

Mid-Trent Multi Academy Trust

Directors' report and financial statements

For the Year Ended 31 August 2018



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

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

Reference and administrative details
For the Year Ended 31 August 2018

Members

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

Trustees

J E Alexander, (Accounting officer until 15 June 2018) (resigned 15 June 2018)¹
M D Blundy¹
N J Clay, Accounting officer¹
M E Evans, Chair of trustees
P A Hayward¹
J Hodgkiss (resigned 17 October 2017)¹
A Mulligan
V Starkie (resigned 19 April 2018)
S P Butt (appointed 16 May 2018)
D W Clay (appointed 16 May 2018)

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 Hayward, 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 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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. The trust had a roll of 502 in the school census in October 2017.

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 Mid-Trent Multi Academy Trust is a company limited by guarantee and an exempt charity.

The charitable company's Memorandum 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.

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
- MAT Leadership Forum
- Non-Executive Committee
- School Leadership Teams

The Board of Trustees is 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 Academy 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.

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.

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Trustees' report (continued)
For the Year Ended 31 August 2018

The Head Teachers and Business Manager form the MAT Leadership Forum and are the Senior Leadership Team of the Multi Academy Trust, providing collaboration and consistency on common arrangements.

The Head Teacher of Colwich 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 sets 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 Trust'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 trustee has some level of control and/or influence. 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 Academy 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 within 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 Academy Trust are:

- To devise and implement policies and procedures across the Academy Trust
- To promote teamwork across the Academy 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 review the Governance structure at MAT Board level and take appropriate action to ensure a cohesive balance between MAT-wide and Local Governing Bodies

Public benefit

The trustees are satisfied that they have complied with their duty with 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.

Strategic report

Achievements and performance

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

The Academy Trust has continued to review how it monitors the budget 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 Academy Trust has reviewed and introduced a new list of key performance indicators and a comprehensive dashboard that is updated termly to allow trustees to have an oversight of the performance of each school as well as being able to internally bench mark the three schools.

The trust has performed well at Early Years, KS1 and KS2, here are the SAT results for 2017/18:

Overview	Aspect	KPI – If applicable	Colwich	St Andrew's	St Peter's
Outcomes for pupils	EYFS	70.7% (National) of pupils will achieve GLD	83%	90%	83%
	Y1 PHONICS	81% (2017 National)	80%	96.7%	87.5%
	KS1	63.7% (2017 National) of pupils will reach the expected standard in reading, writing and maths	87% RWM – Exp	75% RWM – Exp	83% RWM – Exp
			R – 86% - Exp	R – 80% - Exp	R – 92% - Exp
		Reading 75.5% National			G – 83% - Exp
		Writing 68.2% National	W – 86% - Exp	W – 75% - Exp	W – 92% - Exp
		Maths 75.1% National	M – 86% - Exp	M – 75% - Exp	M – 83% - Exp
		Greater Depth	23% RWM GD	12.5% RWM GD	33% RWM GD
		Reading 25.2% National	R – 41% - GD	R – 38% - GD	R – 42% - GD
					G – 42% GD
		Writing 15.6% National	W – 18% - GD	W – 21% - GD	W – 33% - GD

Trustees' report (continued)
For the Year Ended 31 August 2018

Overview	Aspect	KPI – If applicable	Colwich	St Andrew's	St Peter's
		Maths 20.5% National	M – 27% - GD	M – 25% - GD	M – 42% - GD
	KS2	65% (2018 National) of pupils will reach the expected standard in reading, writing and maths Combined RMW 61.1% (2017)	75% RWM – Exp	60% RWM – Exp	79% RWM – Exp
		Reading 71.4% National	R – 82% - Exp G – 86% - Exp	R – 80% - Exp G – 80% - Exp	R – 79% - Exp G – 79% - Exp
		Writing 76.3% National	W – 100% - Exp	W – 80% - Exp	W – 79% - Exp
		Maths 74.8% National	M – 89% - Exp	M – 95% - Exp	M – 79% - Exp
		Greater Depth			
		Reading 24.5% National	R – 32% - GD G – 32% - GD	R – 55% - GD G – 45% - GD	R – 32% - GD G – 42% - GD
		Writing 17.7% National	W – 25% - GD	W – 25% - GD	W – 26% - GD
		Maths 22.6% National	M – 18% - GD	M – 45% - GD	M – 26% - GD
		Combined RMW 8.6%	11% RWM - GD	25% RWM - GD	16% RWM – GD

The Academy Trust had a review meeting with the Department for Education in Coventry and were praised for the outcomes being achieved across the MAT and the developments that were taking place.

