

Registered number: 09878928

Mid-Trent Multi Academy Trust

Trustees' Report and Financial Statements

For the Year Ended 31 August 2020



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

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Mid-Trent Multi Academy Trust
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Reference and Administrative Details

Members

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

Trustees

Mr D W Clay, Chair of trustees (from 1 September 2019)¹
Mr W Buck¹
Mrs N Clay, Accounting Officer (until 21 October 2019) (resigned 21 October 2019)
Mr P Hayward, Chief Executive & Accounting Officer (from 21 October 2019)
(appointed 21 October 2019)¹
Mrs A Mulligan
Mr N O'Sullivan (resigned 31 December 2019)¹
Mr K Butlin (resigned 30 November 2019)
Mrs C Pilkington (appointed 1 September 2019, resigned 31 August 2020)
Mr C Gaffiney (appointed 1 September 2020)
Mr M Blundy¹
Mr J Hill (appointed 1 December 2020)

¹ 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 (until 31 August 2020)
NJ Clay, Head teacher - Colwich Cof E Primary School (until 31 December 2019)
PA Hayward, Head teacher - St Andrew's Cof E Primary School
A Nield, Finance and support manager
A De Ste Croix, Head teacher - Colwich Cof E Primary School (from 1 January 2020)
Mrs C Pilkington, Head teacher - St Peter's Cof E Primary School (from 1 September 2020)

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
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Reference and Administrative Details (continued)
For the Year Ended 31 August 2020

Solicitors

Entrust Support Services, Riverway, Stafford, ST16 3TH

Mid-Trent Multi Academy Trust
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Trustees' Report
For the Year Ended 31 August 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the 1 September 2019 to 31 August 2020. 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 490 in the school census in October 2019.

Structure, governance and management

Constitution

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

The academies within the trust are:-

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

The Academy 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.

Members' liability

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

. Trustees' indemnities

Up until 31 January 2020 The Mid-Trent Multi Academy Trust had 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. Since 1 February 2020 this has been replaced by the Academies Risk Protection Arrangement which provides cover of £10,000,000 in any one membership year.

Structure, governance and management (continued)

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 Academy Committees, to be eligible they must be a parent at the time of election or appointment.
- The trustees with the consent of Diocesan Board of Education may appoint up to two co-opted trustees.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

Organisational structure

The organisational structure consists of the following levels:-

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

The Board of Trustees is responsible for the strategic direction, governance and vision of the multi academy trust. The board will establish an overall framework for a school to work within covering membership, terms of reference for committees and procedures for a Local Academy Committee. 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 Academy Committee (LAC), which is responsible for the local management of their school. Each LAC 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 LAC 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.

Mid-Trent Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Structure, governance and management (continued)

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.

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, the Board sets the pay for CEO, Headteachers, Business Manager, Inclusion Leader and Clerk, each Local Academy Committee sets the pay for the other key management staff within schools following a performance review and within the approved policy.

. 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%	-

Percentage of pay bill spent on facility time	£
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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Structure, governance and management (continued)

Related Parties and other Connected Charities and Organisations

Owing to the nature of the academy's operations and the compositions of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the 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.

Objectives and activities

Objects and aims

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

MID-TRENT MAT VISION:

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

Objectives, strategies and activities

The objectives of the trust are:

1. To apply and practice Christian values
2. To foster an ethos of collaboration and innovation
3. To be responsive to the challenges of modern society
4. Endeavour to maintain and grow a collective of schools, which always puts the children first
5. To ensure the children receive an outstanding education and develop the knowledge and attributes to be successful, life-long learners
6. For the trust will provide a safe and secure environment for children and staff to flourish
7. For parents to feel engaged

Public benefit

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

Strategic report

Achievements and Performance

A core infrastructure of the management team enables the 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 years' budgets.

Mid-Trent Multi Academy Trust
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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

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 benchmarking across the three schools.

The trust was performing well in Early Years, KS1 and KS2, until lockdown occurred, which led to partial school closures. There were no end of phase results for the year ending 2019/20, as nationally, no formal pupil assessments took place. It is therefore difficult to report on pupil progress.

The COVID-19 pandemic led to the partial closures of schools, from 23 March 2020. Initially, only key workers' children were invited to attend schools. After Easter, places were offered to Reception, Year 1 and Year 6 pupils. Trust schools offered places to key workers' children during the Easter holidays and summer half-term break. Key workers' children attended every session offered during school holidays.

