

REGISTERED COMPANY NUMBER: 10377160 (England and Wales)

Report of the Trustees and
Financial Statements for the Year Ended 31st August 2019
for

Concordia Multi Academy Trust

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Concordia Multi Academy Trust

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for the Year Ended 31st August 2019

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Concordia Multi Academy Trust

Reference and Administrative Details
for the Year Ended 31st August 2019

MEMBERS

D Teggin
K Bailey
N Diamond (appointed 18.12.18)
A Rogan
S Grove
P Jenkins (resigned 18.12.18)

TRUSTEES

A J Claydon (Vice Chair)
R Flanders (resigned 31.1.19)
S L Grove *
L J Harris (resigned 1.3.19)
P D Jenkins (Chair)
D Kehoe (resigned 18.12.18)
P Maxwell (resigned 18.12.18)
J Murphy
S Raynor (resigned 18.12.18)
T L Webb (CEO & Accounting Officer)
J Williams

* members of the finance and general purpose committee

SENIOR MANAGEMENT TEAM

K Large (Head Teacher)
H Yarranton (Head Of School)
J Ogden (Head Of School)
T L Webb (CEO & Accounting Officer)
S Raynor (Head Teacher)
K Cairns (Head Teacher)

REGISTERED OFFICE

Wolverham Primary School
Milton Road
Ellesmere Port
Cheshire
CH65 5AT

REGISTERED COMPANY NUMBER

10377160 (England and Wales)

AUDITORS

UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

Concordia Multi Academy Trust

Reference and Administrative Details
for the Year Ended 31st August 2019

BANKERS

Lloyds Bank plc
8 Foregate Street
Chester
CH1 1XP

SURVEYORS

E3Cube Ltd
23 Meridian Business Village
Hunts Cross
Liverpool
L24 9LG

Concordia Multi Academy Trust

Report of the Trustees for the Year Ended 31st August 2019

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31st August 2019. The trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

The trust operates 3 primary academies in Cheshire and 1 infant academy in Wirral. Its academies have a combined pupil capacity of 930 (660 in the primaries and 270 in the infants) and had a roll of 918 in the school census on 4th October 2018. The total roll, including nursery and pre-school is 1113.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The overarching objectives of Concordia Multi Academy Trust are to:

- enable autonomous, outstanding academies within the MAT framework with a commitment to providing a high-quality education for all children,
- develop systems of monitoring attainment and progress to identify, escalate and tackle problems quickly,
- recruit and retain powerful and authoritative leaders, with a clear vision for bringing about higher standards,
- develop succession planning across the Trust structure, giving a high priority to leadership development in order to secure a pipeline of future talent,
- invest in professional development and the sharing of knowledge and expertise across the Trust,
- provide stability in governance and leadership,
- achieve a clear framework of governance, accountability and delegation to ensure absolute clarity of roles and responsibilities,
- develop financial systems that ensure best value and financial probity,
- have a cautious and considered approach to expansion.

Report of the Trustees
for the Year Ended 31st August 2019

OBJECTIVES AND ACTIVITIES

Significant activities

Year ended 31st August 2018 followed on very quickly after conversion allowing practically no time to develop the new processes required of Trusts and Academies. Whilst the auditors at year end did not find any serious areas of concern they did point out nine areas which required attention. Hence during this period (first complete year of operation) the trust has focused on developing in-house understanding of financial and administrative processes, ensuring that key positions are correctly staffed, capital issues are addressed and that there is a long term plan in place to optimise the governance of the trust.

The principal service suppliers (HR - Cooks Lawyers; Payroll - APS Global; DPO - John Cook; Auditors - UHY Hacker Young; SBS - Managed services) were retained and the SBS training program was rolled over to ensure and improve financial knowledge and processes.

Tracy Webb (HT of Wolverham) was appointed CEO 1st September 2018 and Jenni Ogden was promoted to Head of School for Wolverham in November 2018.

Julie Murphy retired from the HT position in Town Lane Infants on 1st September 2018 and Kate Large was promoted to take her place.

Ros Flanders resigned as Parklands HT (moving to a larger school) at the end of December 2018 and following an outside search Kim Cairns was appointed as her replacement. Plans were also put in place to second an experienced teacher for the coming year to assist the new HT in developing and implementing school improvement plans throughout the trust but mainly for Parklands.

The DfE appointed Childer Thornton Primary as an English Hub during the course of 2018/19 and the HT took on the responsibility of both the school and the Hub. Plans were put in place to allow Steph Cade to retire from the HT position at the end of 2018/19 and concentrate on developing the English Hub. Hannah Yarranton takes on the Head of School role on 1st September 2019.

Major capital issues for the three PFI schools lie with the PFI contractor. However, Town Lane has a number of pending infrastructure problems which required attention and a CIF bid was submitted to replace the school roof and windows. The bid was partially successful - only for the roof. Work starts in October 2019 and requires (as part of the successful bid) a contribution from school reserves.

The governance of the trust (Trustees, Members and LGBs) as envisaged prior to conversion was not suitable for the long term. Plans involving skills audits, recruiting of new Trustees, rationalising levels of responsibility have been initiated to improve the governance of the trust.

Report of the Trustees
for the Year Ended 31st August 2019

OBJECTIVES AND ACTIVITIES

Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined below are demonstrably to the public benefit.

Links with local communities and specialist teaching

All of our academies within the CONCORDIA Trust have strong links with the local communities. The academies access coaches and providers locally where possible to provide enhancement opportunities for the pupils. Extra-curricular activities include language, music, arts and sport.

