>Total funds for 7 months 2016 £</i>
Transfer from the local authority on conversion	-	-	-	-	123,217
Donations	20,853	-	-	20,853	4,952
Capital grants	-	-	27,489	27,489	10,048
Other capital grants	-	-	-	-	10,000
Subtotal	20,853	-	27,489	48,342	25,000
	20,853	-	27,489	48,342	148,217
<i>Total 2016</i>	177,489	(509,000)	479,728	148,217	

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds for 7 months 2016 £</i>
DfE/ESFA grants				
General annual grant (GAG)	-	1,788,347	1,788,347	1,013,049
Start-up grants	-	-	-	85,440
Other DfE/ESFA grants	-	155,843	155,843	87,130
	<u>-</u>	<u>1,944,190</u>	<u>1,944,190</u>	<u>1,185,619</u>
Other government grants				
Local authority grants	-	25,002	25,002	4,294
	<u>-</u>	<u>25,002</u>	<u>25,002</u>	<u>4,294</u>
Other funding				
Catering income	-	52,460	52,460	26,275
Trip income	-	32,726	32,726	18,714
Other income	-	15,814	15,814	6,558
	<u>-</u>	<u>101,000</u>	<u>101,000</u>	<u>51,547</u>
	<u>-</u>	<u>2,070,192</u>	<u>2,070,192</u>	<u>1,241,460</u>
<i>Total 2016</i>	<u>-</u>	<u>1,241,460</u>	<u>1,241,460</u>	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds for 7 months 2016 £</i>
Facility hire	14,225	-	14,225	8,849
Other income	7,941	-	7,941	6,760
Out of school club	60,959	-	60,959	33,405
School fund income	2,879	-	2,879	7,389
	<u>86,004</u>	<u>-</u>	<u>86,004</u>	<u>56,403</u>
<i>Total 2016</i>	<u>56,403</u>	<u>-</u>	<u>56,403</u>	

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	<i>Total funds for 7 months 2016 £</i>
Investment income	238	-	238	113
<i>Total 2016</i>	113	-	113	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total funds for 7 months 2016 £</i>
Expenditure on fundraising trading	46,999	-	5,739	52,738	42,613
Educational operations:					
Direct costs	1,348,476	26,205	178,388	1,553,069	887,463
Support costs	261,206	166,294	199,159	626,659	317,753
	1,656,681	192,499	383,286	2,232,466	1,247,829
<i>Total 2016</i>	937,148	84,757	225,924	1,247,829	

Mid-Trent Multi Academy Trust
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 August 2017

7. Charitable activities

	Total funds 2017 £	<i>Total funds for 7 months 2016 £</i>
Direct costs - educational operations		
Wages and salaries	1,070,880	638,418
National insurance	99,106	47,167
Pension cost	242,490	113,755
Depreciation	26,205	15,911
Technology costs	7,474	13,987
Educational supplies	29,537	20,659
Staff development	3,901	1,197
Education consultancy	6,319	4,312
Other direct costs	67,157	32,057
	<u>1,553,069</u>	<u>887,463</u>
Support costs - educational operations		
Wages and salaries	159,474	90,137
National insurance	5,017	2,520
Pension cost	32,715	17,837
LGPS Pension adjustment	16,000	11,000
Technology costs	50,818	25,025
Maintenance of premises and equipment	70,996	30,796
Cleaning	35,315	18,794
Rent and rates	5,839	4,943
Energy costs	31,351	18,789
Insurance	28,327	16,084
Security and transport	2,685	2,785
Catering	102,259	50,454
Bank interest and charges	1,729	126
Other support costs	62,504	21,376
Governance costs	21,630	7,087
	<u>626,659</u>	<u>317,753</u>
	<u><u>2,179,728</u></u>	<u><u>1,205,216</u></u>

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For the Year Ended 31 August 2017

8. Net income/(expenditure)

This is stated after charging:

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	26,205	<i>15,911</i>
Auditors' remuneration - audit	9,800	<i>9,300</i>
Auditors' remuneration - other services	2,400	<i>6,960</i>
Operating lease rentals	1,433	<i>325</i>
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
For the Year Ended 31 August 2017

