

Registered number: 09878928

**Mid-Trent Multi Academy Trust**

Trustees' Report and Financial Statements

For the Year Ended 31 August 2019



**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Contents**

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	Page
<b>Reference and Administrative Details</b>	<b>1 - 2</b>
<b>Trustees' Report</b>	<b>3 - 13</b>
<b>Governance Statement</b>	<b>14 - 17</b>
<b>Statement on Regularity, Propriety and Compliance</b>	<b>18</b>
<b>Statement of Trustees' Responsibilities</b>	<b>19</b>
<b>Independent Auditors' Report on the Financial Statements</b>	<b>20 - 22</b>
<b>Independent Reporting Accountant's Report on Regularity</b>	<b>23 - 24</b>
<b>Statement of Financial Activities Incorporating Income and Expenditure Account</b>	<b>25</b>
<b>Balance Sheet</b>	<b>26 - 27</b>
<b>Statement of Cash Flows</b>	<b>28</b>
<b>Notes to the Financial Statements</b>	<b>29 - 53</b>

**Mid-Trent Multi Academy Trust.**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details**

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**Members**

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

**Trustees**

Mrs M Evans, Chair of Trustees (Resigned 31 August 2019)  
Mr M Blundy<sup>1</sup>  
Mr D W Clay, Chair of trustees (from 1 September 2019)<sup>1</sup>  
Mr W Buck (appointed 27 March 2019)  
Mrs N Clay, Accounting Officer (until 21 October 2019) (resigned 21 October 2019)<sup>1</sup>  
Mr P Hayward, Chief Executive & Accounting Officer (from 21 October 2019) (resigned 31 August 2019, reappointed 21 October 2019)<sup>1</sup>  
Mr S P Butt (resigned 31 August 2019)  
Mrs A Mulligan  
Mr N O'Sullivan (appointed 1 May 2019)<sup>1</sup>  
Mr K Butlin (appointed 1 September 2019)  
Mrs C Pilkington (appointed 1 September 2019)

<sup>1</sup> Finance Committee member

**Company registered number**

09878928

**Company name**

Mid - Trent Multi Academy Trust

**Principal and registered office**

c/o Colwich C.E. Primary School, Main Road, Colwich, Stafford, 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

**Bankers**

Lloyds Banking Group PLC, Edinburgh, EH1 1YZ

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Reference and Administrative Details (continued)**  
**For the Year Ended 31 August 2019**

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**Solicitors**

Entrust Support Services, Riverway, Stafford, ST16 3TH

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report**  
**For the Year Ended 31 August 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 489 in the school census in October 2018.

**Structure, governance and management**

**a. Constitution**

The Mid-Trent Multi Academy Trust was incorporated on 18<sup>th</sup> November 2015 and began operating on 1<sup>st</sup> February 2016.

The academies within the trust are:-

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

The Academy Trust is a charitable 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 purposes of company law.

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

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

**b. Members' liability**

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

**c. Trustees' indemnities**

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.

**Structure, governance and management (continued)**

**d. 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.

**e. 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.

**Structure, governance and management (continued)**

**f. 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 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.

The CEO, Headteachers 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 Chief Executive Officer is the Accounting Officer.

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

**g. 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.

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	-
Full-time equivalent employee number	-

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

<b>Percentage of pay bill spent on facility time</b>	<b>£</b>
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Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**i. Related parties and other connected charities and organisations**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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 Trust) has a majority interest.



**Structure, governance and management (continued)**

**Objectives and activities**

**a. 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."

**b. Objectives, strategies and activities**

The objectives of the trust are:

- To devise and implement policies and procedures across the trust
- To promote teamwork across the trust and its constituent schools
- To develop its procedures and reporting structure with Local Governing Bodies
- To assess how working together can bring better efficiency and effectiveness across its constituent schools
- To review the Governance structure at MAT Board level and take appropriate action to ensure a cohesive balance between MAT-wide and Local Governing Bodies

**c. 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.

**Mid-Trent Multi Academy Trust**  
(A Company Limited by Guarantee)

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Objectives and activities (continued)**

**Strategic report**

**Achievements and Performance**

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

The trust has continued to review how it monitors the budget across the schools and is able to analyse the data to ensure financial resources are well managed and look forward to planning future year's budgets.