Children eligible for free school meals were offered vouchers and food parcels throughout lockdown and during school breaks.

The financial and operational effects of the Coronavirus and the control measures relating to the virus caused a lot of uncertainty and posed various risks to the Trust in the reporting period 1 September 2019 to 31 August 2020. Increased cleaning, hygiene arrangements and staff absenteeism brought unplanned expenditure on items to support the health and safety of pupils/staff and visitors following government guidance. The Trust also has before and after-school clubs which did not operate during the period, which meant no income was possible but staff were still employed due to the uncertainty of when clubs would be able to open.

Some anxious parents considered home-schooling; they believed this was the safest option given the statistics published daily and the fact that despite schools following government guidance, this would not negate the risk of the virus being contracted by their child and subsequently the risk to their community. Despite reassurances from schools, some parents still took the option to home-school. The reduction in pupil numbers will result in a fall in GAG funding for the following year 2021/22.

The ability of Trust schools to fundraise was near impossible. The usual fundraising events required high footfall, eg book fairs, Easter events, summer fetes and end year shows. National guidance was adhered to and so social distancing became an important goal. Opening the school and safeguarding staff was crucial to offering support to key workers' children.

From early on in lockdown, volunteers did not attend Trust schools. They are an immense resource built on good will and excellent relationships. This had an immediate and direct impact on the pupils' education. Much of the one-to-one and small group support came to an end. The result of this is that many children may not have reached their potential for the year 2019/20. The catch-up funding is crucial in redressing the balance and all schools within the Trust have written plans to spend this fund effectively.

The Trust has reserves and these are being depleted to support losses in income and increased controls measures for COVID 19.

Trust schools have invested much time in setting up remote learning platforms and have taken advantage of the government grant to set these up. Trust schools have had to consider their curriculum offer in light of remote learning practices and have developed ways to support children who are absent and cannot attend school. Mid-Trent is proactive in bringing children together eg. sporting events. These are no longer possible under present control measures.

The Trust has noted the impact of control measures on its wider network ranging from, opportunities for swimming, music lessons, third-party providers being furloughed and so forth. Control measures have had a significant impact on the curriculum experiences for the children. Residential visits have been suspended until further notice. The children have been denied these life-enriching activities and Trust schools are working hard to find innovative activities to engage and motivate children within restrictive control measures.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Objectives and activities (continued)

St Andrew's CE Primary School

- The school achieved the Gold School Games Award in 2019-2020. The school also achieved the Virtual School Games Award, in recognition for the effort the school took to keep children healthy during lockdown.
- Current Headteacher promoted to MAT CEO following the retirement of previous CEO.

St Peter's CE Primary School

- The school achieved the Gold School Games Award in 2019-2020. The school also achieved the Virtual School Games Award, in recognition for the effort the school took to keep children healthy during lockdown.
- New headteacher successfully appointed after the retirement of long-standing headteacher. New Headteacher began 1 September 2020.

Colwich CE Primary School

- New headteacher successfully appointed after the retirement of long-standing headteacher. New headteacher started 1 January 2020.

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 2019/20 the majority of the key performance indicators have been achieved.

- Ofsted grading is at least good
- SIAMS grading is at least good
- Quality of Teaching – 90% of teaching is at least good
- Staff costs as a percentage of income are less than 80%
- Staff costs as a percentage of expenditure are less than 80%

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 Statement of Accounting Policies.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Financial review

Review of financial performance

The Academy Trust's key source of income is the General Annual Grant (GAG) from the Education and Skills Funding Agency (ESFA). Funding from the ESFA is shown as restricted funds in the statement of financial activities. During the period, the Academy Trust received grants from the ESFA totalling £2,123,566. 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 2020, total resources expended are £2,350,590 excluding depreciation. Depreciation of £41,060 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 £63,435.

At 31 August 2020, the net book value of tangible fixed assets totalled £652,550 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and associated support services to the students of the Academy Trust.

Reserves policy

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

The trust has unrestricted reserves of £242,400, restricted reserves of £131,024, restricted fixed asset reserves of £687,765 and pension deficit reserve of £1,595,000.

Investment policy

The trust has 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.

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
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Trustees' Report (continued)
For the Year Ended 31 August 2020

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 2019/20 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 Peter's 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 Fairs, 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 children, families and staff feel safe in the context of the COVID-19 global pandemic.
- Ensuring all children begin to catch up and 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.