A variety of different Sports coaches including Chester City Football Club, Chester Jets and Cheshire Cricket club provide specialist teaching to pupils. Other coaches are used to provide sports coaching including local after school care providers.

Specialist coaches are also accessed to teach part of the curriculum and enhance professional development of teaching staff.

Specialist music teachers are employed to teach in some of the academies along with specialist language teachers.

Links with local high schools provide transitional support as well as allowing academies to access specialist tuition for pupils, this has included maths, art and D.T.

Academies have links with local faith groups and churches which enriches the pupils' religious, spiritual, moral and social education. Pupils have been involved and contributed to Remembrance services and have participated in tree planting and litter picking within the community.

Many of the academies were involved in a national project to raise awareness of endangered animals and the harm caused by using palm oil and created showcases within the academies and participated in publicity events with Chester Zoo.

Some of the academies provide enrichment clubs during the holidays and also provide before and after school clubs, allowing parents to access safe and fun childcare. Some also paid pre-school care for pupils in addition to nursery provision. This enables both funded and no-funded 2 year olds to access high quality provision.

Fundraising

All the pupils and staff within our academies are involved in fundraising for a variety of charities. These include Food banks, Macmillan, Children in Need, 4 Louis charity, Red nose day, Children's tumour charity, Childhood Cancer, NSPCC, Claire House, Unisef, RNLI, Seeds for Africa and local support for Chester Zoo.

Between the academies, more than £5,500.00 was raised and donated on behalf of the trust.

School to School support and the sharing of good practice

CONCORDIA Trust recognises the importance of supporting local schools and the necessity to provide school to school support and networking beyond the trust alone. Within the trust academies have specialist staff and regularly work with other schools to enhance learning opportunities. Many of the academies are also part of a Teaching School Alliance and work closely with more than 20 schools to access high quality professional development and specialist support.

Childer Thornton is a National Support School. The Head of School is a Specialist Leader in Education (SLE) in Maths and teaches on behalf of the North West Maths Hub. The school has an EYFS SLE and a KS1 moderator. They continue to be designated an English Hub and the school is currently supporting/working with 85 schools across Cheshire West and Chester, Wirral and Liverpool. The previous head and a teacher were nominated for Teacher and Headteacher of the Year.

Parkland's are working closely with the other schools from within the trust. They are accessing high quality professional development to increase staff pedagogy and improve outcomes of pupils across the school.

Town Lane is the local lead for Forest Schools and they have three Forest School Practitioners. They provide support within an Infant School Cluster with particular support for early years. They are involved in local cluster school groups and are involved in a teacher research group for mastery. Many practitioners visit to observe teaching in the early years to enhance their practice.

OBJECTIVES AND ACTIVITIES

Public benefit

Wolverham is a National Support School. There are currently 3 SLEs who have supported at least 5 schools between them over the last year. The Head of school works as a moderator for the local authority to support with the assessment of writing at year 6. The two additional SLEs support other schools in English, Early Years and Special Needs. The Head of School and another senior member of staff volunteers for the Local Authority Special Educational Needs board to assess applications for additional funding.

Last year, the school trialed an approach to the teaching of writing from a local consultancy firm and have been highlighted as a centre of good practice with other colleagues visiting to observe and learn from the teaching. There is also a member of support staff who is in the process of completing a teaching degree and the school is supporting her to achieve this qualification.

Within the Trust, the CEO is a National Leader, a local authority school improvement adviser and works with a number of schools to improve outcomes. The English Hub lead is also a National Leader.

Premises

Wherever possible the trust aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. These opportunities have included before and after school care, holiday club childcare, nursery provision, Learning Centre space for midwives, consultations with Citizen's Advice Bureau for drop-in sessions and providing space for local children's centres to run parenting classes. These have been during and after school hours.

Report of the Trustees
for the Year Ended 31st August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

Childer Thornton achieved SMSC Gold and School Games Mark Gold during the academic year. They were County finalists in Hockey, Y3/4 football, Y5/6 football and County winners and Hoops for Health champions in Basketball. They attended and hosted Music Evening to celebrate musical talents.

Town Lane achieved Arts Mark Gold 2018, Re-accredited Green Flag July 2019, Surfers Against Sewage Plastic Free School Award, during the academic year. One pupil represented Town Lane at the local Chambers of Commerce Forum regarding plastic pollution. All Year Two pupils had their poetry published and attended local Concert of Remembrance for Wilfred Owen Commemoration. Y2 pupils attend annual Infant proms event with the local mayor in attendance.

Wolverham achieved School Games Award Gold and Eco Bronze. They achieved the Rainbow Flag Award this year (to raise awareness of LGBT and to eliminate gender stereotypes within schools and the wider community). The Wellbeing Award Accreditation (staff and students) was completed and awarded for three years. 1 pupil (Y6) passed the assessments and gained entry to grammar school. Over 15 pupils had their English stories published in a book that they completed independently for a story writing competition across the school and this will be repeated again next academic year. Y6 children won their heat in the local Big Maths competition and represented the school and came 5th in the regional final.

Demand for places

Many of the schools within our trust are oversubscribed for places in reception. There is also a waiting list in many year groups for spaces to become available in a number of the academies. Some having more than 20 pupils waiting for spaces within year 1 - year 6.

Childer Thornton received 108 applications (39 first places) for 30 places and 1 appeal was not successful.

Town Lane received 138 applications for 90 places and 8 applications were taken to appeal.

Wolverham received 92 applications (47 first choice) for 30 places. 4 were taken to appeal.