The trust reviews key performance indicators and a comprehensive dashboard that is updated termly, providing directors with an oversight of the performance of each school. This also enables internal bench marking across the three schools.

The trust has performed well at Early Years, KS1 and KS2. Below are the SAT results for 2018/19:

Overview	Aspect	KPI – If applicable	Colwich	St Andrew's	St Peter's
Outcomes for pupils	EYFS	71.8% (National) of pupils will achieve GLD (2019)	79.2%	82.1%	78%
	Y1 PHONICS	82% (2019 National)	79.2%	92%	92%
	KS1	64.9% (2017 National) of pupils will reach the expected standard in reading, writing and maths	77.8% RWM – Exp	74% RWM – Exp	80% RWM – Exp
		Reading 75.5% National	R – 88.9% - Exp	R – 83% - Exp	R – 86% - Exp
		Writing 68.2% National	W – 92.6% - Exp	W – 80% - Exp	W – 86% - Exp
		Maths 75.1% National	M – 88.9% - Exp	M – 80% - Exp	M – 86% - Exp
		Greater Depth			
		RWM 11.2%	22.2% RWM GD	12.5% RWM GD	20% RWM GD
		Reading 25.0% National	R – 44.4% - GD	R – 35% - GD	R – 40% - GD
		Writing 14.8% National	W – 22.2% - GD	W – 26% - GD	W – 26% - GD
		Maths 21.7% National	M – 29.6% - GD	M – 19% - GD	M – 33% - GD
	KS2	64.9% (2019 National) of pupils will reach the expected standard in reading, writing and maths	87% RWM – Exp	79% RWM – Exp	65% RWM – Exp
		Reading 74.9% National	R – 87.0% - Exp	R – 82% - Exp	R – 77% - Exp
		GPS	G – 82.6% - Exp	G – 89% - Exp	G – 77% - Exp
		Writing 69.2% National	W – 100% - Exp	W – 86% - Exp	W – 85% - Exp
		Maths 75.6% National	M – 95.7% - Exp	M – 93% - Exp	M – 77% - Exp
		Greater Depth			
		Reading 25% National	R – 39.1% - GD	R – 29% - GD	R – 23% - GD
		GPS	G – 39.1% - GD	G – 50% - GD	G – 23% - GD
		Writing 14.8% National	W – 13% - GD	W – 21% - GD	W – 27% - GD
		Maths 21.7%	M – 39.1% - GD	M – 36% - GD	M – 23% - GD
		% National Combined RMW 10.5%	11% RWM - GD	11% RWM - GD	15% RWM - GD

**Objectives and activities (continued)**

**Key Highlights for the Year**

**St Andrew's CE Primary School**

- **EYFS**  
82.1% of pupils achieved a Good Level of Development – well above the national average (71.8%)
- **KS1**  
74% of pupils of pupils reached the expected standard in reading, writing and maths combined – above the national average (65%)  
92% of Year 1 pupils reached or exceeded the pass mark in the phonics screening check  
Children attained well in reading and writing at greater depth
- **KS2**  
79% of pupils reached the expected standard in reading, writing and maths combined compared to a national figure of 65%  
95% of pupils achieved 'expected' in maths
- St Andrew's Church of England Primary School was graded 'good' in all areas in a Section 8 inspection carried out by OFSTED on 22 January 2019
- The school achieved the Gold School Games Award in 2018-2019

**St Peter's CE Primary School**

- **EYFS**  
78% of pupils achieved a Good Level of Development – above the national average
- **KS1**  
92% of Year 1 pupils reached or exceeded the pass mark in the phonics screening check  
80% of pupils of pupils reached the expected standard in reading, writing and maths combined – well above the national average (65%)  
Maths, reading, writing and GPS all at 86% expected standard – well above national figures  
Reading GD (40%) – well above the national average (25%)
- **KS2**  
Reading, writing and maths combined score (15%) compared to national (10.5%)
- St Peter's Church of England Primary School was graded 'good' in all areas in a Section 8 inspection carried out by OFSTED in December 2018
- The school achieved the Gold School Games Award in 2018-2019

**Colwich CE Primary School**

- **EYFS**  
79.2% of pupils achieved a Good Level of Development – above the national average
- **KS1**  
Reading, writing and maths combined score (77.8% %) compared to national (64.9%)  
Reading GD (44.4%) – well above national average (25%)
- **KS2**  
Pupils making the expected standards in writing (92.6%) significantly above national figure (78.5%)
- 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
- Progress from KS1 to KS2 for maths, reading and writing well above local authority figures

**a. Key performance indicators**

The trustees have identified a list of key performance indicators for the 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 trust.

