

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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THE CONSORTIUM MULTI-ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	D Carman-Jones D Wraight D Williams J Beckett (resigned 3 October 2019) D Holland (appointed 3 October 2019) A Williams (appointed 4 October 2019)
Trustees	D Carman-Jones, Chair S Martin M Sillis D Williams A Williams (resigned 3 October 2019) M Aylett I Piddington (appointed 27 November 2018) S Sharlott (resigned 13 September 2018) T Slater-Robins A Aalders-Dunthorne, CEO, Principal and Accounting Officer (resigned as trustee on 31 August 2019) J Beckett (appointed 3 October 2019) Y Hunter (appointed 27 November 2018) S Conant (appointed 27 November 2018, resigned 27 February 2019)
Company registered number	10255142
Company name	Consortium Multi Academy Trust
Principal and registered office	Ground Floor Office 27 Norwich Road Halesworth Suffolk IP19 8BX
Chief executive officer	A Aalders-Dunthorne
Executive Leadership Team	Andrew Aalders-Dunthorne, Chief Executive Officer and Principal Tamsin Little, Education and Learning Manager Liz Frere-Smith, HR Manager Robin Chew, Facilities Manager Lisa Jones, Finance Manager
Independent auditors	Larking Gowen LLP Chartered Accountants King Street House 15 Upper King Street Norwich NR3 1RB

THE CONSORTIUM MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The academy trust operates eleven primary academies in Norfolk and Suffolk. Its academies have a combined pupil capacity of 1,302 and had a roll of 958 in the school census on May 2019.

Structure, governance and management

a. Constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of The Consortium Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Consortium Multi-Academy Trust.

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

b. Members' liability

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

c. Trustees' indemnities

The trust 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.

d. Method of recruitment and appointment or election of Trustees

The Trust's members are responsible for appointing the directors of the Trust (Trustees). When appointing new trustees, the members give consideration to the skills and experience of existing trustees in order to ensure that the board has the necessary skills and expertise to contribute fully to the Trust's development, set strategic direction and meet all its statutory obligations as set out in the Academies Financial Handbook.

e. Policies adopted for the induction and training of Trustees

All trustees are experienced in school governance or a particular area of expertise. Their induction and training will depend on their experience. New trustees meet with the CEO and the Chair of the Board and are invited to attend an initial meeting as an observer. The Trust has a training and partnership agreement with the National Governors Association and individual trustees are encouraged to fully engage with this partnership.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

f. Organisational structure

The trustees make most decisions at full Board meetings, which take place a number of times during the year. Trustees monitor the overall academic progress of both sponsored academies and convertor academies and set the Trust wide policies to be operated by all the schools.

The Board operates on a distributed leadership model, with many operational decisions being delegated to the different committees with the Trust (refer to the Scheme of Delegation shown on the website). The Trustees sit on two sub-committees:

- (1) Finance and Resources
- (2) Standards and Excellence

The Executive Leadership team meets by directorate with a full meeting on at least a half termly basis. The directorate meetings are led by the Education and Learning Manager and CEO. Full meetings are led by the CEO and the Chair of Trustees attends when relevant and available to do so.

School level

Each school or partnership has a Local Governing Body operating within the Scheme of Delegation set by the Trust. Local Governing Bodies manage their individual schools' concerns ensuring compliance with the Trust's requirements and set their local school policies where appropriate. The Academy Head manages his or her school's operations and is expected to contribute towards the aims of the Trust.

A review has been undertaken to ensure that all levels of Governance have a strong awareness and understanding of each role within the organisations. Local Governing Bodies are now known as Locality Committees and the Governance Charter has been updated to clearly define the responsibilities of Locality committees as opposed to those held by a Full Governing Body of a local authority maintained school. These alterations are in line with the national guidance and thinking in relation to the local governance of an academy school.

An academy level Accountability Overview Document (AOD) has been developed to summarise the external monitoring, the Trust level monitoring and the outcomes and progress being made within an individual school. This work has been developed following Trust to Trust support and collaboration with a Trust in Birmingham. The Chair of Trustees, through her work on National Trust Development projects, has engaged in developing wider links outside of the immediate vicinity and locality.