End of Key Stage Assessments July 2019

Key Stage 1 SATS	Expected Standards			
	Childer Thornton	Parkland	Town Lane	Wolverham
Year two pupils				
Reading	83%	43.5%	83%	73%
Writing	83%	30.4%	75%	70%
Maths	79%	34.8%	77%	80%
Combined R W M	79%	21.7%	67.7%	66%
Science	90%	82.6%	93%	83%
		Greater Depth		
Reading	28%	9%	35.5%	10%
Writing	21%	0%	16.6%	7%
Maths	28%	4%	22%	13%
Combined R W M	14%	0%	10%	7%
Phonics				
Year one Pupils	97%	62%	84%	83%
Year two pupils	97%	69.6	100%	90%
GLD (Good level development reception)	90%	60%	76%	73%
Key Stage 2 SATs	Childer Thornton	Parklands	Wolverham	
Reading expected	93%	55%	65%	
Reading Higher standard	41%	17%	29%	
Writing expected	93%	62%	81%	
Writing great depth	28%	10%	13%	
Maths expected	97%	65.5%	77%	

Report of the Trustees
for the Year Ended 31st August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

Maths Higher standard	45%	3.4%	19%
GPAS expected	97%	62%	87%
GPA Higher standard	66%	13.7%	58%
Combined RWM expected	90%	48.2%	65%
Combined RWM Higher	10%	-	6%
Science	97%	-	83%

Key financial performance indicators

The Trustees consider that the following are key performance indicators for the Academy Trust during the current period (Sept 2019 to August 2020):-

- Pupils numbers: Three of the four Academies are oversubscribed (with waiting lists and appeals). Only 5 Reception places available at the start of 2019/20.
- General financial stability: Total trust income closely matches total expenditure - a balanced budget for 2018/19. This despite one or two unexpected maintenance costs.
- Expenditure on total staff costs as a percentage of income during the period
- Income per pupil
- Ofsted inspection results: No inspections during the period. Three schools are Outstanding and one school is Good with Outstanding features.
- Capital expenditure per pupil: Three PFI schools capital expenditure is essentially limited to IT equipment. An application to repair the roof of Town Lane School was successful and a CIF grant of £456k (including school contributions) has been awarded. Work will start during the Autumn 2019 term.

The Trustees are satisfied that expectations for all key performance indicators listed have been successfully met during the period.

Financial review

Financial position

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2019, total expenditure of £6,334,000 was covered by recurrent grant funding from the ESFA together with other incoming resources and reserves brought forward. The excess of expenditure over income for the period (excluding restricted fixed asset funds) was £93,000.

At 31 August 2019, the net book value of fixed assets was £3,590,000 and movements in tangible fixed assets are shown in the notes to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Total free reserves (which excludes the fixed asset and pension fund) total £894,000.

Investment policy and objectives

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations. Although the investment of funds is not a primary activity and there have been no investments made to date, the Trustees are open to investment opportunities if and when appropriate free reserves have been accumulated - always bearing in mind the restrictions described in the Academies Financial Handbook.

Report of the Trustees
for the Year Ended 31st August 2019

STRATEGIC REPORT

Financial review

Reserves policy

The trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's cost. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

At the end of the financial year the trust held unrestricted funds amounting to £382,000 and general restricted funds (excluding pension and fixed asset funds) of £512,000 , totalling £894,000 of free reserves..

Going concern

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

Fundraising

Concordia Multi Academy Trust has, to date, made no material efforts to raise funds and has relied on the statutory funding supplied through the grant systems of the ESFA and the Local Authorities to provide the funding needed to achieve its educational goals.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations.

Report of the Trustees
for the Year Ended 31st August 2019

STRATEGIC REPORT

Future plans

Conversion to academy status took place during the Summer Term of 2018 hence the academic year ending in August 2019 was the first full year of operation for CONCORDIA. This first year was used to ensure that the Trust has a solid foundation in the basic process of running the academies efficiently. The coming year will continue with this development and make improvements to the Trust's capacity to grow.

- Leadership is key to the development of the Trust. All four academies have new Head Teachers - all appointed within the last twelve months. The CEO (ex HT Wolverham), an experienced teacher seconded for this academic year, the English Hub leader (ex HT Childer Thornton) and external organisations are all available to provide planned support for these new Heads during this coming year.

- The financial and administrative tasks involved in running the trust require full-time staff and overlapping skills to offset staff absences. A full-time position for a CFO is planned for the start of 2020; a bursar has been appointed to replace a resignation and a new administrator has been appointed to look after the expanded English Hub in 2019/20.

- The composition of the Board of Trustees, School Governors and Trust Members are all under review in order to optimise their effectiveness. Head Teachers no longer act as trustees, skills audits are underway for Trustees and recruiting of potential new Trustees / Members / Governors has begun.

- Plans are in place for additional capital grants for the coming year to make necessary improvements to existing buildings and equipment. There are also potential opportunities to expand existing buildings to ease capacity issues.

- Whilst all four schools are at or close to capacity the goal is to fill all places and ensure that all resources are used to their full extent. This requires a strong trust-wide reputation to attract parents / pupils to fill all the available places.

- Whilst there is no specific target for expansion it is essential that the Trust has the capacity to take on additional schools or expand existing schools as and when the opportunities arise. The current focus on optimising teaching staff, administrative staff, the trust governance structure (above) and improving the school facilities is seen as building the foundations for the future.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Concordia Multi Academy Trust are also the directors of the charitable company for the purpose of company law. The charitable company is known as Concordia Multi Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details.