The MAT Board are confident that during the course of 2018/19 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%

**b. 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 they continue 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 Statment of Accounting Policies.

**Financial review**

**a. 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 £2,078,929. The analysis of the specific grants and income received can be seen within notes 3 to 6 to the financial statements.

During the year to 31 August 2019, total resources expended are £2,339,872 excluding depreciation. Depreciation of £41,362 has been charged during the year against restricted fixed asset fund.

The excess of expenditure over income for the period (excluding movement in the pension reserve and restricted fixed asset fund) was £38,095.

At 31 August 2019, the net book value of tangible fixed assets totalled £603,209 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.

(continued)

**Financial review (continued)**

**b. 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

**c. Investment policy**

The 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 bank account becoming overdrawn.

**d. Principal risks and uncertainties**

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

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

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**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 2018/19 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 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 trust, such as Christmas Fayre, or by the PTFA. The headteachers 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 trust acknowledges its responsibilities when fundraising and understands that each school is part of a local community. The 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 trust will be focussing their attentions on providing solid foundations for the future and:-

- Ensuring all children make at least expected or good progress from KS1 to KS2
- Ensuring that teaching standards are high and the quality of learning is at least good across all academy schools
- Ensuring trust school curriculums have clear intent, are implemented effectively and have a positive impact on learning in all areas
- Continuing to devise and implement a robust governance structure, ensuring this is embedded across the trust – review the scheme of delegation
- Reviewing the skill set of the board of trustees and ensuring training needs are identified where required
- 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 trust, developing shared areas for colleagues to share good practice
- Reviewing its assets and identifying any amounts that need committing
- Ensuring the trust is financially viable and establishing long term financial security and sustainability
- Considering long term planning and other schools joining the Mid-Trent MAT

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

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**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
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report was approved by order of the board of Trustees, as the company directors, on 5 December 2019 and signed on its behalf by:



**P Hayward**  
Trustee

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement**

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**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 headteacher of Colwich Church of England Primary School, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Mid-Trent Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 4 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs M Evans, Chair of Trustees (until 31 August 2019)	4	4
Mr M Blundy	4	4
Mr D W Clay, Chair of trustees (from 1 September 2019)	3	4
Mr W Buck (appointed 27 March 2019)	2	2
Mrs N Clay, Accounting Officer (until 21 October 2019)	4	4
Mr P Hayward, Chief Executive & Accounting Officer (from 21 October 2019)	4	4
Mr S P Butt	2	4
Mrs A Mulligan	3	4
Mr N O'Sullivan (appointed 1 May 2019)	1	1

The trust carried out a thorough review in 2018-19, which included a skills audit of all trustees. During this time, the following actions have been taken:-

- The directors on the Trust board are independent to the schools local governing bodies
- The board has appointed a clerk to the trustees
- Vacant non-executive trustee roles have been advertised with Academy Ambassadors
- 2 new directors were appointed in the year
- Directors have identified key areas they are responsible for across the Trust.



**Governance Statement (continued)**

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**Governance (continued)**

The Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to:

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

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

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**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs N Clay	3	3
Mr M Blundy	3	3
Mr P Hayward	2	3
Mr D W Clay	2	3
Mr N O'Sullivan	1	1

**Review of value for money**

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the 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 year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy 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 ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**Governance Statement (continued)**

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**The risk and control framework**

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint a Trustee to carry out a programme of internal checks.

The Trustee's and external auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The checks include:

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

The Trustee 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. The findings were mainly very satisfactory and any remedial points identified are being followed up by the Business Manager.

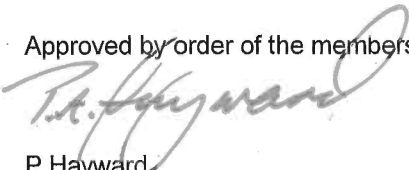
**Review of effectiveness**

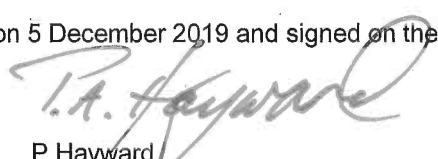
As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer;
- the work of the external auditors;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control 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 5 December 2019 and signed on their behalf by:

  
P Hayward  
Trustee

  
P Hayward  
Accounting Officer

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Statement on Regularity, Propriety and Compliance**

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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 2018.