9. Staff costs

Staff costs were as follows:

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Wages and salaries	1,252,509	721,989
Social security costs	104,594	49,862
Operating costs of defined benefit pension schemes	282,641	135,686
	<u>1,639,744</u>	<u>907,537</u>
Supply teacher costs	16,937	29,611
	<u><u>1,656,681</u></u>	<u><u>937,148</u></u>

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

	Year ended 31 August 2017 No.	<i>Period ended 31 August 2016 No.</i>
Teachers	22	25
Support staff	49	47
Management	4	4
	<u>75</u>	<u>76</u>

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

	Year ended 31 August 2017 No.	<i>Period ended 31 August 2016 No.</i>
In the band £60,001 - £70,000	1	0

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £237,699 (2016: £136,813)

10. Central services

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

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11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
J E Alexander	Remuneration	55,000-60,000	<i>30,000-35,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
N J Clay	Remuneration	60,000-65,000	<i>35,000-40,000</i>
	Pension contributions paid	10,000-15,000	<i>5,000-10,000</i>
P A Haywood	Remuneration	55,000-60,000	<i>30,000-35,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, expenses totalling £289 (2016 - £105) were reimbursed to 3 Trustees (2016 - 1).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 is included within the total insurance cost.

13. Other finance income

	year ended 31 August 2017 £	<i>period ended 31 August 2016 £</i>
Interest income on pension scheme assets	8,000	<i>6,000</i>
Interest on pension scheme liabilities	(24,000)	<i>(17,000)</i>
	<u>(16,000)</u>	<i><u>(11,000)</u></i>

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Notes to the financial statements
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14. Tangible fixed assets

	Long-term leasehold property £	Property improvements £	Fixtures and fittings £	Computer equipment £
Cost				
At 1 September 2016	410,947	16,873	30,683	30,358
Additions	-	-	-	19,072
At 31 August 2017	<u>410,947</u>	<u>16,873</u>	<u>30,683</u>	<u>49,430</u>
Depreciation				
At 1 September 2016	1,918	141	4,870	8,982
Charge for the year	3,288	1,687	8,349	12,881
At 31 August 2017	<u>5,206</u>	<u>1,828</u>	<u>13,219</u>	<u>21,863</u>
Net book value				
At 31 August 2017	<u>405,741</u>	<u>15,045</u>	<u>17,464</u>	<u>27,567</u>
At 31 August 2016	<u>409,029</u>	<u>16,732</u>	<u>25,813</u>	<u>21,376</u>
				Total £
Cost				
At 1 September 2016				488,861
Additions				19,072
At 31 August 2017				<u>507,933</u>
Depreciation				
At 1 September 2016				15,911
Charge for the year				26,205
At 31 August 2017				<u>42,116</u>
Net book value				
At 31 August 2017				<u>465,817</u>
At 31 August 2016				<u>472,950</u>

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15. Debtors

	2017 £	2016 £
Trade debtors	3,873	1,560
VAT receivable	22,190	30,284
Prepayments and accrued income	49,857	38,049
	<u>75,920</u>	<u>69,893</u>

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	48,737	103,344
Other taxation and social security	25,803	25,210
Other creditors	28,235	26,282
Accruals and deferred income	58,121	63,743
	<u>160,896</u>	<u>218,579</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	61,668	-
Resources deferred during the year	57,682	61,668
Amounts released from previous years	(61,668)	-
Deferred income at 31 August 2017	<u>57,682</u>	<u>61,668</u>

Deferred income relates to grant and trading income relating to 2017/18 which was received prior to the year end.