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 cease to be a member.

Trustees' Indemnities

The Trust is a member of the DfE Risk Protection Arrangement (RPA) which provides Members and Trustees with cover from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Trustees or other officers may incur to third parties in the course of acting as Trustees or officers of the Trust.

Details of the insurance cover are provided in the notes to the financial statements.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees

Under the terms of its Articles:

- The Members may appoint by ordinary resolution up to 15 Trustees
- The total number of Trustees including the Chief Executive Officer (if they so choose to act as Trustee) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
- In circumstance where the Trustees have not appointed Local Governing Bodies in respect of Academies, there shall be a minimum of two Parent Trustees.
- Parent Trustees and Parent Local Governors shall be elected or, if the number of parents or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed.
- The Trustees may appoint Co-opted Trustees. The Trustee may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees.

Organisational structure

The organisational structure consists of two levels: the Trustees (and its associated Executive Board) and the Academies (along with their Local Governing Bodies). The aim of the management structure is to remain as 'flat' as possible and devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The Trustees are accountable to the Members of the Trust. The Executive Board controls and manages the Trust on a day to day basis implementing the policies laid down by the Trustees and reporting back to them.

The Executive Board currently comprises of the Headteachers from of each Academy and three or four Trustees / Members. The Headteachers provide input from all parts of the Trust and ensure equitable use of resources; the other places provide diverse skills and experience. As a group the Executive Board is responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for senior posts will always contain a Trustee and the CEO. Budgets are allocated to each individual academy and control devolved to the respective LGB.

The Academy Head Teachers along with their Senior Management Teams and respective LGBs and are responsible for the day to day operation of each Academy, in particular organising the teaching staff, facilities and students.

Induction and training of new trustees

The training and induction provided for new Trustees will depend on their previous experience. All new Trustees will be given a tour of the Academies and the chance to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee. New Trustees will attend an Induction and will have access to a full programme of courses which they will choose to attend, based on their role and experience.

Report of the Trustees
for the Year Ended 31st August 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

The key management personnel of the academy trust comprises of the trustees and executive board as disclosed on the Reference and Administrative page.

The current remuneration policy setting the terms and conditions for the key management personnel, has been rolled over from the respective Local Authorities on conversion of each Academy. A trust-wide remuneration policy will be approved by the board of trustees after taking advice from the Headteachers, Local Authority policies and following guidance from relevant professional pay review bodies.

Only staff trustees, including the Headteachers, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in notes to the financial statements. The Headteacher is not involved in setting their own remuneration package.

The day to day running of the remuneration policy is delegated to the Headteacher and monitored by the Executive Board who report to, and are accountable to the Trustees. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the Trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as ability, experience and performance. Total remuneration packages include employer pension contribution rates at approved rates.

The board always bears in mind the charitable status of the academy trusts and recognises that the trust receives funding under an agreement with the Secretary of State for Education, and therefore ensure (the remuneration) paid to senior management personnel never exceeds an amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money. Three named personnel have been appointed to the Pay Committee to monitor performance off the CEO.

Total remuneration paid to senior management personnel is set out in the notes to the financial statements.

Related parties

Concordia Multi Academy Trust is not connected with any other Charities or Organisations.

The Trust has no relevant Trade Union Officials during the year.

AUDITORS

The auditors, UHY Hacker Young, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 5th December 2019 and signed on the board's behalf by:

P D Jenkins - Chair



Concordia Multi Academy Trust

Governance Statement for the Year Ended 31st August 2019

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Concordia 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Concordia 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P D Jenkins	6	6
S L Grove	6	6
T L Webb	6	6
S Raynor	2	2
R Flanders	2	2
J Murphy	6	6
A J Claydon	5	6
J Williams	6	6
L J Harris	1	3
D Kehoe	1	2

In addition to the above, P Maxwell attended 2 meetings out of a possible 2.

The composition of the Board of Trustees has changed during the period. Head Teachers resigned from the Board to avoid conflicts of interest and also to allow them to concentrate on their main function as Heads. Three Governor appointments to the Board also resigned as they felt that their skills were best used at governor level.

The Board is fully aware that it is important to review its efficiency and composition.

The composition of the Board of Trustees, School Governors and Trust Members is all under review in order to improve the effectiveness of governance of the trust as a whole. Head Teachers no longer act as trustees, the CEO is the only employee of the trust acting as a Trustee, skills audits are underway for Trustees and recruiting of potential new Trustees / Members / Governors has begun.

No external review of the Board of Trustees has taken place during this period.

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively. During the course of this period the committee and the Finance Manager have improved considerably the day to day financial processes. The budgeting process during this period was executed in much greater depth than previously. Monitoring of the budget and management account is now becoming routine.

Attendance at meetings in the year was as follows:

Trustee/Member	Meetings attended	Out of a possible
S Grove	3	3
D Teggins	3	3
A Rogan	3	3
P Jenkins	3	3

Concordia Multi Academy Trust

Governance Statement for the Year Ended 31st August 2019

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to review internal financial processes and report any problems or potential problems to the Board of Trustees. This committee and the Finance committee are one and the same at present as there are limited human resources available. One internal audit was conducted by an external auditing company to review improvements in the nine items highlighted from the last YE audit.