I confirm that I and the Academy Trust board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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.



P Hayward  
Accounting Officer  
Date: 5 December 2019

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2019**

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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 Academies Accounts Direction published 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 2018 to 2019;
- 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 5 December 2019 and signed on its behalf by:



P Hayward  
Trustee

**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**

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**Opinion**

We have audited the financial statements of Mid-Trent Multi Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, 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 2018 to 2019 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 2019 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 2018 to 2019 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 (continued)**

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**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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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 (continued)**

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**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, 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](http://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

5 December 2019



**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's 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 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by 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 Accountant's Assurance Report on Regularity to Mid-Trent Multi Academy Trust and the Education & Skills Funding Agency (continued)**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Dains UP*

**Dains LLP**

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

Date: 5 December 2019

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended August 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	1,866	-	226,882	228,748	90,590
Charitable activities	4	-	2,188,422	-	2,188,422	2,080,611
Other trading activities	5	122,545	-	-	122,545	136,915
Investments	6	189	-	-	189	175
<b>Total income</b>		<b>124,600</b>	<b>2,188,422</b>	<b>226,882</b>	<b>2,539,904</b>	<b>2,308,291</b>
<b>Expenditure on:</b>						
Raising funds	8	87,943	-	-	87,943	134,476
Charitable activities	7	400	2,261,406	41,362	2,303,169	2,257,047
<b>Total expenditure</b>	8	<b>88,343</b>	<b>2,261,406</b>	<b>41,362</b>	<b>2,391,111</b>	<b>2,391,523</b>
<b>Net income/ (expenditure)</b>		<b>36,257</b>	<b>(72,984)</b>	<b>185,520</b>	<b>148,793</b>	<b>(83,232)</b>
Transfers between funds	17	-	(1,368)	1,368	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>36,257</b>	<b>(74,352)</b>	<b>186,888</b>	<b>148,793</b>	<b>(83,232)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	22	-	(254,000)	-	(254,000)	162,000
<b>Net movement in funds</b>		<b>36,257</b>	<b>(328,352)</b>	<b>186,888</b>	<b>(105,207)</b>	<b>78,768</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		245,491	(640,407)	524,358	129,442	50,674
Net movement in funds		36,257	(328,352)	186,888	(105,207)	78,768
<b>Total funds carried forward</b>		<b>281,748</b>	<b>(968,759)</b>	<b>711,246</b>	<b>24,235</b>	<b>129,442</b>

The notes on pages 29 to 53 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 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	603,209	508,529
		<u>603,209</u>	<u>508,529</u>
<b>Current assets</b>			
Debtors	15	136,757	69,829
Cash at bank and in hand		498,101	440,820
		<u>634,858</u>	<u>510,649</u>
Creditors: amounts falling due within one year	16	(216,832)	(225,736)
<b>Net current assets</b>		<u>418,026</u>	<u>284,913</u>
<b>Net assets excluding pension liability</b>		<u>1,021,235</u>	<u>793,442</u>
Defined benefit pension scheme liability	22	(997,000)	(664,000)
<b>Total net assets</b>		<u><u>24,235</u></u>	<u><u>129,442</u></u>
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	17	711,246	524,358
Restricted income funds	17	28,241	23,593
		<u>739,487</u>	<u>547,951</u>
Restricted funds excluding pension asset	17	739,487	547,951
Pension reserve	17	(997,000)	(664,000)
<b>Total restricted funds</b>	17	<u>(257,513)</u>	<u>(116,049)</u>
<b>Unrestricted income funds</b>	17	<u>281,748</u>	<u>245,491</u>
<b>Total funds</b>		<u><u>24,235</u></u>	<u><u>129,442</u></u>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**  
**Registered number: 09878928**

**Balance Sheet (continued)**  
**As at 31 August 2019**

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The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 05 December 2019 and are signed on their behalf, by:

A handwritten signature in dark ink, appearing to read 'P. Hayward', with a stylized, flowing script.