All schools within the Academy Trust had a comprehensive and rigorous external Health and Safety audit from the local authority, every school went on to achieve an overall score of 4/5.

St Andrew's CE Primary School

- **EYFS**
83% of pupils achieved a Good Level of Development – well above the national average
- **KS1**
75% of pupils of pupils reached the expected standard in reading, writing and maths – well above the national average
97% of Year 1 pupils reached or exceeded the pass mark in the phonics screening check, placing the school in the top 6% in the country
- **KS2**
80% of pupils reached the expected standard in reading, writing and grammar and a high proportion (95%) achieved 'expected' in maths
- St Andrew's School was graded 'good' in all areas in their SIAMS inspection on 15th March 2018. The report stated that "Pupils' excellent behaviour and caring relationships spring from the core Christian values. As a result the school is a happy place to learn and work where pupils are encouraged and nurtured".
- The school achieved the Gold School Games Award in 2017-2018

Trustees' report (continued)
For the Year Ended 31 August 2018

St Peter's CE Primary School

- **EYFS**
90% of pupils achieved a Good Level of Development – well above the national average
- **KS1**
Due to consistently high performance in the Year 1 phonics screening and KS1 reading test over the last few years the school was invited to apply to become an English Hub school. If successful this would have meant St Peter's staff sharing best practice and training staff in other schools. Considering the large commitment of both time and staffing that this would entail it was decided (regrettably) to decline the offer. However, it was very pleasing for the school's excellent practice to be recognised in this way. 83% of pupils of pupils reached the expected standard in reading, writing and maths – well above the national average
- **KS2**
High standards in maths were achieved, placing the school in the top 1% of primary schools nationally for attainment in maths

Colwich CE Primary School

- **EYFS**
83% of pupils achieved a Good Level of Development – well above the national average
- **KS1**
87% of pupils of pupils reached the expected standard in reading, writing and maths – well above the national average
- **KS2**
The high standards of writing, which placed the school in the top 1% nationally the previous year, have been maintained
The school has continued to develop and progress, maintaining their Ofsted 'outstanding' status and supporting other schools
The 'outstanding' (SIAMS 2016) Christian distinctiveness of the school has been further developed and staff have been asked to support other schools in their SIAMS preparation
ITT – the school has successfully supported 3 NQTs in the last two years and works closely with a number of ITT providers

Key performance indicators

The trustees have identified a list of key performance indicators for the Academy Trust, which include financial indicators and analysis of other areas such as standards and pupil data, employee data as well as any Ofsted inspection outcomes or other outside indicators required.

The board ensure these key performance indicators are monitored at least on a termly basis across all schools within the Academy Trust.

The MAT Board are confident that during the course of 2017/18 the majority of the key performance indicators have been achieved.

- Attendance is at least 96%
- Ofsted grading is at least good
- SIAMS grading is at least good
- Quality of Teaching – 90% of teaching is at least good
- Pupil Outcomes are at least meeting the national average
- Staff costs as a percentage of income are less than 80%
- Staff costs as a percentage of expenditure are less than 80%
- Health and Safety (externally audited) – a minimum of 50% of the 10 areas covered must be rated at least 4 out of 5. No more than 20% of the areas audited to be 2 out of 5. No areas audited to be rated as 1 out of 5.

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 Statement of Accounting Policies.

Financial review

Review of financial performance

The Academy 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 Academy Trust received grants from the ESFA totalling £1,953,593. 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 2018, total resources expended are £2,309,103 excluding depreciation. Depreciation of £82,420 has been charged during the year against the restricted fixed asset fund.