The CEO, through his involvement on local, regional and national committees has further developed links within the locality and on a wider basis. Consortium has a strong network of support and influence.

g. Pay policy for key management personnel

The Board has established a pay policy and approved salary range for the CEO, CFO and all central MAT (Multi Academy Trust) posts which is in line with the National pay and conditions document. Pay scales are approved by the Trustees who are responsible for setting pay. All remuneration is in line with the academy pay policy. Neither the CEO/AO nor the Chief Financial Officer receive any additional remuneration. Incremental progression for central MAT employees, as for all school-based employees, including Academy Heads, is subject to satisfactory performance management. Non-executive trustees do not receive any remuneration.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Trade Union Facilities Time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time employees through any 7 months within the reporting period it must include information included in Schedule 2 of the Regulations. Whilst the trust did have more than 49 full time employees throughout the period it did not have any employees who were union officials during the period. £2,250 was paid to Suffolk County Council for trade union facility.

Objectives and activities

a. Objects and aims

The objects of the Trust are to advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum. All schools in the Trust are primary community schools.

b. Objectives, strategies and activities

In this reporting period, the Trust has established itself as a Trust for primary community schools in Suffolk and Norfolk. It has attracted good schools and sees these as key to building capacity to support sponsored academies. There are currently five convertor schools and six sponsored schools. Sponsored academies have an academy improvement plan with key priorities linked to their Ofsted inspections. All schools have an academy improvement and development plan to address Trust and local priorities. The Trust seeks to grow further and to maintain a good balance of good and better schools with sponsored academies.

The Trust remains committed to the viability and sustainability of small rural primary schools, but is working to widen the portfolio of schools and change the profile of the academies within the Trust to enable and allow this commitment to be fulfilled. The sustainability of the Trust is imperative to ensure the viability of the schools on a long term basis.

It has developed a due diligence processes to ensure that Trustees have the necessary information about a school prior to its joining. It has approved policies on dealing with parental complaints and Freedom of Information requests and a full suite of HR policies. All policies may be found on the MAT's website at <https://consortiumacademy.co.uk>

c. 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 Trust aims to advance, for the public benefit, education across the schools and communities within the Trust. It operates in a collaborative manner to the mutual benefit of schools, their staff and pupils.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

	Cohort Size	Progress from PAG Year 2			Progress DIS Year 2			Attainment Year 2				Attainment DIS Year 2*				
		Reading	Writing	Maths	Reading	Writing	Maths	Reading	GD	Writing	GD	Maths	GD	Reading	Writing	Maths
National 2019								75%		69%		76%				
Henley	15/1	100%	100%	100%	100%	100%	100%	93%	27%	87%	20%	93%	27%	100%	100%	100%
Glebeland	18/0	83%	61%	78%	-	-	-	83%	27%	83%	0%	89%	17%	-	-	-
St Edmund's	12/1	90%	90%	70%	100%	100%	100%	91%	27%	82%	18%	82%	27%	100%	100%	100%
Mendham	11/2	73%	91%	73%	50%	100%	100%	73%	9%	82%	9%	82%	0%	50%	100%	100%
Rendlesham	43/3	84%	84%	74%	67%	67%	67%	72%	12%	74%	12%	77%	14%	67%	0%	67%
Southwold	9/1	100%	100%	78%	100%	100%	100%	89%	33%	89%	22%	78%	11%	100%	100%	100%
Yoxford & Peasenhall	7/2	67%	100%	100%	0%	100%	100%	83%	50%	100%	50%	100%	33%	0%	100%	100%
Middleton	1/1	100%	100%	100%	100%	100%	100%	100%	0%	100%	0%	100%	0%	100%	100%	100%
Barnby and North Cove	15/3	86%	86%	93%	100%	100%	100%	73%	26%	80%	0%	80%	13%	100%	100%	100%
Helmingham	7/2	100%	100%	100%	100%	100%	100%	71%	14%	71%	14%	71%	14%	100%	100%	100%
Winterton	4/3	33%	33%	67%	0%	0%	50%	25%	25%	25%	0%	50%	0%	0%	0%	33%

	GLD	Previous Year	Cohort Size	Phonics	Previous Year	Cohort Size
National 2019	72%			82%		
Henley	73%	67%	15	80%	87%	15
Glebeland	73%	70%	11	83%	42%	18
St Edmund's	83%	75%	6	100%	91%	8
Mendham	78%	75%	9	89%	67%	9
Rendlesham	71%	73%	45	88%	84%	42
Southwold	100%	57%	4	100%	78%	7
Yoxford & Peasenhall	71%	38%	7	90%	55%	10
Middleton	100%	100%	3	100%	100%	5
Barnby and North Cove	75%	73%	8	64%	73%	14
Helmingham	100%	67%	7	75%	78%	4
Winterton	100%	89%	3	88%	83%	8

b. Going concern

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

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Reserves policy

The Trust held total fund balances at 31 August 2019 of £12,437,532 (2018: £11,541,845). The Restricted Fixed Asset fund is £13,533,821 (2018: £11,783,162), the pension deficit is £(1,533,000) (2018: (£672,000)) and the restricted general fund (excluding the pension fund deficit) is £196,300. The unrestricted funds amount to £240,411 (2018: £188,688).