Attendance at meetings in the year was as follows:

Trustee/Member	Meetings attended	Out of a possible
S Grove	2	2
D Teggins	2	2
A Rogan	2	2
P Jenkins	2	2

Review of Value for Money

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

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The principal services used by the schools (such as payroll, HR, accounting, etc.) have been managed centrally.
- Training in finance systems and reporting is being provided to some existing administrative staff rather than add new staff, with the aim of disseminating this further to all administrative staff.
- The skills of current Members and Trustees are being utilised wherever it makes sense.
- Sharing of resources (for example SEDCO) where it makes sense has begun across the schools.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of charitable company 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 Concordia Multi Academy Trust for the period 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2018 to 31st August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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 and General Purposes 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.

Governance Statement
for the Year Ended 31st August 2019

The Risk and Control Framework

The board of trustees has considered the need for a specific internal audit function and has decided to appoint UHY Hacker Young as internal auditors. This will be reviewed as required by the board

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

- testing of specific items highlighted in the last external audit
- testing of purchase systems
- testing of control account/ bank reconciliations

On an annual basis, the auditor/reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' responsibilities.

Review of Effectiveness

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

- the work of the external auditor
- the work of the executive 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 and implementation of the system of internal control by the Audit committee/Finance and General Purposes Committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 5th December 2019 and signed on its behalf by:

P D Jenkins - Chair



Mrs T L Webb - Accounting Officer



Concordia Multi Academy Trust

Statement on Regularity, Propriety and Compliance
for the Year Ended 31st August 2019

As accounting officer of Concordia Multi Academy Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the charitable company, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2018.

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



Mrs T L Webb - Accounting Officer

5th December 2019

Concordia Multi Academy Trust

Statement of Trustees Responsibilities
for the Year Ended 31st August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the ESFA/DfE have been applied for the purposes intended.

In so far 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.

Approved by order of the board of trustees on 5th December 2019 and signed on its behalf by:

P D Jenkins - Chair



Opinion

We have audited the financial statements of Concordia Multi Academy Trust (the 'charitable company') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, 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) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 charitable company'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.

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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions 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 Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

Matters on which we are required to report by exception

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

- 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.

Responsibilities of trustees

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

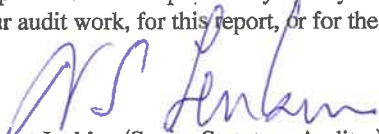
Our responsibilities for the audit of the financial statements

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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company'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 charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nicolaus Stuart Jenkins (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

5th December 2019

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Concordia Multi Academy Trust during the period 1st September 2018 to 31st August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Concordia Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Concordia Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1st September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2018 to 31st August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

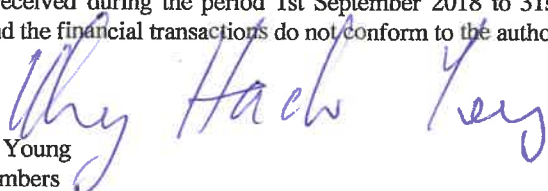
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

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



UHY Hacker Young
St John's Chambers
Love Street
Chester
Cheshire
CH1 1QN

5th December 2019

Concordia Multi Academy Trust

Statement of Financial Activities
for the Year Ended 31st August 2019

	Notes	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	3	9	-	531	540	18
Transfer from Local Authority on conversion		-	-	-	-	3,171
Charitable activities						
Funding for the academy's educational operations	4	304	5,762	-	6,066	1,878
Other trading activities	5	80	(2)	(1)	77	19
Investment income	6	1	-	-	1	-
Total		<u>394</u>	<u>5,760</u>	<u>530</u>	<u>6,684</u>	<u>5,086</u>
EXPENDITURE ON Charitable activities						
Academy's educational operations		<u>104</u>	<u>6,143</u>	<u>87</u>	<u>6,334</u>	<u>2,042</u>
NET INCOME/(EXPENDITURE)						
		290	(383)	443	350	3,044
Transfers between funds	19	<u>(78)</u>	<u>-</u>	<u>78</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(915)</u>	<u>-</u>	<u>(915)</u>	<u>12</u>
Net movement in funds		212	(1,298)	521	(565)	3,056
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>171</u>	<u>(651)</u>	<u>3,536</u>	<u>3,056</u>	<u>-</u>
TOTAL FUNDS CARRIED FORWARD		<u><u>383</u></u>	<u><u>(1,949)</u></u>	<u><u>4,057</u></u>	<u><u>2,491</u></u>	<u><u>3,056</u></u>

The notes form part of these financial statements

Concordia Multi Academy Trust

Balance Sheet
At 31st August 2019

	Notes	31.8.19 £'000	31.8.18 £'000
FIXED ASSETS			
Tangible assets	13	3,590	3,536
CURRENT ASSETS			
Debtors	14	633	1,058
Cash at bank		1,342	404
		<u>1,975</u>	<u>1,462</u>
CREDITORS			
Amounts falling due within one year	15	(614)	(598)
NET CURRENT ASSETS		<u>1,361</u>	<u>864</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,951	4,400
PENSION LIABILITY	20	(2,460)	(1,344)
NET ASSETS		<u>2,491</u>	<u>3,056</u>
FUNDS	19		
Unrestricted funds		382	171
Restricted funds		2,109	2,885
TOTAL FUNDS		<u>2,491</u>	<u>3,056</u>

The financial statements were approved by the Board of Trustees on 5th December 2019 and were signed on its behalf by:

P D Jenkins -Chair



The notes form part of these financial statements

Concordia Multi Academy Trust

Cash Flow Statement
for the Year Ended 31st August 2019

	Notes	31.8.19 £'000	31.8.18 £'000
Cash flows from operating activities:			
Cash generated from operations	1	546	(526)
Net cash provided by (used in) operating activities		<u>546</u>	<u>(526)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(140)	(5)
Capital grants from DfE/ESFA		531	8
Interest received		1	-
Net cash provided by (used in) investing activities		<u>392</u>	<u>3</u>
Cash transferred on conversion to an academy		<u>-</u>	<u>927</u>
Change in cash and cash equivalents in the reporting period		938	404
Cash and cash equivalents at the beginning of the reporting period		<u>404</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,342</u></u>	<u><u>404</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31st August 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	31.8.19	31.8.18
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	350	3,044
Adjustments for:		
Depreciation	86	16
Capital grants from DfE/ESFA	(531)	(8)
Transfer from Local Authority on conversion	-	(3,171)
Interest received	(1)	-
Decrease/(increase) in debtors	425	(1,058)
Increase in creditors	16	598
Difference between pension charge and cash contributions	201	53
	<u>546</u>	<u>(526)</u>
Net cash provided by (used in) operating activities	<u>546</u>	<u>(526)</u>

Notes to the Financial Statements
for the Year Ended 31st August 2019

1. PRINCIPAL ACCOUNTING POLICIES

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Concordia Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

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 company 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.

Critical accounting judgements and key sources of estimation uncertainty

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

2. ACCOUNTING POLICIES - continued

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 period 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.

Sponsorship income

Sponsorship income provided to the charity which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the charity's accounting policies.

Expenditure

Expenditure is recognised as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- Straight line over 125 years
Fixtures and fittings	- 10% on cost
Computer equipment	- 33% on cost

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.

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.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in the notes. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 the notes. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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. As stated in notes, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments.

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

2. ACCOUNTING POLICIES - continued

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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

Leased Assets

Rentals under operating leases are charge on a straight line basis over the lease term.

3. DONATIONS AND CAPITAL GRANTS

	31.8.19 £'000	31.8.18 £'000
Donations	9	10
Grants	531	8
	<u>540</u>	<u>18</u>

Grants received, included in the above, are as follows:

	31.8.19 £'000	31.8.18 £'000
Capital Grants	531	8
	<u>531</u>	<u>8</u>

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £'000	Restricted funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
Other income from the academy trust's educational operations	304	-	304	57
Grants	-	5,762	5,762	1,821
	<u>304</u>	<u>5,762</u>	<u>6,066</u>	<u>1,878</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £'000	Restricted funds £'000	31.8.19 Total funds £'000	31.8.18 Total funds £'000
DfE/ESFA revenue grant				
General Annual Grant	-	4,154	4,154	1,345
Start Up Grant	-	-	-	85
Other DFE Group grants	-	874	874	168
	-	5,028	5,028	1,598
Other government grant				
Local authority grants	-	734	734	223
	-	5,762	5,762	1,821

5. OTHER TRADING ACTIVITIES

	31.8.19 £'000	31.8.18 £'000
Hire of facilities	23	5
Catering income	-	4
Insurance	-	1
Uniform Sales	(3)	(5)
Sales of Goods & Services	9	2
Consultancy Fees & Recharges	48	12
	77	19

6. INVESTMENT INCOME

	31.8.19 £'000	31.8.18 £'000
Deposit account interest	1	-

7. EXPENDITURE

	Staff costs £'000	Non-pay expenditure		31.8.19 Total £'000	31.8.18 Total £'000
		Premises £'000	Other costs £'000		
Charitable activities					
Academies educational operations					
Direct costs	3,704	-	506	4,210	1,223
Allocated support costs	732	280	1,112	2,124	819
	4,436	280	1,618	6,334	2,042

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

7. EXPENDITURE - continued

Net income/(expenditure) is stated after charging/(crediting):

	31.8.19	31.8.18
	£'000	£'000
Auditors' remuneration	7	7
Auditors' remuneration for non audit work	6	5
Depreciation - owned assets	86	16
	<u> </u>	<u> </u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted	Restricted	31.8.19	31.8.18
	funds	funds	Total	Total
	£'000	£'000	£'000	£'000
Direct costs	60	4,150	4,210	1,223
Support costs	45	2,079	2,124	819
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	105	6,229	6,334	2,042
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	31.8.19	31.8.18
	Total	Total
	£'000	£'000
Analysis of support costs		
Support staff costs	732	162
Technology costs	18	52
Premises costs	280	200
Other support costs	1,081	393
Governance costs	13	12
	<u> </u>	<u> </u>
Total support costs	2,124	819
	<u> </u>	<u> </u>

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from 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.

J Murphy (Headteacher and trustee):

- Remuneration £NIL (2018: £70,000 - £75,000)
- Employer's pension contributions paid £NIL (2018: £10,000 - £15,000)

R Flanders (Headteacher and trustee) - resigned in year - full year equivalent shown:

- Remuneration £60,000 - £65,000 (2018: £60,000 - £65,000)
- Employer's pension contributions paid £10,000 - £15,000 (2018: £10,000 - £15,000)

S Raynor (Headteacher and trustee) - resigned in year - full year equivalent shown :

- Remuneration £60,000 - £65,000 (2018: £60,000 - £65,000)
- Employer's pension contributions paid £10,000 - £15,000 (2018: £10,000 - £15,000)

T Webb (CEO):

- Remuneration £80,000 - £85,000 (2018: £15,000 - £20,000)
- Employer's pension contributions paid £10,000 - £15,000 (2018: £NIL - £5,000)

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2019 nor for the year ended 31st August 2018 .