The surplus of income over expenditure for the period (excluding the movement in the pension reserve and restricted fixed asset fund) was £67,188.

At 31 August 2018, the net book value of tangible fixed assets totalled £508,529 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 Trust.

Reserves policy

The Mid-Trent Multi Academy Trust operates a reserves policy that ensures it acts in accordance with the Funding Agreements and the guidance of the Education and Skills Funding Agency. The reserves policy requires academies to identify a reserves target to mitigate any financial risk to the trust and its constituent academies.

Investments policy

The Academy Trust have not secured any investment opportunities.

The trustees understand that they must have a cautious, prudent and well diversified investment strategy.

The investment objectives are:

- To achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation.
- Only invest funds surplus to operational need based on all financial commitments being met without the Academy Trust bank account becoming overdrawn.

Principal risks and uncertainties

The Academy Trust holds a Risk Register together with a Risk Management Strategy and a Risk Management Policy that focus on how the Academy 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 Academy Trust and ensuring its continued viability.

The key risk presently is the level of funding weighed against the increasing costs of operating its academies. This is in equal measure with the risk of relying on government funding and in its very nature the ability for the Board to control the amount or future of the funding.

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Trustees' report (continued)
For the Year Ended 31 August 2018

Fundraising

Any fundraising where the MAT Board has any level of influence is taken very seriously. The trustees are aware of their duties in relation to Charity Fundraising and refer to the Charity Commission document CC20 as required to inform their principles and decisions.

Under the provisions of the Charities (Protection and Social Investment) Act 2016 this section must include information on fundraising practices. The trustees can confirm that during the 2017/18 year:

- Each of the schools has a connected charity (listed below) that works to fund raise to help support the work of the schools within Mid-Trent Multi Academy Trust. The Academy Trust works very closely with these organisations and expects them to work to the principles laid out by the Charity Commission.
- Colwich PTFA, St Andrew's PTFA (STAA) and St Peters PTFA charities.
- No professional fundraiser or commercial participator was used.
- There has been no failure to comply with a scheme or standard.
- Fundraising activities are either undertaken by the schools within the Academy Trust, such as Christmas Fayre, or by the PTFA. The Head Teachers attend committee meetings and can oversee how the fundraising is carried out.
- To the best of our knowledge, no complaints have been received by the charity or anyone acting on its behalf, about fundraising for the charity.
- The Academy Trust acknowledges its responsibilities when fundraising and understands that each school is part of a local community. The Academy Trust will always ensure fundraising is completed in a professional and caring manner, never putting pressure on anyone to give money and accept that all donations including fundraising activities are entered into by others on a voluntary basis.

Plans for future periods

The Academy Trust will be focussing their attentions on providing solid foundations for the future and:-

- Ensuring all children make good progress and achieve their full potential
- Ensuring that teaching standards are high and the quality is at least good across all academy schools
- Continuing to devise and implement a robust governance structure, ensuring this is embedded across the trust
- Reviewing the skill set of the board of trustees and ensuring training needs are identified where required
- Appointing new independent trustees to the MAT Board
- Reviewing educational standards across the constituent schools and identifying potential areas for improvement
- Further enhancing and promoting teamwork and collaboration across the constituent schools within the Academy Trust, developing shared areas for colleagues to share good practice
- Reviewing its assets and identifying any amounts that need committing
- Ensuring the Academy Trust is financially viable and establishing long term financial security and sustainability
- Considering long term planning and other schools joining the Mid-Trent MAT

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Trustees' report (continued)
For the Year Ended 31 August 2018

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 they ought to have taken to make themselves 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 13 December 2018 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 Colwich 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 6 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 until 15 June 2018)	5	5
M D Blundy	6	6
N J Clay, Accounting officer	1	1
M E Evans, Chair of trustees	6	6
P A Hayward	6	6
J Hodgkiss	1	1
A Mulligan	6	6
V Starkie	1	2
S P Butt	1	1
D W Clay	1	1

Governance Review

The Academy Trust carried out a thorough review in 2017-18 with an external consultant, which included a skills audit of all trustees. During this time, the following actions have been taken:-

- A clerk to the trustees commenced on 1 September 2017.
- Vacant non-executive trustee roles have been advertised with Academy Ambassadors. 2 members have been co-opted as trustees on a temporary basis to improve the communication between members and trustees.