At the year end, the total balances on reserves (excluding fixed asset and pension funds) was £436,711. The overall movement on reserves was a surplus of £6,028, which includes receipts of £90,000 from transfers on conversion.

The Trustees review the reserve levels of the Academy annually. The Trustees feel it is important that funding received during the financial year is spent for the benefit of the pupils on roll at that time, whilst recognising the need for prudent accounting. Trustees have determined that the appropriate level of free reserves should be no less than the amount of one months salary costs, currently £380k. Free reserves (unrestricted reserves plus GAG) amounted to £323k.

b. Investment policy

The Trust does not have any formal investments. Any formal investments will be managed centrally by the Trust and will include considerations of:

- Access and type of investment and term
- Financial position and financial limit for type of investment
- Spreading investments between providers to ensure savings are covered by Financial Services Authority
- Security of access
- Rate of return and charges
- Business interests
- Ethical, social and environmental considerations
- Review including review of performance

The Trust had taken the decision not to place any funds in any formal investments as returns have been poor and the management of those returns would not have been warranted by the gains. However, the Trust is currently reviewing this, as formal investments can now offer better returns. The Reserve policy states that we must retain one month's salary commitment on reserve and so we would ensure that at least the sum of £380k is held in a formal investment along with any other surplus cash balances

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

A strategic risk register is maintained and reviewed by the trustees regularly. This covers financial, reputational, strategic, operational and compliance risks. Progress against each risk is evaluated and appropriate action is taken as a result.

The main financial risks affecting all academies are as follows:

- The continued reduction in funding which all schools nationally are experiencing coupled with the increased financial contributions placed on schools
 - o Teacher Pension contributions
 - o Teacher Pay awards
 - o Apprenticeship levy
- Maintained schools are currently working on deficit budgets that are funded through reserves – therefore at the point of academisation there is a need for financial restructuring to ensure balanced budgets moving forwards (even when considering the economies of scale offered from the CMAT central services)
- The costs of conversion are not reducing and there is no guarantee that the current funding grants made available to converting schools will continue long term.

These are being addressed with prudent budget management and using balances carried forward in the short and medium term; and synergy across the Trust is aiding this process.

The main non-financial risk is reputational and the ability to deliver effective school improvement to sponsored schools as well as maintain high standards in converting schools.

Fundraising

The Trust does not undertake material fundraising activity, but the low level fundraising that does take place within the Trust conforms to recognised fundraising standards. The Trust also raises small amounts of money for external charities.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

The Consortium Multi-Academy Trust, now established, continues to be true to its aims to transform our schools, the offer to communities and the outcomes for pupils. We are all hugely ambitious for our settings and Trust – keen to learn, develop relationships, build and grow.

The key barriers to the implementation of our strategic plan are not new, but focus around resourcing largely financial but also the daily challenges that we face to ensure that we have staff of sufficient ability and capability to deliver on the high expectations that we commonly share. A strong CPD offering is aiding both recruitment and retention of staff to support this priority.

For our Trust to continue to develop in a positive way, growing sustainably and providing an exciting, professional offer we need to be adequately resourced through a combination of funding from the centre and maximising income generation. Income generation is being secured through outsourcing service provisions such as the PE and Outdoor Learning Team, Welfare, Inclusion, Safeguarding and Attendance Officer and through the successful application for grants and funding outside of the usual educational funding streams.

The Trust continues to encourage collaboration between schools within the Trust and outside. The CFO has recently been instrumental in forming the Suffolk Schools Business Leaders Network group, with the aims of collaborating with other Academy Trusts and maintained schools in both joint procurement initiatives and knowledge sharing.