P Hayward  
Trustee

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2019**

	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<b>3,275</b>	27,986
<b>Cash flows from investing activities</b>	20	<b>54,006</b>	3,001
<b>Change in cash and cash equivalents in the year</b>		<b>57,281</b>	30,987
Cash and cash equivalents at the beginning of the year		<b>440,820</b>	409,833
<b>Cash and cash equivalents at the end of the year</b>	21	<b>498,101</b>	<b>440,820</b>

**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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Mid-Trent Multi Academy Trust meets the definition of a public benefit entity under 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. Accounting policies (continued)**

**1.3 Income**

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or services.

**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**

This 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.

• **Charitable activities**

These are costs incurred on the Academy Trust's educational operations, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.



**1. Accounting policies (continued)**

**1.5 Tangible fixed assets**

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

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

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 each asset on a straight-line basis over its expected useful life, as follows:

Long-term leasehold property	- 125 years straight line
Property improvements	- 10 - 15 years straight line
Furniture and equipment	- 5 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.

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 institution with whom the funds are deposited.

**1. Accounting policies (continued)**

**1.7 Operating leases**

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

**1.8 Debtors**

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

**1.9 Cash at bank and in hand**

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

**1.10 Liabilities**

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

**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 bases are as follows:

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

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial 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 Part 11, chapter 3 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. Accounting policies (continued)**

**1.13 Pensions**

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

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

The LGPS is a funded multi-employer 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 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 the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

**2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2019. 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 2019**

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,866	-	1,866	17,463
Capital grants	-	226,882	226,882	73,127
	<u>1,866</u>	<u>226,882</u>	<u>228,748</u>	<u>90,590</u>
<i>Total 2018</i>	<u>17,463</u>	<u>73,127</u>	<u>90,590</u>	

**4. Funding for Academy's educational operations**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	1,865,505	1,865,505	1,755,815
Other DfE / ESFA grants	213,424	213,424	197,778
	<u>2,078,929</u>	<u>2,078,929</u>	<u>1,953,593</u>
<b>Other government grants</b>			
Local authority grants	46,372	46,372	25,688
	<u>46,372</u>	<u>46,372</u>	<u>25,688</u>
<b>Other funding</b>			
Catering income	37,166	37,166	46,551
Other income	-	-	16,072
Trip income	25,955	25,955	38,707
	<u>63,121</u>	<u>63,121</u>	<u>101,330</u>
	<u>2,188,422</u>	<u>2,188,422</u>	<u>2,080,611</u>

The total for 2018 of £2,080,611 is represented entirely by restricted funds.

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Facility hire	12,860	<b>12,860</b>	10,431
Other income	28,812	<b>28,812</b>	38,754
Out of school club	76,051	<b>76,051</b>	73,847
School fund income	4,822	<b>4,822</b>	13,883
	<u>122,545</u>	<u><b>122,545</b></u>	<u>136,915</u>

The total for 2018 of £136,915 is represented entirely by unrestricted funds.

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Investment income.	189	<b>189</b>	175

The total for 2018 of £175 is represented entirely by unrestricted funds.

**7. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Educational Operations	1,670,532	632,637	<b>2,303,169</b>	2,257,047
<i>Total 2018</i>	<u>1,614,374</u>	<u>642,673</u>	<u><b>2,257,047</b></u>	

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**7. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
Staff costs	1,471,939	1,445,650
Depreciation	41,362	34,355
Technology costs	47,922	20,058
Educational supplies	31,570	28,439
Staff development	322	2,869
Education consultancy	32,673	31,583
Other direct costs	44,744	51,420
	<u>1,670,532</u>	<u>1,614,374</u>

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<i>Total funds 2018 £</i>
LGPS pension adjustment	20,000	19,000
Staff costs	222,382	209,230
Technology costs	42,989	47,496
Maintenance of premises and expenses	83,374	85,257
Cleaning	35,642	35,926
Rent and rates	6,980	5,860
Energy costs	34,365	27,469
Insurance	27,769	27,919
Security and transport	1,267	1,316
Catering	98,366	102,577
Bank interest and charges	338	1,750
Other support costs	42,670	45,686
Governance costs	16,495	33,187
	<u>632,637</u>	<u>642,673</u>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**8. Expenditure**