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 Trust'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 Academy Trust's accounts, achievement of value for money and the response to any management letters

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Governance Statement (continued)

- review the effectiveness of the Academy 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 Academy Trust's Buildings and Grounds
- review new and existing policies relating to the employment and conditions of staff at the Academy 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 pupils, employees and visitors to the Academy Trust, and to make recommendations to the MAT Board
- review the operation of the Academy 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
N J Clay, Accounting officer	2	2
M D Blundy	2	2
P A Hayward	1	1
J E Alexander, (Accounting officer until 15 June 2018)	2	2
J Hodgkiss (resigned 17 October 2017)	0	0

The audit committee duties are conducted by the finance committee.

Review of Value for Money

As accounting officer, the Head Teacher of Colwich Church of England Primary School has responsibility for ensuring that the Academy 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Collective purchases combining all schools in the MAT
- Shared training sessions
- Sharing of staff across schools

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Mid-Trent Multi Academy Trust for the period 1 August 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Governance Statement (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 August 2017 to 31 August 2018 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 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
- to appoint a local governor to carry out a programme of internal checks

The Local Governor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The checks will include:

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

The Local Governor reports 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.

Governance Statement (continued)

Review of Effectiveness

As accounting officer, the Head Teacher of Colwich CE 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:

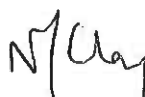
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer will be advised of the implications of the result of their review of 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 Board of Trustees on 13 December 2018 and signed on their behalf, by:



M E Evans
Chair of Trustees



N J Clay
Accounting Officer

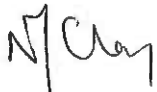
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Statement on Regularity, Propriety and Compliance

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 & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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.



N J Clay
Accounting Officer

13.12.18

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Statement of Trustees' responsibilities
For the Year Ended 31 August 2018

The Trustees (who 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 & 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 13 December 2018 and signed on its behalf by:



M E Evans
Chair of Trustees

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(A company limited by guarantee)

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 (the 'Academy Trust') for the year ended 31 August 2018 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust 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 Trust'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 Auditors' report thereon. Our opinion on the financial statements does not cover the other 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 the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the Strategic 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 Trust 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' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy 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, 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' report.

Use of our report

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



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

Date: 13.12.18

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 & Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 Trust'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 & 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 2017 to 31 August 2018 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: 13.12.18

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 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations and capital grants	2	17,463	-	73,127	90,590	48,342
Charitable activities:	3					
Funding for the academy trust's educational operations		-	2,080,611	-	2,080,611	2,070,192
Other trading activities	4	136,915	-	-	136,915	86,004
Investments	5	175	-	-	175	238
Total income		154,553	2,080,611	73,127	2,308,291	2,204,776
Expenditure on:						
Raising funds	7	134,475	-	-	134,475	52,738
Other charitable activities	6	-	2,174,628	82,420	2,257,048	2,179,728
Total expenditure	7	134,475	2,174,628	82,420	2,391,523	2,232,466
Net income / (expenditure) before transfers		20,078	(94,017)	(9,293)	(83,232)	(27,690)
Transfers between Funds	16	-	(52,855)	52,855	-	-
Net income / (expenditure) before other recognised gains and losses		20,078	(146,872)	43,562	(83,232)	(27,690)
Actuarial gains on defined benefit pension schemes	20	-	162,000	-	162,000	47,000
Net movement in funds		20,078	15,128	43,562	78,768	19,310
Reconciliation of funds:						
Total funds brought forward		225,413	(655,535)	480,796	50,674	31,364
Total funds carried forward		245,491	(640,407)	524,358	129,442	50,674