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

10. STAFF COSTS

	31.8.19	31.8.18
	£'000	£'000
Wages and salaries	3,317	953
Social security costs	265	77
Operating costs of defined benefit pension schemes	831	234
	<u>4,413</u>	<u>1,264</u>
Supply teacher costs	23	2
	<u>4,436</u>	<u>1,266</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31.8.19	31.8.18
Teachers	51	51
Administration and support	120	120
Management	5	4
	<u>176</u>	<u>175</u>

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

	31.8.19	31.8.18
£60,001 - £70,000	-	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>1</u>	<u>3</u>

Staff restructuring costs

Included within staff costs are redundancy payments amounting to £46,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on reference and administrative page. 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 £413,000 (2018: £275,000).

11. TRUSTEES' AND OFFICERS' INSURANCE

The charitable company has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Funds £'000	Total funds £'000
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	7	3	8	18
Transfer from Local Authority on conversion	84	(461)	3,548	3,171
Charitable activities				
Funding for the academy's educational operations	57	1,821	-	1,878
Other trading activities	24	(4)	(1)	19
Total	172	1,359	3,555	5,086
EXPENDITURE ON				
Charitable activities				
Academy's educational operations	-	2,026	16	2,042
NET INCOME/(EXPENDITURE)	172	(667)	3,539	3,044
Transfers between funds				
	-	3	(3)	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	12	-	12
Net movement in funds	172	(652)	3,536	3,056
TOTAL FUNDS CARRIED FORWARD	172	(652)	3,536	3,056

13. TANGIBLE FIXED ASSETS

	Long leasehold £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST				
At 1st September 2018	3,437	35	80	3,552
Additions	-	63	77	140
At 31st August 2019	3,437	98	157	3,692
DEPRECIATION				
At 1st September 2018	7	2	7	16
Charge for year	27	6	53	86
At 31st August 2019	34	8	60	102
NET BOOK VALUE				
At 31st August 2019	3,403	90	97	3,590
At 31st August 2018	3,430	33	73	3,536

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

13. TANGIBLE FIXED ASSETS - continued

The academy trust's transactions relating to land and buildings included -

- the taking up of a leasehold with Cheshire West & Chester Council on the property at Town Lane Infant School over a term of 125 year.

All other properties (land & building) form part of a PFI agreement and have therefore not been included within the financial statements.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£'000	£'000
Trade debtors	65	6
Other debtors	368	-
VAT	69	63
Prepayments and accrued income	131	989
	633	1,058
	633	1,058

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.19	31.8.18
	£'000	£'000
Trade creditors	329	154
Social security and other taxes	73	62
Other creditors	70	75
Accruals and deferred income	142	307
	614	598
	614	598

	2019	2018
	£'000	£'000
Brought forward deferred income	110	-
Release from previous year	(110)	-
Resource deferred in year	106	110
	106	110
	106	110

At the balance sheet date the academy trust has deferred income in advance relating to Rates Relief and Universal Infant Free School Meals.

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.19	31.8.18
	£'000	£'000
Within one year	8	8
Between one and five years	5	13
	13	21
	13	21

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

17. 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.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Funds £'000	31.8.19 Total funds £'000
Fixed assets	-	-	3,590	3,590
Current assets	382	1,125	468	1,975
Current liabilities	-	(613)	(1)	(614)
Pension liability	-	(2,460)	-	(2,460)
	<u>382</u>	<u>(1,948)</u>	<u>4,057</u>	<u>2,491</u>

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

	Unrestricted fund £'000	Restricted funds £'000	Fixed Asset Funds £'000	31.8.18 Total funds £'000
Fixed assets	-	-	3,536	3,536
Current assets	171	1,291	-	1,462
Current liabilities	-	(598)	-	(598)
Pension liability	-	(1,344)	-	(1,344)
	<u>171</u>	<u>(651)</u>	<u>3,536</u>	<u>3,056</u>

19. MOVEMENT IN FUNDS

	At 1.9.18 £'000	Net movement in funds £'000	Transfers between funds £'000	At 31.8.19 £'000
Unrestricted funds				
General fund	171	289	(78)	382
Restricted funds				
General Annual Grant	693	(181)	-	512
Pension Fund	(1,344)	(1,116)	-	(2,460)
Fixed Asset Fund - Transfer on conversion	3,532	(56)	-	3,476
Fixed Asset Fund - DFE Group Capital Grants	-	528	-	528
Fixed Asset Fund - Capital expenditure from GAG	4	(29)	78	53
	<u>2,885</u>	<u>(854)</u>	<u>78</u>	<u>2,109</u>
TOTAL FUNDS	<u>3,056</u>	<u>(565)</u>	<u>-</u>	<u>2,491</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

19. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	394	(105)	-	289
Restricted funds				
General Annual Grant	4,152	(4,333)	-	(181)
Pupil Premium	284	(284)	-	-
Other Grants	1,324	(1,324)	-	-
Pension Fund	-	(201)	(915)	(1,116)
Fixed Asset Fund - Transfer on conversion	-	(56)	-	(56)
Fixed Asset Fund - DFE Group Capital Grants	530	(2)	-	528
Fixed Asset Fund - Capital expenditure from GAG	-	(29)	-	(29)
	<u>6,290</u>	<u>(6,229)</u>	<u>(915)</u>	<u>(854)</u>
TOTAL FUNDS	<u><u>6,684</u></u>	<u><u>(6,334)</u></u>	<u><u>(915)</u></u>	<u><u>(565)</u></u>