Our central team is strong and focussed meaning that we can offer some reassurance to our schools in what is currently a very unstable political environment.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:


.....
Dawn Carman-Jones
Chair of Trustees

THE CONSORTIUM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer/Principal, 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 The Consortium Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

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

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

Trustee	Meetings attended	Out of a possible
D Carman-Jones, Chair	4	4
J Beckett	4	4
I Piddington	3	4
S Martin	4	4
M Sillis	4	4
A Aalders-Dunthorne, CEO, Principal and Accounting Officer	3	4
D Williams	1	4
S Sharlott	0	0
M Aylett	4	4
Y Hunter	2	3
I Piddington	3	4
S Conant	0	0

Movements in the Board of Trustees are shown on page 1 of these financial statements.

The Trust's coverage of work is fully detailed within the Scheme of Delegation with the specific tasks this year of:

- Achieving greater separation of roles between tiers of Governance including the CEO/Accounting Officer stepping down from the role of Trustee.
- Considering the long term strategic financial modelling of the Trust, the schools, and the curriculum to achieve sustainability, efficiencies and greatest impact.
- Ensuring greatest impact of all Central service provision, support and intervention; whilst cultivating independence and sustainability at school level.
- Ensuring that the founding schools were in the strongest position for the anticipated first round Ofsted Inspections.
- First stage discussion and planning of curriculum and assessment developments that enables a pupil centred progress profile to be developed that encompasses more than the academic journey of our pupils.

THE CONSORTIUM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The focus for the forthcoming year is to further strengthen the position of the Trust by consolidation of existing functions; the transition to pooled GAG funding following the successful and impactful implementation of pooled capital funding; continued strategic growth through conversion and free school applications; and maximising the opportunities both within the Trust and within the wider educational environment; locally, regionally and nationally.

The Board has a self-reflective ethos and has achieved this through their strategic planning and vision day which incorporated a full Board Assessment exercise based on the Competency Framework. This is coupled with dynamic and effective chairing of committees and the Board. The Board knows that there are always improvements to be made and have an annual cycle of self-evaluation. Any challenges faced have been addressed quickly and effectively and in conjunction with the Executive Team.

The Trustees have paid particular attention to the financial information and pupil data received; they have been instrumental in the development of the reporting formats and contents to ensure that they have sufficient high quality data on which to base decisions. The Executive Team responsible for providing this data has worked with Trustees and external agencies to ensure that the information is accurate, timely and appropriate. This year has seen the Academy Overview Document (AOD) embedded in the Trust and used in all tiers of Governance as well as recognised nationally as good practice. Trustees have strong understanding of the data and have increased their challenge of that presented to them, they do not take information on trust, but seek additional validation of the presented data.

Governance Review

The transition of Local Governing Bodies to Locality Committees has been completed successfully and this has included an increased emphasis on the relaunched Trust Leader's Briefing (formerly badged Chairs and Head's briefing). This half termly meeting enables two way communication to take place between Trustees, Locality Committee members, the Academy Heads and the Executive Team. Various working parties have also been established to ensure that Locality Committee views are canvassed at an early stage before decisions are made or changes implemented.

The Annual review of the Scheme of Delegation has taken place and the alterations, whilst not significant, reflect the changes to practices that have been implemented during the past year.

The Chair continues to engage in the national governance arena and her access to current thinking through involvement with the Confederation of School Trusts has influenced the strategic governance and accountability decision making within Consortium.

A number of Trustees were appointed this year and Members were involved in the recruitment and appointment process. This was key to ensuring that Members were proactive in discharging their duties and in ensuring that Trustee Accountability was evidenced.

The Trust Board has significant experience of working in governance both within education and within the business environment; Trustees use this knowledge to continually self-evaluate the Board at all levels.

The Chair of the Trust has met with members of the RSC Office throughout the year and has communicated to the Board and actioned any specific requests from the RSC in relation to Governance. To date these discussions have been in relation to the separation of duties between tiers of governance; something that had been agreed and discussed at the AGM 2018 in advance of the RSC annual meeting.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The focus for Trust Board development this academic year is on:

- Collaborative working in areas outside of the immediate Trust for Trustees to gain insight into the strengths and areas of development for Consortium as well as ideas for other ways of doing things.
- Ensuring that the culture, values and ethos of the Trust are inherent and transparent in all decision making and policies that are reflective of the ethos of the Trust

The Finance and Resources committee is a sub-committee of the main Board of Trustees. Its purpose is to take a strategic view on the forward planning of Trust finances and estates management.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Aalders-Dunthorne	4	4
D Carman-Jones	4	4
S Martin, Chair	3	4
D Williams	3	4
M Aylett	1	1