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Trustees' Report (continued)
For the Year Ended 31 August 2020

Funds held as custodian on behalf of others

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

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- 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 3 December 2020 and signed on its behalf by:



Mr D W Clay
Chair of Trustees

Mid-Trent Multi Academy Trust
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Governance Statement

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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 5 times during the year.

The Board maintains effective oversight in fewer than 6 meetings annually through the use of a sub-committee structure, including the finance committee which met 3 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
Mr P Hayward, Chief Executive & Accounting Officer (from 21 October 2019)	5	5
Mrs A Mulligan	4	5
Mr W Buck	5	5
Mrs N Clay, Accounting Officer (until 21 October 2019)	0	0
Mr N O'Sullivan	0	1
Mrs C Pilkington (appointed 1 September 2019, resigned 31 August 2020)	5	5
Mr K Butlin (resigned 30 November 2019)	0	1
Mr D Clay, Chairman	4	5
Mr M Blundy	4	5

The trust continued to review their practices and effectiveness and as a consequence took the decision to completely review the scheme of delegation.

The trust continued to review in 2019-20, 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 an appointed clerk to the trustees.
- Vacant non-executive trustee roles have been advertised with Academy Ambassadors and Governors for Schools.
- 2 new directors were appointed in the year.
- Directors have identified key areas they are responsible for across the Trust.
- The Scheme of Delegation is being updated and supplemented with a RASCI document.

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Governance Statement (continued)

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;
- review the operation of the trust's code of practice for governor members and code of conduct for staff.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr W Buck	1	1
Mr M Blundy	3	3
Mr P Hayward	3	3
Mr D W Clay	3	3
Mr N O'Sullivan	0	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

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Governance Statement (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 2019 to 31 August 2020 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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

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

The 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 external auditors report 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.

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Governance Statement (continued)

The risk and control framework (continued)

The Board of Trustees confirm that Dains LLP has delivered their schedule of work as planned during the financial year ending 31 August 2020 and detailed reports including recommendations.

The Board of Trustees have noted the Financial Reporting Council's revised Ethical Standards detailing that the external auditor can no longer provide internal audit services to the academy trust and are in the process of appointing a new internal audit provider for the year ended 31 August 2021.

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

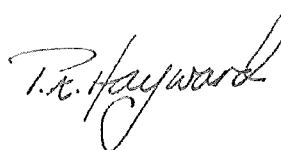
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees and signed on their behalf by:



Mr D W Clay
Chair of Trustees

Date: 3 December 2020



Mr P Hayward
Accounting Officer

Mid-Trent Multi Academy Trust

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Statement on Regularity, Propriety and Compliance

As accounting officer of Mid-Trent Multi Academy Trust I have considered my responsibility to notify the Academy Trust board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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 2019.

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.



Mr P Hayward
Accounting Officer
Date: 3 December 2020

Mid-Trent Multi Academy Trust

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Statement of Trustees' responsibilities For the Year Ended 31 August 2020

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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 and signed on its behalf by:



Mr D W Clay
Chair of Trustees
Date: 3 December 2020

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

Opinion

We have audited the financial statements of Mid-Trent Multi Academy Trust (the 'academy trust') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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)

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)

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. 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

3 December 2020

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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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)

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

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

Date: 3 December 2020

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

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	899	-	17,579	18,478	228,748
Charitable activities:						
Funding for the academy trust's educational operations	4	-	2,229,515	-	2,229,515	2,188,422
Other trading activities	5	90,428	-	-	90,428	122,545
Investments	6	183	-	-	183	189
Total income		91,510	2,229,515	17,579	2,338,604	2,539,904
Expenditure on:						
Raising funds	8	108,012	-	-	108,012	87,943
Charitable activities	7	-	2,242,578	41,060	2,283,638	2,303,168
Total expenditure		108,012	2,242,578	41,060	2,391,650	2,391,111
Net income/ (expenditure)		(16,502)	(13,063)	(23,481)	(53,046)	148,793
Transfers between funds	18	(22,846)	22,846	-	-	-
Net movement in funds before other recognised gains/(losses)		(39,348)	9,783	(23,481)	(53,046)	148,793
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(505,000)	-	(505,000)	(254,000)
Net movement in funds		(39,348)	(495,217)	(23,481)	(558,046)	(105,207)