Comparatives for movement in funds

	Net movement in funds £'000	Transfers between funds £'000	At 31.8.18 £'000
Unrestricted Funds			
General fund	171	-	171
Restricted Funds			
General Annual Grant	690	3	693
Pension Fund	(1,344)	-	(1,344)
Fixed Asset Fund - Transfer on conversion	3,532	-	3,532
Fixed Asset Fund - DFE Group Capital Grants	8	(8)	-
Fixed Asset Fund - Capital expenditure from GAG	(1)	5	4
	<u>2,885</u>	<u>-</u>	<u>2,885</u>
TOTAL FUNDS	<u><u>3,056</u></u>	<u><u>-</u></u>	<u><u>3,056</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

19. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £'000	Resources expended £'000	Gains and losses £'000	Movement in funds £'000
Unrestricted funds				
General fund	172	(1)	-	171
Restricted funds				
General Annual Grant	2,187	(1,497)	-	690
Start up grant	85	(85)	-	-
Pupil Premium	89	(89)	-	-
Other Grants	301	(301)	-	-
Pension Fund	(1,303)	(53)	12	(1,344)
Fixed Asset Fund - Transfer on conversion	3,548	(16)	-	3,532
Fixed Asset Fund - DFE Group Capital Grants	8	-	-	8
Fixed Asset Fund - Capital expenditure from GAG	(1)	-	-	(1)
	4,914	(2,041)	12	2,885
TOTAL FUNDS	5,086	(2,042)	12	3,056

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

19. MOVEMENT IN FUNDS - continued

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £'000	Total 2018 £'000
Town Lane	186	185
Childer Thornton	316	210
Wolverham	366	418
Parklands	38	48
Central Services	(12)	3
Total before fixed asset and pension reserve	894	864
Restricted fixed asset fund	4,057	3,536
Pension reserve	(2,460)	(1,344)
Total	2,491	3,056

Total cost analysis by academy

	Teaching & Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Direct & Educational Supplies £'000	Other Costs (Exc) Depreciation £'000	2019 £'000	2018 £'000
Town Lane	886	230	54	281	1,451	372
Childer Thornton	709	141	216	283	1,349	477
Wolverham	1,162	210	85	401	1,858	653
Parkland	877	128	65	354	1,424	528
Central Services	70	23	-	73	166	(4)
	3,704	732	420	1,392	6,248	2,026

20. PENSION AND SIMILAR OBLIGATIONS

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 The Cheshire Pension Fund and The Merseyside Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £65,000 were payable to the schemes at 31 August 2019 and are included within creditors.

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with the directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increase contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the period amounted to £294,000.

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

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

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £127,000 (2018: £37,000), of which employer's contributions totalled £77,000 (2018: £24,000) and employees' contributions totalled £50,000 (2018: £13,000). The agreed contribution rates for future years are 31.3 per cent for employers and 5.5% and 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

20. PENSION AND SIMILAR OBLIGATIONS
- continued

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Present value of funded obligations	(4,646)	(2,949)
Fair value of plan assets	2,186	1,605
	<u>(2,460)</u>	<u>(1,344)</u>
Deficit	<u>(2,460)</u>	<u>(1,344)</u>
Liability	<u><u>(2,460)</u></u>	<u><u>(1,344)</u></u>

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

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Current service cost	449	139
Net interest from net defined benefit asset/liability	40	13
Past service cost	71	-
	<u>560</u>	<u>152</u>
Actual return on plan assets	<u>154</u>	<u>38</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Defined benefit obligation	2,949	-
Current service cost	449	139
Past service cost	71	-
Contributions by scheme participants	77	24
Interest cost	88	26
Transfer on conversion	-	2,748
Benefits paid	(12)	-
Actuarial (gains)/losses from changes in financial assumptions	1,024	12
	<u>4,646</u>	<u>2,949</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Fair value of scheme assets	1,605	-
Transfer on conversion	-	1,445
Contributions by employer	357	99
Contributions by scheme participants	77	24
Interest	50	13
Benefits paid	(12)	-
Remeasurements:		
Return on plan assets (excluding interest income)	105	20
Assets other remeasurement	4	4
	<u>2,186</u>	<u>1,605</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
	£'000	£'000
Actuarial (gains)/losses from changes in financial assumptions	(1,024)	(12)
Return on plan assets (excluding interest income)	105	20
Assets other remeasurement	4	4
	<u>(915)</u>	<u>12</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	31.8.19	31.8.18
Equities	45%	49%
Bonds	39%	36%
Property	8%	8%
Cash	2%	2%
Other	6%	5%

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

	31.8.19	31.8.18
Discount rate	1.9%	2.8%
Future salary increases	2.9%	2.9%
Future pension increases	2.3%	2.3%

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

	2019	2018
Retiring today		
Males	22.3	22.2
Females	24.6	24.6

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

20. PENSION AND SIMILAR OBLIGATIONS
- continued

Retiring in 20 years		
Males	24.2	24.2
Females	26.9	26.8
Sensitivity Analysis		
	2019	2018
	£'000	£'000
Discount rate decrease -0.1%	137	84
Salary rate (CPI) increase +0.1%	38	30
Mortality assumption rate increase +0/1%	118	70

21. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31st August 2019.

22. CENTRAL SERVICES

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

- human resources
- financial services
- legal services
- educational support services
- other as arising

The academy trust charges for these service on the following basis:

- fee basis

The actual amounts charged during the year were as follows:

	2019	2018
	£'000	£'000
Town Lane	31	1
Childer Thornton	27	1
Wolverham	48	1
Parklands	40	1
	<u>146</u>	<u>4</u>