	<b>Staff Costs</b> <b>2019</b> £	<b>Premises</b> <b>2019</b> £	<b>Other</b> <b>2019</b> £	<b>Total</b> <b>2019</b> £	<b>Total</b> <b>2018</b> £
Expenditure on fundraising trading activities:					
Direct costs	-	-	37,761	<b>37,761</b>	41,175
Support costs	50,182	-	-	<b>50,182</b>	93,301
Educational operations					
Direct costs	1,471,939	41,362	157,231	<b>1,670,532</b>	1,614,374
Support costs	222,382	160,361	249,894	<b>632,637</b>	642,673
	<u>1,744,503</u>	<u>201,723</u>	<u>444,886</u>	<u><b>2,391,112</b></u>	<u>2,391,523</u>
<b>Total 2018</b>	<u><u>1,734,327</u></u>	<u><u>222,925</u></u>	<u><u>434,271</u></u>	<u><u><b>2,391,523</b></u></u>	

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b> £	<b>2018</b> £
Operating lease rentals	<b>1,202</b>	1,433
Depreciation of tangible fixed assets	<b>41,362</b>	34,355
Fees paid to auditors for:		
- audit	<b>9,950</b>	9,950
- other services	<b>2,475</b>	2,475



**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,325,629	1,300,680
Social security costs	104,907	102,155
Pension costs	296,272	290,636
	<u>1,726,808</u>	<u>1,693,471</u>
Agency staff costs	17,695	40,856
	<u><u>1,744,503</u></u>	<u><u>1,734,327</u></u>

**b. Staff numbers**

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

	2019 No.	2018 No.
Teachers	29	26
Support staff	44	46
Management	4	4
	<u>77</u>	<u>76</u>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**10. Staff costs (continued)**

**c. Higher paid staff**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	<u>3</u>	<u>1</u>

**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 £276,176 (2018: £266,856).

**11. Central services**

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

**12. 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 staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mrs N Clay, Chief Executive & Accounting Officer (resigned 21 October 2019)	Remuneration	65,000 -	60,000 -
		70,000	65,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mr P Hayward, Chief Executive & Accounting Officer (appointed 21 October 2019)	Remuneration	60,000 -	55,000 -
		65,000	60,000
	Pension contributions paid	10,000 -	5,000 -
		15,000	10,000
J E Alexander (resigned 15 June 2018)	Remuneration	N/A	45,000 -
			50,000
	Pension contributions paid	N/A	5,000 -
			10,000

During the year ended 31 August 2019, expenses totalling £189 (2018 - £223) were reimbursed to 1 Trustees (2018 - 2).

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**13. 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 2019 is included in the insurance cost.

**14. Tangible fixed assets**

	Long-term leasehold property £	Property improve- ments £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	410,946	16,873	91,020	66,160	584,999
Additions	-	105,200	-	30,843	136,043
At 31 August 2019	410,946	122,073	91,020	97,003	721,042
<b>Depreciation</b>					
At 1 September 2018	8,494	3,515	28,258	36,204	76,471
Charge for the year	3,288	1,687	17,856	18,531	41,362
At 31 August 2019	11,782	5,202	46,114	54,735	117,833
<b>Net book value</b>					
At 31 August 2019	399,164	116,871	44,906	42,268	603,209
At 31 August 2018	402,452	13,358	62,762	29,956	508,528

**15. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	1,625	1,598
Other debtors	37,022	14,816
Prepayments and accrued income	59,083	36,613
VAT receivable	39,027	16,802
	136,757	69,829

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**16. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Trade creditors	66,926	23,885
Other taxation and social security	25,645	23,462
Other creditors	29,666	27,941
Accruals and deferred income	94,595	150,448
	<u>216,832</u>	<u>225,736</u>
	2019 £	2018 £
Deferred income at 1 September 2018	64,511	57,682
Resources deferred during the year	66,907	64,511
Amounts released from previous periods	(64,511)	(57,682)
	<u>66,907</u>	<u>64,511</u>

Deferred income relates to grant and trading income relating to 2019/20 which was received prior to the year end.