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 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	13		508,529		465,817
Current assets					
Debtors	14	69,829		75,920	
Cash at bank and in hand		440,820		409,833	
		<u>510,649</u>		<u>485,753</u>	
Creditors: amounts falling due within one year	15	(225,736)		(160,896)	
Net current assets			<u>284,913</u>		<u>324,857</u>
Total assets less current liabilities			<u>793,442</u>		<u>790,674</u>
Defined benefit pension scheme liability	20	(664,000)		(740,000)	
Net assets including pension scheme liabilities			<u><u>129,442</u></u>		<u><u>50,674</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	16	23,593		84,465	
Restricted fixed asset funds	16	524,358		480,796	
Restricted income funds excluding pension liability		<u>547,951</u>		<u>565,261</u>	
Pension reserve		(664,000)		(740,000)	
Total restricted income funds			<u>(116,049)</u>		<u>(174,739)</u>
Unrestricted income funds	16		<u>245,491</u>		<u>225,413</u>
Total funds			<u><u>129,442</u></u>		<u><u>50,674</u></u>

The financial statements on pages 24 to 51 were approved by the Trustees, and authorised for issue, on 13 December 2018 and are signed on their behalf, by:

M Evans

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 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	18	<u>27,986</u>	<u>(12,922)</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		175	238
Purchase of tangible fixed assets		(65,615)	(19,072)
Capital grants from DfE Group		66,361	27,489
Capital funding received from others		<u>2,080</u>	<u>-</u>
Net cash provided by investing activities		<u>3,001</u>	<u>8,655</u>
Change in cash and cash equivalents in the year		30,987	(4,267)
Cash and cash equivalents brought forward		<u>409,833</u>	<u>414,100</u>
Cash and cash equivalents carried forward	19	<u><u>440,820</u></u>	<u><u>409,833</u></u>

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 2017 to 2018 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 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 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 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 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.

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 Trust 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 Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust 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 and assets under construction, 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:

1. Accounting policies (continued)

Long-term leasehold property	-	125 years straight line
Property improvements	-	15 years straight line
Furniture and fixtures	-	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.

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 Trust; 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. Accounting policies (continued)

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 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.

1.11 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust 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 14. 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 15. 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 instrument.

1.12 Taxation

The Academy 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 Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 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 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

1. Accounting policies (continued)

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.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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/donor and include grants from the Department for Education Group.

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 20, 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 2018. 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 Trust premises which were donated to the Academy Trust 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 Trust by the Lichfield Diocesan Board of Education are not reflected in the accounts. Having considered the fact that the Academy Trust 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 Trust 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 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 2018

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	17,463	-	-	17,463	20,853
Capital Grants	-	-	73,127	73,127	27,489
	<u>17,463</u>	<u>-</u>	<u>73,127</u>	<u>90,590</u>	<u>48,342</u>
Total 2017	<u>20,853</u>	<u>-</u>	<u>27,489</u>	<u>48,342</u>	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,755,815	1,755,815	1,788,347
Other DfE/ESFA grants	-	197,778	197,778	155,843
	<u>-</u>	<u>1,953,593</u>	<u>1,953,593</u>	<u>1,944,190</u>
Other government grants				
Local authority grants	-	25,688	25,688	25,002
	<u>-</u>	<u>25,688</u>	<u>25,688</u>	<u>25,002</u>
Other funding				
Catering income	-	46,551	46,551	52,460
Other income	-	16,072	16,072	15,814
Trip income	-	38,707	38,707	32,726
	<u>-</u>	<u>101,330</u>	<u>101,330</u>	<u>101,000</u>
	<u>-</u>	<u>2,080,611</u>	<u>2,080,611</u>	<u>2,070,192</u>
Total 2017	<u>-</u>	<u>2,070,192</u>	<u>2,070,192</u>	

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

Notes to the financial statements
For the Year Ended 31 August 2018

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Facility hire	10,431	-	10,431	14,225
Other income	38,754	-	38,754	7,941
Out of school club	73,847	-	73,847	60,959
School fund income	13,883	-	13,883	2,879
	<u>136,915</u>	<u>-</u>	<u>136,915</u>	<u>86,004</u>
Total 2017	<u>86,004</u>	<u>-</u>	<u>86,004</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	175	-	175	238
	<u>175</u>	<u>-</u>	<u>175</u>	<u>238</u>
Total 2017	<u>238</u>	<u>-</u>	<u>238</u>	