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

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2020

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Reconciliation of funds:					
Total funds brought forward	281,748	(968,759)	711,246	24,235	129,442
Net movement in funds	(39,348)	(495,217)	(23,481)	(558,046)	(105,207)
Total funds carried forward	242,400	(1,463,976)	687,765	(533,811)	24,235

The notes on pages 28 to 54 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 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	652,550	603,209
		<u>652,550</u>	<u>603,209</u>
Current assets			
Debtors	15	76,702	136,757
Cash at bank and in hand	23	544,866	498,101
		<u>621,568</u>	<u>634,858</u>
Creditors: amounts falling due within one year	16	(202,613)	(216,832)
Net current assets		<u>418,955</u>	<u>418,026</u>
Creditors: amounts falling due after more than one year	17	(10,316)	-
Net assets excluding pension liability		<u>1,061,189</u>	<u>1,021,235</u>
Defined benefit pension scheme liability	25	(1,595,000)	(997,000)
Total net assets		<u><u>(533,811)</u></u>	<u><u>24,235</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	18	687,765	711,246
Restricted income funds	18	131,024	28,241
		<u>818,789</u>	<u>739,487</u>
Restricted funds excluding pension liability	18	818,789	739,487
Pension reserve	18	(1,595,000)	(997,000)
Total restricted funds	18	<u>(776,211)</u>	<u>(257,513)</u>
Unrestricted income funds	18	<u>242,400</u>	<u>281,748</u>
Total funds		<u><u>(533,811)</u></u>	<u><u>24,235</u></u>

Mid-Trent Multi Academy Trust

(A Company Limited by Guarantee)

Registered number: 09878928

Balance Sheet (continued)

As at 31 August 2020

The financial statements on pages 23 to 54 were approved and authorised for issue by the Trustees and are signed on their behalf, by:



Mr D W Clay

Chair of Trustees

Date: 3 December 2020

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

Statement of Cash Flows
For the Year Ended 31 August 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	71,378	3,275
Cash flows from investing activities	22	(35,617)	54,006
Cash flows from financing activities	21	11,004	-
Change in cash and cash equivalents in the year		46,765	57,281
Cash and cash equivalents at the beginning of the year		498,101	440,820
Cash and cash equivalents at the end of the year	23, 24	<u>544,866</u>	<u>498,101</u>

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

Notes to the Financial Statements
For the Year Ended 31 August 2020

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 2019 to 2020 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.

At the balance sheet date the Academy Trust has net current assets of £418,955 and net liabilities of £533,811. Included within the net liabilities of £533,811 is the pension deficit of £1,595,000, which is not required to be repaid within 12 months of the authorisation of the financial statements. Therefore, the Trustees believe there is no material uncertainty as to whether the Academy Trust can continue as a going concern and have prepared the financial statements on this basis.

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 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations	899	-	899	1,866
Capital grants	-	17,579	17,579	226,882
	<u>899</u>	<u>17,579</u>	<u>18,478</u>	<u>228,748</u>
<i>Total 2019</i>	<u>1,866</u>	<u>226,882</u>	<u>228,748</u>	

4. Funding for Academy's educational operations

	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants			
General annual grant (GAG)	1,835,832	1,835,832	1,865,505
Other DfE/ESFA grants	287,734	287,734	213,424
	<u>2,123,566</u>	<u>2,123,566</u>	<u>2,078,929</u>
Other government grants			
Local authority grants	72,716	72,716	46,372
	<u>72,716</u>	<u>72,716</u>	<u>46,372</u>
Other funding			
Catering income	21,648	21,648	37,166
Trip income	8,934	8,934	25,955
	<u>30,582</u>	<u>30,582</u>	<u>63,121</u>
Exceptional government funding			
Coronavirus Job Retention Scheme grant	2,651	2,651	-
	<u>2,229,515</u>	<u>2,229,515</u>	<u>2,188,422</u>
<i>Total 2019</i>	<u>2,188,422</u>	<u>2,188,422</u>	

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

Notes to the Financial Statements
For the Year Ended 31 August 2020

4. Funding for Academy's educational operations (continued)

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

The academy furloughed some of its out of school club staff under the government's CJRS. The funding received of £2,651 relates to staff costs in respect of staff which are included within note 10 below as appropriate.