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**17. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
General Funds	245,491	114,723	(78,466)	-	-	281,748
<b>Restricted general funds</b>						
General Annual Grant (GAG)	23,593	1,865,505	(1,859,489)	(1,368)	-	28,241
Other DfE/ESFA	-	213,424	(213,424)	-	-	-
Local authority	-	46,372	(46,372)	-	-	-
Other income	-	63,121	(63,121)	-	-	-
Pension reserve	(664,000)	-	(79,000)	-	(254,000)	(997,000)
	<u>(640,407)</u>	<u>2,188,422</u>	<u>(2,261,406)</u>	<u>(1,368)</u>	<u>(254,000)</u>	<u>(968,759)</u>
<b>Restricted fixed asset funds</b>						
On conversion from local authority	415,856	-	(13,695)	-	-	402,161
Devolved formula capital	37,956	17,464	(13,426)	-	-	41,994
Other capital funding	16,151	209,418	(2,290)	-	-	223,279
GAG funded assets	54,395	-	(11,951)	1,368	-	43,812
	<u>524,358</u>	<u>226,882</u>	<u>(41,362)</u>	<u>1,368</u>	<u>-</u>	<u>711,246</u>
<b>Total Restricted funds</b>	<u>(116,049)</u>	<u>2,415,304</u>	<u>(2,302,768)</u>	<u>-</u>	<u>(254,000)</u>	<u>(257,513)</u>
<b>Total funds</b>	<u>129,442</u>	<u>2,530,027</u>	<u>(2,381,234)</u>	<u>-</u>	<u>(254,000)</u>	<u>24,235</u>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

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**17. Statement of funds (continued)**

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

**Unrestricted funds**

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

**Restricted funds**

The restricted general funds represent grants received for the Academy 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 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Colwich CofE Primary School	79,889	65,971
St Andrew's CofE Primary School	169,144	169,034
St Peter's CofE Primary School	60,956	34,079
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	309,989	269,084
Restricted fixed asset fund	711,246	524,358
Pension reserve	(997,000)	(664,000)
	<hr/>	<hr/>
<b>Total</b>	<b>24,235</b>	<b>129,442</b>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**17. Statement of funds (continued)**

**Total cost analysis by academy**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Colwich CofE Primary School	515,763	110,330	14,937	178,695	<b>819,725</b>	802,022
St Andrew's CofE Primary School	500,057	91,968	11,568	207,068	<b>810,661</b>	832,820
St Peter's CofE Primary School	397,118	70,266	5,064	158,037	<b>630,485</b>	636,326
<b>Academy Trust</b>	<b>1,412,938</b>	<b>272,564</b>	<b>31,569</b>	<b>543,800</b>	<b>2,260,871</b>	<b>2,271,168</b>

Comparative information in respect of the preceding year is as follows:

**Mid-Trent Multi Academy Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**17. Statement of funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
General Funds	225,413	154,553	(134,475)	-	-	245,491
<b>Restricted general funds</b>						
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)
<b>Restricted fixed asset funds</b>						
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
<b>Total Restricted funds</b>	(174,739)	2,153,738	(2,257,048)	-	162,000	(116,049)
<b>Total funds</b>	50,674	2,308,291	(2,391,523)	-	162,000	129,442



**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Restricted fixed asset funds 2019 £</b>	<b>Total funds 2019 £</b>
Tangible fixed assets	-	-	603,209	<b>603,209</b>
Current assets	281,748	245,073	108,037	<b>634,858</b>
Creditors due within one year	-	(216,832)	-	<b>(216,832)</b>
Provisions for liabilities and charges	-	(997,000)	-	<b>(997,000)</b>
<b>Total</b>	<b>281,748</b>	<b>(968,759)</b>	<b>711,246</b>	<b>24,235</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Restricted fixed asset funds 2018 £</b>	<b>Total funds 2018 £</b>
Tangible fixed assets	-	-	508,528	<b>508,528</b>
Current assets	245,491	249,329	15,829	<b>510,649</b>
Creditors due within one year	-	(225,736)	-	<b>(225,736)</b>
Provisions for liabilities and charges	-	(664,000)	-	<b>(664,000)</b>
<b>Total</b>	<b>245,491</b>	<b>(640,407)</b>	<b>524,357</b>	<b>129,441</b>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**19. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	148,793	(83,232)
<b>Adjustments for:</b>		
Depreciation	41,362	34,355
Dividends, interest and rents from investments	(189)	(175)
Defined benefit pension scheme cost less contributions payable	59,000	67,000
Defined benefit pension scheme finance cost	20,000	19,000
(Increase) / Decrease in debtors	(29,906)	20,907
(Decrease) / Increase in creditors	(8,903)	43,258
Capital grants from DfE and other capital income	(226,882)	(73,127)
<b>Net cash provided by operating activities</b>	<b>3,275</b>	<b>27,986</b>