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Notes to the financial statements
For the Year Ended 31 August 2017

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds					
General Funds	166,120	107,095	(47,802)	-	225,413
Restricted funds					
General Annual Grant	92,732	1,788,347	(1,796,614)	-	84,465
Other DfE/EFA	-	155,843	(155,843)	-	-
Local authority	-	25,002	(25,002)	-	-
Other income	-	101,000	(101,000)	-	-
Pension reserve	(707,000)	-	(80,000)	47,000	(740,000)
	<u>(614,268)</u>	<u>2,070,192</u>	<u>(2,158,459)</u>	<u>47,000</u>	<u>(655,535)</u>
Restricted fixed asset funds					
On conversion from local authority	453,973	-	(21,206)	-	432,767
Devolved formula capital	10,019	27,489	(3,660)	-	33,848
Other capital funding	9,917	-	(1,000)	-	8,917
GAG funded assets	5,603	-	(339)	-	5,264
	<u>479,512</u>	<u>27,489</u>	<u>(26,205)</u>	<u>-</u>	<u>480,796</u>
Total restricted funds	<u>(134,756)</u>	<u>2,097,681</u>	<u>(2,184,664)</u>	<u>47,000</u>	<u>(174,739)</u>
Total of funds	<u>31,364</u>	<u>2,204,776</u>	<u>(2,232,466)</u>	<u>47,000</u>	<u>50,674</u>

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17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 18 November 2015 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2016 £</i>
Unrestricted funds					
Unrestricted funds	-	234,005	(67,885)	-	166,120
	<u>-</u>	<u>234,005</u>	<u>(67,885)</u>	<u>-</u>	<u>166,120</u>
Restricted funds					
General Annual Grant	-	1,013,049	(914,622)	(5,695)	92,732
Other DfE/EFA	-	87,130	(87,130)	-	-
Local authority	-	4,294	(4,294)	-	-
Other income	-	136,987	(136,987)	-	-
Pension reserve	-	(519,000)	(21,000)	(167,000)	(707,000)
	<u>-</u>	<u>722,460</u>	<u>(1,164,033)</u>	<u>(172,695)</u>	<u>(614,268)</u>
Restricted fixed asset funds					
On conversion from local authority	-	469,680	(15,707)	-	453,973
Devolved formula capital	-	10,048	(29)	-	10,019
Other capital funding	-	10,000	(83)	-	9,917
GAG funded assets	-	-	(92)	5,695	5,603
	<u>-</u>	<u>489,728</u>	<u>(15,911)</u>	<u>5,695</u>	<u>479,512</u>
Total restricted funds	<u>-</u>	<u>1,212,188</u>	<u>(1,179,944)</u>	<u>(167,000)</u>	<u>(134,756)</u>
Total of funds	<u>-</u>	<u>1,446,193</u>	<u>(1,247,829)</u>	<u>(167,000)</u>	<u>31,364</u>

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Notes to the financial statements
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17. Statement of funds (continued)

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

Unrestricted funds

This fund represents those resources which may be used towards meeting any of the charitable objectives of the multi academy trust at the discretion of the trustees.

Restricted funds

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

Pension reserve

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

Restricted fixed asset fund

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

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
Colwich CofE Primary School	65,273	36,835
St Andrew's CofE Primary School	170,819	119,391
St. Peter's CofE Primary School	73,786	102,626
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	309,878	258,852
Restricted fixed asset fund	480,796	479,512
Pension reserve	(740,000)	(707,000)
	<hr/>	<hr/>
Total	50,674	31,364
	<hr/>	<hr/>

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Notes to the financial statements
For the Year Ended 31 August 2017

17. 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 £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Colwich CofE Primary School	499,155	78,520	15,272	175,569	768,516	460,199
St Andrew's CofE Primary School	467,706	93,881	9,936	167,631	739,154	424,906
St. Peter's CofE Primary School	381,615	72,580	4,330	160,066	618,591	346,813
	<u>1,348,476</u>	<u>244,981</u>	<u>29,538</u>	<u>503,266</u>	<u>2,126,261</u>	<u>1,231,918</u>

The above analysis does not reflect any movements in the pension reserve.