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Facility hire	8,106	8,106	12,860
Other income	32,804	32,804	28,812
Out of school club	40,027	40,027	76,051
School fund income	9,491	9,491	4,822
	<u>90,428</u>	<u>90,428</u>	<u>122,545</u>
<i>Total 2019</i>	<u>122,545</u>	<u>122,545</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Investment income	183	183	189
	<u>183</u>	<u>183</u>	
<i>Total 2019</i>	<u>189</u>	<u>189</u>	

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Notes to the Financial Statements
For the Year Ended 31 August 2020

7. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Educational Operations	1,715,383	568,255	2,283,638	2,303,168
<i>Total 2019</i>	<i>1,671,227</i>	<i>631,941</i>	<i>2,303,168</i>	

Analysis of direct costs

	Total funds 2020 £	Total funds 2019 £
Staff costs	1,552,506	1,471,939
Depreciation	41,060	41,362
Educational supplies	27,505	33,163
Technology costs	13,091	12,947
Education consultancy	43,085	46,027
Other costs	37,000	65,094
Recruitment and other staff expenses	1,136	695
	1,715,383	1,671,227

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Notes to the Financial Statements
For the Year Ended 31 August 2020

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Total funds 2020 £	<i>Total funds 2019 £</i>
LGPS pension adjustment	19,000	20,000
Staff costs	228,110	222,382
Catering	61,444	100,233
Other staff costs	13,220	11,740
Technology costs	48,348	42,984
Consultancy	16,650	16,295
Other costs	42,750	41,856
Maintenance of premises	24,034	66,848
Cleaning	33,394	30,021
Rates	7,934	6,980
Security	321	408
Heat and light	31,712	32,585
Governance costs	20,629	18,455
Other premises costs	20,709	21,154
	<u>568,255</u>	<u>631,941</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

8. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	<i>Total</i> <i>2019</i> £
Expenditure on fundraising trading activities:					
Direct costs	-	-	49,193	49,193	37,761
Support costs	58,819	-	-	58,819	50,182
Educational operations					
Direct costs	1,552,506	-	162,877	1,715,383	1,671,227
Support costs	228,110	139,250	200,895	568,255	631,941
	<u>1,839,435</u>	<u>139,250</u>	<u>412,965</u>	<u>2,391,650</u>	<u>2,391,111</u>
<i>Total 2019</i>	<u><i>1,744,503</i></u>	<u><i>201,723</i></u>	<u><i>444,885</i></u>	<u><i>2,391,111</i></u>	

9. Net expenditure

Net expenditure for the year includes:

	2020 £	<i>2019</i> £
Operating lease rentals	835	1,202
Depreciation of tangible fixed assets	41,060	41,362
Fees paid to auditors for:		
- audit	9,950	9,950
- other services	4,345	2,475

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Notes to the Financial Statements
For the Year Ended 31 August 2020

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	1,303,265	1,325,629
Social security costs	107,696	104,907
Pension costs	377,178	296,272
	<hr/>	<hr/>
	1,788,139	1,726,808
Agency staff costs	51,296	17,695
	<hr/>	<hr/>
	1,839,435	1,744,503
	<hr/>	<hr/>

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	23	29
Support staff	46	44
Management	4	4
	<hr/>	<hr/>
	73	77
	<hr/>	<hr/>

Mid-Trent Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2020

10. Staff (continued)

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	2	3

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 contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £287,161 (2019: £276,176).

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:

		2020 £	2019 £
Mrs N Clay, Chief Executive & Accounting Officer (resigned 21 October 2019)	Remuneration	5,000 - 10,000	65,000 - 70,000
	Pension contributions paid	0 - 5,000	10,000 - 15,000
Mr P Hayward, Chief Executive & Accounting Officer (appointed 21 October 2019)	Remuneration	55,000 - 60,000	60,000 - 65,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

During the year ended 31 August 2020, expenses totalling £211 were reimbursed or paid directly to 1 Trustee (2019 - £189 to 1 Trustee).

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 2020 is included in the insurance cost.