**20. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	189	175
Purchase of tangible fixed assets	(136,043)	(65,615)
Capital grants from DfE Group	189,860	66,361
Capital funding received from sponsors and others	-	2,080
<b>Net cash provided by investing activities</b>	<b>54,006</b>	<b>3,001</b>

**21. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	498,101	440,820
<b>Total cash and cash equivalents</b>	<b>498,101</b>	<b>440,820</b>

## **22. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £28,300 were payable to the schemes at 31 August 2019 (2018 - £26,700) and are included within creditors.

### **Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

#### **The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

### **Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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

### **Scheme Changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

## **22. Pension commitments (continued)**

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension cost paid to the scheme in the year amounted to £147,000 (2018 - £144,000).

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

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £113,000 (2018 - £105,000), of which employer's contributions totalled £91,000 (2018 - £84,000) and employees' contributions totalled £ 20,000 (2018 - £21,000). The agreed contribution rates for future years are 25.2 per cent for employers and 5.5 to 12.5 per cent for employees.

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

### **Principal actuarial assumptions**

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>2.70</b>	<b>2.70</b>
Rate of increase for pensions in payment/inflation	<b>2.30</b>	<b>2.30</b>
Discount rate for scheme liabilities	<b>1.90</b>	<b>2.80</b>
Commutation of pensions to lump sums - Pre April 2008	<b>50.00</b>	<b>50.00</b>
Commutation of pensions to lump sums - Post April 2008	<b>75.00</b>	<b>75.00</b>

**Mid-Trent Multi Academy Trust**  
(A Company Limited by Guarantee)

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**22. Pension commitments (continued)**

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

	<b>2019</b> <b>Years</b>	<b>2018</b> <b>Years</b>
<i>Retiring today</i>		
Males	<b>21.1</b>	22.1
Females	<b>23.5</b>	24.4
<i>Retiring in 20 years</i>		
Males	<b>22.2</b>	24.1
Females	<b>24.8</b>	26.4

**Sensitivity analysis**

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Discount rate -0.5%	<b>241</b>	175
Salary increase rate +0.5%	<b>41</b>	35
Pension increase rate +0.5%	<b>196</b>	138

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

	<b>At 31</b> <b>August 2019</b> <b>£</b>	<b>At 31 August</b> <b>2018</b> <b>£</b>
Equities	<b>560,000</b>	469,000
Corporate bonds	<b>181,000</b>	127,000
Property	<b>66,000</b>	54,000
Cash and other liquid assets	<b>17,000</b>	20,000
<b>Total market value of assets</b>	<b>824,000</b>	670,000

The actual return on scheme assets was £26,000 (2018 - £23,000).

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**22. Pension commitments (continued)**

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(139,000)	(151,000)
Past service cost	(11,000)	-
Interest income	20,000	15,000
Interest cost	(40,000)	(34,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(170,000)</b>	<b>(170,000)</b>

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>1,334,000</b>	<b>1,272,000</b>
Current service cost	139,000	151,000
Employee contributions	21,000	21,000
Benefits paid	(3,000)	(5,000)
Interest cost	40,000	34,000
Actuarial losses/(gains)	279,000	(139,000)
Past service costs	11,000	-
<b>At 31 August</b>	<b>1,821,000</b>	<b>1,334,000</b>

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>670,000</b>	<b>532,000</b>
Interest income	20,000	15,000
Employee contributions	21,000	21,000
Benefits paid	(3,000)	(5,000)
Actuarial gains	25,000	23,000
Employer contributions	91,000	84,000
<b>At 31 August</b>	<b>824,000</b>	<b>670,000</b>

**Mid-Trent Multi Academy Trust**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

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**23. Operating lease commitments**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	835	1,202
Later than 1 year and not later than 5 years	475	475
	<u>1,310</u>	<u>1,677</u>

**24. 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.

**25. Related party transactions**

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

The 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 £1,450 (2018: £1,225) during the year. There was £nil (2018: £nil) outstanding at 31 August 2019.

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.