The Standards and Excellence committee is also a sub-committee of the main Board of Trustees. Its purpose is to take a strategic view on the forward planning of Trust standards and progress for both staff and pupils.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
A Aalders-Dunthorne	3	3
M Aylett	2	2
D Carman-Jones	3	3
M Sillis	3	3
T Slater-Robins	2	3
A Williams, Chair	3	3
Y Hunter	1	1
I Piddington	1	1

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GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

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

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

- Regularly reviewing data in Trust Board meetings to monitor the impact of activities and funding streams
- Conducting financial benchmarking to compare the school's performance against that of similar schools
- Conducting a quarterly review of ICFP to benchmark Trust schools against each other
- Regularly reviewing contracts and service level agreements
- Completing a central team review of the finance and HR functions

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Consortium Multi-Academy Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (CONTINUED)

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

The Trustees have considered the need for a specific internal audit function and has appointed Lisa Jones in June 2017 to carry out internal scrutiny. Following development of the MAT, the Trustees are appointing a new internal auditor for 2019/20, taking into account the expanded requirements of Academies Financial Handbook 2019.

The Internal auditor'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 payroll systems
- Testing of purchase systems
- Testing of control accounts / bank reconciliations
- Testing the compliance of Locality committees, AFH 'Musts' compliance
- Testing of website compliance
- Testing the Board of Trustees, AFH 'Musts' compliance
- Testing of HR files

On a termly basis, the internal auditor reports to the board of Trustees through the Finance and Resource committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Review of effectiveness

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

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

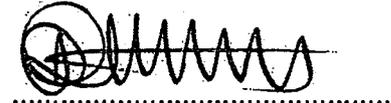
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resource committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

THE CONSORTIUM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on their behalf by:


.....
D Carman-Jones
Chair of Trustees


.....
Andrew Aalders-Dunthorne
Accounting Officer

THE CONSORTIUM MULTI-ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



.....
Andrew Aalders-Dunthorne
Accounting Officer
Date: 9 December 2019

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

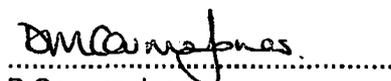
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:


.....
D Carman-Jones
Chair of Trustees

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CONSORTIUM MULTI-ACADEMY TRUST**

Opinion

We have audited the financial statements of The Consortium Multi-Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CONSORTIUM MULTI-ACADEMY TRUST (CONTINUED)**

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CONSORTIUM MULTI-ACADEMY TRUST (CONTINUED)**

Responsibilities of trustees

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

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

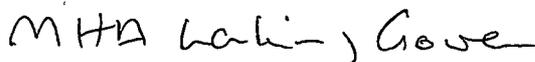
Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Giles Kerkham (Senior Statutory Auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

16 December 2019

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CONSORTIUM MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 2 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Consortium Multi-Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Consortium 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 The Consortium Multi-Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Consortium Multi-Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Consortium Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Consortium Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 25 July 2016 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion, includes but is not limited to:

- Enquiry of senior management and the Accounting Officer;
- Inspection and review of the accounting records, meeting minutes, internal control procedures, management representation and declarations of interest;
- Observation and re-performance of the financial controls;
- Review of certain governance arrangements; and
- Review of the results of the academy's process of independent checking of financial controls, systems, transactions and risks.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
CONSORTIUM MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

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

MHA Larking Gowen

Larking Gowen LLP
King Street House
15 Upper King Street
Norwich
NR3 1RB

16 December 2019

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	4	151,933	(175,000)	1,938,373	1,915,306	6,681,814
Charitable activities		533,086	5,028,925	-	5,562,011	3,852,446
Other trading activities		176,111	-	-	176,111	130,668
Investments	7	631	-	-	631	343
Total income		861,761	4,853,925	1,938,373	7,654,059	10,665,271
Expenditure on:						
Charitable activities		798,893	5,067,002	305,477	6,171,372	4,448,341
Total expenditure		798,893	5,067,002	305,477	6,171,372	4,448,341
Net income/(expenditure)		62,868	(213,077)	1,632,896	1,482,687	6,216,930
Transfers between funds	20	(11,145)	(106,618)	117,763	-	-
Net movement in funds before other recognised gains/(losses)		51,723	(319,695)	1,750,659	1,482,687	6,216,930
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(587,000)	-	(587,000)	283,000
Net movement in funds		51,723	(906,695)	1,750,659	895,687	6,499,930
Total funds brought forward		188,688	(430,005)	11,783,162	11,541,845	5,041,915
Net movement in funds		51,723	(906,695)	1,750,659	895,687	6,499,930
Total funds carried forward		240,411	(1,336,700)	13,533,821	12,437,532	11,541,845