Mid-Trent Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2020

14. Tangible fixed assets

	Long-term leasehold property £	Property improve- ments £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	410,946	122,073	91,020	97,003	721,042
Additions	-	89,271	-	1,130	90,401
At 31 August 2020	410,946	211,344	91,020	98,133	811,443
Depreciation					
At 1 September 2019	11,782	5,202	46,114	54,735	117,833
Charge for the year	3,288	1,687	15,368	20,717	41,060
At 31 August 2020	15,070	6,889	61,482	75,452	158,893
Net book value					
At 31 August 2020	395,876	204,455	29,538	22,681	652,550
At 31 August 2019	399,164	116,871	44,906	42,268	603,209

15. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	353	1,625
Other debtors	-	37,022
Prepayments and accrued income	58,390	59,083
VAT receivable	17,959	39,027
	76,702	136,757

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Notes to the Financial Statements
For the Year Ended 31 August 2020

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	688	-
Trade creditors	43,331	66,926
Other taxation and social security	23,138	25,645
Other creditors	33,237	29,666
Accruals and deferred income	102,219	94,595
	<u>202,613</u>	<u>216,832</u>

Included within other loans is a Salix Loan totalling £688 (2019: £nil), no interest is charged on the loan balance which is repayable over 8 years.

	2020 £	2019 £
Deferred income at 1 September	66,907	64,511
Resources deferred during the year	72,327	66,907
Amounts released from previous periods	(66,907)	(64,511)
	<u>72,327</u>	<u>66,907</u>

Deferred income relates to grant and trading income relating to 2020/21 which was received prior to the year end.

17. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other loans	<u>10,316</u>	<u>-</u>

Included within other loans is a Salix Loan totalling £10,316 (2019: £nil), no interest is charged on the loan balance which is repayable over 8 years.

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	4,814	-
	<u>4,814</u>	<u>-</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2020

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	281,748	91,510	(108,012)	(22,846)	-	242,400
Restricted general funds						
General Annual Grant (GAG)	28,241	1,835,832	(1,778,495)	22,846	-	108,424
Other DfE/ESFA	-	287,734	(265,134)	-	-	22,600
Local authority	-	72,716	(72,716)	-	-	-
Other income	-	33,233	(33,233)	-	-	-
Pension reserve	(997,000)	-	(93,000)	-	(505,000)	(1,595,000)
	(968,759)	2,229,515	(2,242,578)	22,846	(505,000)	(1,463,976)
Restricted fixed asset funds						
On conversion from local authority	402,161	-	(9,075)	-	-	393,086
Devolved formula capital	41,994	17,579	(17,369)	(8,139)	-	34,065
Other capital funding	223,279	-	(2,290)	8,139	-	229,128
GAG funded assets	43,812	-	(12,326)	-	-	31,486
	711,246	17,579	(41,060)	-	-	687,765
Total Restricted funds	(257,513)	2,247,094	(2,283,638)	22,846	(505,000)	(776,211)
Total funds	24,235	2,338,604	(2,391,650)	-	(505,000)	(533,811)

Mid-Trent Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2020

18. 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 it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Colwich CofE Primary School	120,920	79,889
St Andrew's CofE Primary School	170,106	169,144
St Peter's CofE Primary School	82,398	60,956
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	373,424	309,989
Restricted fixed asset fund	687,765	711,246
Pension reserve	(1,595,000)	(997,000)
	<hr/>	<hr/>
Total	(533,811)	24,235
	<hr/>	<hr/>

Mid-Trent Multi Academy Trust
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Notes to the Financial Statements
For the Year Ended 31 August 2020

18. 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 2020 £	Total 2019 £
Colwich CofE Primary School	508,170	123,653	12,399	168,181	812,403	819,725
St Andrew's CofE Primary School	557,365	95,867	8,496	150,609	812,337	810,661
St Peter's CofE Primary School	412,971	67,409	6,610	145,860	632,850	630,485
Academy Trust	1,478,506	286,929	27,505	464,650	2,257,590	2,260,871

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Notes to the Financial Statements
For the Year Ended 31 August 2020

18. Statement of funds (continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	245,491	114,723	(78,466)	-	-	281,748
Restricted general funds						
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)
	(640,407)	2,188,422	(2,261,406)	(1,368)	(254,000)	(968,759)
Restricted fixed asset funds						
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
	524,358	226,882	(41,362)	1,368	-	711,246
Total Restricted funds	(116,049)	2,415,304	(2,302,768)	-	(254,000)	(257,513)
Total funds	129,442	2,530,027	(2,381,234)	-	(254,000)	24,235

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For the Year Ended 31 August 2020