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

Notes to the financial statements
For the Year Ended 31 August 2018

6. Charitable activities

	Total funds 2018 £	Total funds 2017 £
Direct costs - educational operations		
Wages and salaries	1,106,132	1,070,880
National insurance	92,331	99,106
Pension cost	247,188	242,490
Depreciation	34,355	26,205
Technology costs	20,058	7,474
Educational supplies	28,439	29,537
Staff development	2,869	3,901
Education consultancy	31,583	6,319
Other direct costs	51,420	67,157
	<u>1,614,375</u>	<u>1,553,069</u>
Support costs - educational operations		
Wages and salaries	168,174	159,474
National insurance	6,159	5,017
Pension cost	34,897	32,715
LGPS Pension adjustment	19,000	16,000
Technology costs	47,496	50,818
Maintenance of premises and equipment	85,257	70,996
Cleaning	35,926	35,315
Rent and rates	5,860	5,839
Energy costs	27,469	31,351
Insurance	27,919	28,327
Security and transport	1,316	2,685
Catering	102,578	102,259
Bank interest and charges	1,750	1,729
Other support costs	45,686	62,504
Governance costs	33,186	21,630
	<u>642,673</u>	<u>626,659</u>
	<u><u>2,257,048</u></u>	<u><u>2,179,728</u></u>

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For the Year Ended 31 August 2018

7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	28,337	-	12,837	41,174	52,738
Support costs	51,109	11,999	30,193	93,301	-
Educational operations:					
Direct costs	1,445,651	34,355	134,369	1,614,375	1,553,069
Support costs	209,230	176,571	256,872	642,673	626,659
	<u>1,734,327</u>	<u>222,925</u>	<u>434,271</u>	<u>2,391,523</u>	<u>2,232,466</u>
Total 2017	<u>1,656,681</u>	<u>192,499</u>	<u>383,286</u>	<u>2,232,466</u>	

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	34,355	26,205
Auditors' remuneration - audit	9,950	9,800
Auditors' remuneration - other services	2,475	2,400
Operating lease rentals	<u>1,433</u>	<u>1,433</u>

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9. Staff

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,300,680	1,249,434
Social security costs	102,155	107,669
Operating costs of defined benefit pension schemes	290,636	282,641
	<u>1,693,471</u>	<u>1,639,744</u>
Supply teacher costs	40,856	16,937
	<u>1,734,327</u>	<u>1,656,681</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	26	22
Support staff	46	49
Management	4	4
	<u>76</u>	<u>75</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1

d. Key management personnel

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 and national insurance contributions) received by key management personnel for their services to the academy trust was £266,856 (2017: £261,236)

10. Central services

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

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:

		2018	2017
		£	£
J E Alexander (resigned 15 June 2018)	Remuneration	45,000-50,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000
N J Clay	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	10,000-15,000
P A Hayward	Remuneration	55,000-60,000	55,000-60,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £223 (2017 - £289) were reimbursed to 2 Trustees (2017 - 3).

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust 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 2018 is included in total insurance cost.

13. Tangible fixed assets

	Long-term leasehold property £	Property improvements £	Furniture and fixtures £	Computer equipment £
Cost				
At 1 September 2017	410,947	16,873	30,683	49,430
Additions	-	-	60,337	16,730
At 31 August 2018	410,947	16,873	91,020	66,160
Depreciation				
At 1 September 2017	5,206	1,828	13,219	21,863
Charge for the year	3,288	1,687	15,039	14,341
At 31 August 2018	8,494	3,515	28,258	36,204
Net book value				
At 31 August 2018	402,453	13,358	62,762	29,956
At 31 August 2017	405,741	15,045	17,464	27,567
				Total £
Cost				
At 1 September 2017				507,933
Additions				77,067
At 31 August 2018				585,000
Depreciation				
At 1 September 2017				42,116
Charge for the year				34,355
At 31 August 2018				76,471
Net book value				
At 31 August 2018				508,529
At 31 August 2017				465,817