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	465,817	465,817
Current assets	225,413	245,362	14,979	485,754
Creditors due within one year	-	(160,897)	-	(160,897)
Provisions for liabilities and charges	-	(740,000)	-	(740,000)
	<u>225,413</u>	<u>(655,535)</u>	<u>480,796</u>	<u>50,674</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	472,950	472,950
Current assets	166,119	311,312	6,562	483,993
Creditors due within one year	-	(218,579)	-	(218,579)
Provisions for liabilities and charges	-	(707,000)	-	(707,000)
	<u>166,119</u>	<u>(614,267)</u>	<u>479,512</u>	<u>31,364</u>

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Notes to the financial statements
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19. Reconciliation of net movement in funds to net cash flow from operating activities

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(27,690)	198,364
Adjustment for:		
Depreciation charges	26,205	15,911
Dividends, interest and rents from investments	(238)	(113)
Increase in debtors	(6,027)	(69,893)
(Decrease)/increase in creditors	(57,683)	218,579
Capital grants from DfE and other capital income	(27,489)	(20,048)
Defined benefit pension scheme obligation inherited	-	519,000
Defined benefit pension scheme cost less contributions payable	64,000	10,000
Defined benefit pension scheme finance cost	16,000	11,000
Net (loss) on assets and liabilities from local authority on conversion	-	(642,217)
Net cash (used in)/provided by operating activities	(12,922)	240,583

20. Analysis of cash and cash equivalents

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Cash in hand	409,833	414,100
Total	409,833	414,100

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21. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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21. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £161,000 (2016 - £92,000).

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 2017 was £99,000 (2016 - £56,000), of which employer's contributions totalled £79,000 (2016 - £44,000) and employees' contributions totalled £20,000 (2016: £12,000). The agreed contribution rates for future years are 22.2% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Rate of increase in salaries	2.80 %	2.50 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Commutation of pensions to lump sums - Pre april 2008	50.00 %	50.00 %
Commutation of pensions to lump sums - Post April 2008	75.00 %	75.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.1
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.3
Females	26.4	26.6

	Year ended At 31 August 2017 £	Period ended At 31 August 2016 £
Sensitivity analysis		
Discount rate -0.5%	164,000	151,000
Salary increase rate +0.5%	37,000	58,000
Pension increase rate +0.5%	124,000	88,000

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21. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	404,000	261,000
Corporate bonds	64,000	39,000
Property	43,000	29,000
Cash and other liquid assets	21,000	20,000
	<u>532,000</u>	<u>349,000</u>
Total market value of assets	<u>532,000</u>	<u>349,000</u>

The actual return on scheme assets was £82,000 (2016 - £26,000).

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

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Current service cost	(143,000)	(54,000)
Interest income	8,000	6,000
Interest cost	(24,000)	(17,000)
	<u>(159,000)</u>	<u>(65,000)</u>
Total	<u>(159,000)</u>	<u>(65,000)</u>

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

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Opening defined benefit obligation	1,056,000	-
Upon conversion	-	763,000
Current service cost	143,000	54,000
Interest cost	24,000	17,000
Employee contributions	20,000	12,000
Actuarial losses	35,000	210,000
Benefits paid	(6,000)	-
	<u>1,272,000</u>	<u>1,056,000</u>
Closing defined benefit obligation	<u>1,272,000</u>	<u>1,056,000</u>

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21. Pension commitments (continued)

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

	Year ended 31 August 2017 £	<i>Period ended 31 August 2016 £</i>
Opening fair value of scheme assets	349,000	-
Upon conversion	-	244,000
Interest income	8,000	6,000
Actuarial gains	82,000	43,000
Employer contributions	79,000	44,000
Employee contributions	20,000	12,000
Benefits paid	(6,000)	-
	<hr/>	<hr/>
Closing fair value of scheme assets	532,000	349,000
	<hr/>	<hr/>

22. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	<i>2016 £</i>
Amounts payable:		
Within 1 year	1,433	1,433
Between 1 and 5 years	2,037	3,470
	<hr/>	<hr/>
Total	3,470	4,903
	<hr/>	<hr/>

23. 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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24. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The following related party transactions took place during the period:

AM Education Ltd, a company in which A Mulligan (a trustee of the trust) has a majority interest:

The trust purchased educational consultancy services from AM Education Ltd totalling £1,925 (2016: £525) during the year. There was £Nil (2016: £175) outstanding at 31 August 2017.

The trust made the purchase at arms' length in accordance with its financial regulations.

In entering into the transaction the trust has complied with the requirements of the EFA's Academies Financial Handbook.