19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	652,550	652,550
Current assets	242,400	343,953	35,215	621,568
Creditors due within one year	-	(202,613)	-	(202,613)
Creditors due in more than one year	-	(10,316)	-	(10,316)
Provisions for liabilities and charges	-	(1,595,000)	-	(1,595,000)
Total	242,400	(1,463,976)	687,765	(533,811)

Analysis of net assets between funds - prior period

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

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Notes to the Financial Statements
For the Year Ended 31 August 2020

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

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(53,046)	148,793
Adjustments for:		
Depreciation	41,060	41,362
Dividends, interest and rents from investments	(183)	(189)
Defined benefit pension scheme cost less contributions payable	74,000	59,000
Defined benefit pension scheme finance cost	19,000	20,000
(Increase) / Decrease in debtors	23,033	(29,906)
(Decrease) / Increase in creditors	(14,907)	(8,903)
Capital grants from DfE and other capital income	(17,579)	(226,882)
Net cash provided by operating activities	71,378	3,275

21. Cash flows from financing activities

	2020 £	2019 £
Cash inflows from new borrowing	11,004	-
Net cash provided by financing activities	11,004	-

22. Cash flows from investing activities

	2020 £	2019 £
Dividends, interest and rents from investments	183	189
Purchase of tangible fixed assets	(90,401)	(136,043)
Capital grants from DfE Group	54,601	189,860
Net cash (used in)/provided by investing activities	(35,617)	54,006

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Notes to the Financial Statements
For the Year Ended 31 August 2020

23. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	544,866	498,101
Total cash and cash equivalents	544,866	498,101

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	498,101	46,765	544,866
Debt due within 1 year	-	(688)	(688)
Debt due after 1 year	-	(10,316)	(10,316)
	498,101	35,761	533,862

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £32,477 were payable to the schemes at 31 August 2020 (2019 - £28,300) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £211,000 (2019 - £147,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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 2020 was £111,000 (2019 - £113,000), of which employer's contributions totalled £90,000 (2019 - £91,000) and employees' contributions totalled £21,000 (2019 - £20,000). 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.

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Notes to the Financial Statements
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25. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.60	2.70
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.70	1.90
Commutation of pensions to lump sums - Pre April 2008	50.00	50.00
Commutation of pensions to lump sums - Post April 2008	75.00	75.00

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

	2020	2019
	Years	Years
<i>Retiring today</i>		
Males	21.2	21.1
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	22.1	22.2
Females	25.0	24.8

Sensitivity analysis

	2020	2019
	£000	£000
Discount rate +0.1%	(61)	(48)
Discount rate -0.1%	61	48
Salary increase rate +0.1%	8	8
Salary increase rate -0.1%	(8)	(8)
Pension increase rate +0.1%	52	39
Pension increase rate -0.1%	(52)	(39)

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25. Pension commitments (continued)

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

	2020 £	2019 £
Equities	624,000	560,000
Corporate bonds	183,000	181,000
Property	73,000	66,000
Cash and other liquid assets	37,000	17,000
Total market value of assets	917,000	824,000

The actual return on scheme assets was £4,000 (2019 - £26,000).

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

	2020 £	2019 £
Current service cost	(164,000)	(139,000)
Past service cost	-	(11,000)
Interest income	17,000	20,000
Interest cost	(36,000)	(40,000)
Total amount recognised in the Statement of Financial Activities	(183,000)	(170,000)

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

	2020 £	2019 £
At 1 September	1,821,000	1,334,000
Employee contributions	21,000	21,000
Benefits paid	(23,000)	(3,000)
Current service cost	164,000	139,000
Interest cost	36,000	40,000
Actuarial losses	493,000	279,000
Past service costs	-	11,000
At 31 August	2,512,000	1,821,000

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25. Pension commitments (continued)

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

	2020 £	2019 £
At 1 September	824,000	670,000
Interest income	17,000	20,000
Employee contributions	21,000	21,000
Benefits paid	(23,000)	(3,000)
Actuarial (losses)/gains	(12,000)	25,000
Employer contributions	90,000	91,000
At 31 August	917,000	824,000

26. Operating lease commitments

At 31 August 2020 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,353	835
Later than 1 year and not later than 5 years	3,369	475
	4,722	1,310

27. 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.

28. Related party transactions

Owing to the nature of the trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transactions took place during the period:

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

The Academy Trust purchased educational consultancy services from AM Education Ltd totalling £1,500 (2019: £1,450) during the year. There was £nil (2019: £nil) outstanding at 31 August 2020.

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

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