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14. Debtors

	2018	2017
	£	£
Trade debtors	1,598	3,873
VAT receivable	16,802	22,190
Other debtors	14,816	-
Prepayments and accrued income	36,613	49,857
	<u>69,829</u>	<u>75,920</u>

15. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	23,885	48,737
Other taxation and social security	23,462	25,803
Other creditors	27,941	28,235
Accruals and deferred income	150,448	58,121
	<u>225,736</u>	<u>160,896</u>

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	57,682	61,668
Resources deferred during the year	64,511	57,682
Amounts released from previous years	(57,682)	(61,668)
Deferred income at 31 August 2018	<u>64,511</u>	<u>57,682</u>

Deferred income relates to grant and trading income relating to 2018/19 which was received prior to the year end.

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16. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	225,413	154,553	(134,475)	-	-	245,491
Restricted funds						
General Annual Grant (GAG)	84,465	1,755,815	(1,763,832)	(52,855)	-	23,593
Other DfE/ESFA	-	197,778	(197,778)	-	-	-
Local authority	-	25,688	(25,688)	-	-	-
Other income	-	101,330	(101,330)	-	-	-
Pension reserve	(740,000)	-	(86,000)	-	162,000	(664,000)
	(655,535)	2,080,611	(2,174,628)	(52,855)	162,000	(640,407)
Restricted fixed asset funds						
On conversion from local authority	432,767	-	(16,911)	-	-	415,856
Devolved formula capital	33,848	7,236	(3,128)	-	-	37,956
Other capital funding	8,917	65,891	(58,657)	-	-	16,151
GAG funded assets	5,264	-	(3,724)	52,855	-	54,395
	480,796	73,127	(82,420)	52,855	-	524,358
Total restricted funds	(174,739)	2,153,738	(2,257,048)	-	162,000	(116,049)
Total of funds	50,674	2,308,291	(2,391,523)	-	162,000	129,442

16. 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 Trust's operational activities and development, restricted trip income and other restricted income.

Pension reserve

The pension reserve represents the Academy Trust'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 Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Colwich CofE Primary School	65,971	65,273
St Andrew's CofE Primary School	169,034	170,819
St Peter's CofE Primary School	34,079	73,786
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	269,084	309,878
Restricted fixed asset fund	524,358	480,796
Pension reserve	(664,000)	(740,000)
	<hr/>	<hr/>
Total	129,442	50,674
	<hr/>	<hr/>

16. 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 depreciat- ion £	Total 2018 £	Total 2017 £
Colwich CofE Primary School	509,282	83,555	19,499	189,686	802,022	768,516
St Andrew's CofE Primary School	477,976	127,887	10,359	216,598	832,820	739,154
St Peter's CofE Primary School	394,590	74,281	2,946	164,509	636,326	618,591
	<u>1,381,848</u>	<u>285,723</u>	<u>32,804</u>	<u>570,793</u>	<u>2,271,168</u>	<u>2,126,261</u>

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16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Funds	166,120	107,095	(47,802)	-	-	225,413
Restricted funds						
General Annual Grant (GAG)	92,732	1,788,347	(1,796,614)	-	-	84,465
Other DfE/ESFA	-	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>-</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>-</u>	<u>480,796</u>
Total restricted funds	<u>(134,756)</u>	<u>2,097,681</u>	<u>(2,184,664)</u>	<u>-</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>-</u>	<u>47,000</u>	<u>50,674</u>

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A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	166,120	261,648	(182,277)	-	-	245,491
Restricted funds						
General Annual Grant (GAG)	92,732	3,544,162	(3,560,446)	(52,855)	-	23,593
Other DfE/ESFA	-	353,621	(353,621)	-	-	-
Local authority	-	50,690	(50,690)	-	-	-
Other income	-	202,330	(202,330)	-	-	-
Pension reserve	(707,000)	-	(166,000)	-	209,000	(664,000)
	(614,268)	4,150,803	(4,333,087)	(52,855)	209,000	(640,407)
Restricted fixed asset funds						
On conversion from local authority	453,973	-	(38,117)	-	-	415,856
Devolved formula capital	10,019	34,725	(6,788)	-	-	37,956
Other capital funding	9,917	65,891	(59,657)	-	-	16,151
GAG funded assets	5,603	-	(4,063)	52,855	-	54,395
	479,512	100,616	(108,625)	52,855	-	524,358
	(134,756)	4,251,419	(4,441,712)	-	209,000	(116,049)
Total of funds	31,364	4,513,067	(4,623,989)	-	209,000	129,442

17. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	508,529	508,529
Current assets	245,491	249,329	15,829	510,649
Creditors due within one year	-	(225,736)	-	(225,736)
Provisions for liabilities and charges	-	(664,000)	-	(664,000)
	245,491	(640,407)	524,358	129,442

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17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	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>

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(83,232)	(27,690)
Adjustment for:		
Depreciation charges	34,355	26,205
Dividends, interest and rents from investments	(175)	(238)
Decrease/(increase) in debtors	20,907	(6,027)
Increase/(decrease) in creditors	43,258	(57,683)
Capital grants from DfE and other capital income	(73,127)	(27,489)
Defined benefit pension scheme cost less contributions payable	67,000	64,000
Defined benefit pension scheme finance cost	19,000	16,000
Net cash provided by/(used in) operating activities	<u>27,986</u>	<u>(12,922)</u>

19. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	440,820	409,833
Total	<u>440,820</u>	<u>409,833</u>

20. Pension commitments

The Academy 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 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 (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.
- 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%.

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.

The employer's pension costs paid to TPS in the period amounted to £144,000 (2017 - £141,000).

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).

20. Pension commitments (continued)

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2018 was £105,000 (2017 - £99,000), of which employer's contributions totalled £84,000 (2017 - £79,000) and employees' contributions totalled £21,000 (2017 - £20,000). The agreed contribution rates for future years are 24.2% for employers and 5.5% - 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.80 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %
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:

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.5%	175,000	164,000
Salary increase rate +0.5%	35,000	37,000
Pension increase rate +0.5%	138,000	124,000

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20. Pension commitments (continued)

The Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	469,000	404,000
Corporate bonds	127,000	64,000
Property	54,000	43,000
Cash and other liquid assets	20,000	21,000
Total market value of assets	<u>670,000</u>	<u>532,000</u>

The actual return on scheme assets was £23,000 (2017 - £82,000).

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

	2018 £	2017 £
Current service cost	(151,000)	(143,000)
Interest income	15,000	8,000
Interest cost	(34,000)	(24,000)
Total	<u>(170,000)</u>	<u>(159,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	1,272,000	1,056,000
Current service cost	151,000	143,000
Interest cost	34,000	24,000
Employee contributions	21,000	20,000
Actuarial (gains)/losses	(139,000)	35,000
Benefits paid	(5,000)	(6,000)
Closing defined benefit obligation	<u>1,334,000</u>	<u>1,272,000</u>

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20. Pension commitments (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	532,000	349,000
Interest income	15,000	8,000
Actuarial gains	23,000	82,000
Employer contributions	84,000	79,000
Employee contributions	21,000	20,000
Benefits paid	(5,000)	(6,000)
	<u>670,000</u>	<u>532,000</u>
Closing fair value of scheme assets	<u>670,000</u>	<u>532,000</u>

21. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,202	1,433
Between 1 and 5 years	475	2,037
	<u>1,677</u>	<u>3,470</u>
Total	<u>1,677</u>	<u>3,470</u>

22. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she 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.

23. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the period:

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

The Academy Trust purchased educational consultancy services from AM Education Ltd totalling £1,225 (2017: £1,925) during the year. There was £nil (2017: £nil) outstanding at 31 August 2018.

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

In entering into the transaction the Academy Trust has complied with the requirements of the ESFA's Academies Financial Handbook.