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 27 to 60 form part of these financial statements.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
Company number 10255142

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	15	1,269	10,514
Tangible assets	16	13,060,151	11,352,879
		<u>13,061,420</u>	<u>11,363,393</u>
Current assets			
Stocks	17	-	2,976
Debtors	18	151,791	443,734
Cash at bank and in hand		1,254,048	818,313
		<u>1,405,839</u>	<u>1,265,023</u>
Creditors: amounts falling due within one year	19	(496,727)	(414,571)
Net current assets		<u>909,112</u>	<u>850,452</u>
Total assets less current liabilities		<u>13,970,532</u>	<u>12,213,845</u>
Net assets excluding pension liability		<u>13,970,532</u>	<u>12,213,845</u>
Defined benefit pension scheme liability	26	(1,533,000)	(672,000)
Total net assets		<u><u>12,437,532</u></u>	<u><u>11,541,845</u></u>
Funds of the academy trust			
Restricted funds:			
Fixed asset funds	20	13,533,821	11,783,162
Restricted income funds	20	196,300	241,995
		<u>13,730,121</u>	<u>12,025,157</u>
Restricted funds excluding pension asset	20	13,730,121	12,025,157
Pension reserve	20	(1,533,000)	(672,000)
		<u>12,197,121</u>	<u>11,353,157</u>
Total restricted funds	20	<u>12,197,121</u>	<u>11,353,157</u>
Unrestricted income funds	20	<u>240,411</u>	<u>188,688</u>
Total funds		<u><u>12,437,532</u></u>	<u><u>11,541,845</u></u>

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10255142

BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The financial statements on pages 23 to 60 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:


.....
D Carman-Jones
(Chair of Trustees)

The notes on pages 27 to 60 form part of these financial statements.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	22	603,832	295,839
Cash flows from investing activities	23	(168,097)	(72,320)
		<hr/>	<hr/>
Change in cash and cash equivalents in the year		435,735	223,519
Cash and cash equivalents at the beginning of the year		818,313	594,794
Cash and cash equivalents at the end of the year	24	1,254,048	818,313
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 27 to 60 from part of these financial statements

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. General information

The Consortium Multi-Academy Trust is a company limited by guarantee, incorporated in England and Wales, registration number 10255142. The registered office is 27 Norwich Road, Halesworth, Suffolk IP19 8BX.

2. Accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consortium Multi-Academy Trust meets the definition of a public benefit entity under FRS 102.

2.2 Going concern

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.3 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

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

• **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

• **Transfer of existing academies into the academy trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within 'Income from Donations and Capital Grants' to the net assets acquired.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

2.5 Interest receivable

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

2.6 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.

2.7 Intangible assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Purchased computer software - % 3 years

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.8 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each of these assets, less their estimated residual value, over their expected useful life.

Depreciation is provided on the following bases:

Land	- Over the term of the lease
Long-term leasehold property	- 50 years or over the term of the lease if shorter
Motor vehicles gifts on conversion	- 35% reducing balance
Computer equipment	- 3 years
Plant and machinery	- 5 years
Fixtures and fittings	- 10 years
Motor vehicles	- 5 years
IT software	- 3 years
Office setup	- 7 years

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

The academies operate from land and buildings owned by Norfolk and Suffolk County council. Both councils have entered into agreements with the Trust to make the land and buildings available for use by the academies at no charge for a term of 125 years (or less for a couple of the sites). The land and buildings are recognised in the financial statements based on an estimate of their fair value at conversion.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.10 Debtors

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.11 Cash at bank and in hand

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

2.12 Liabilities

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

2.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 19. 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.

2.14 Operating leases

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Accounting policies (continued)

2.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

2.16 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involves the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Winterton Primary School and Helmingham Primary School to the academy trust have been valued at their fair value. The fair value of premises leases have been based on open market valuation conducted by Suffolk County Council and Norfolk County Council. The value attributed to Helmingham Primary School is considerably reduced to reflect the short period of lease (19.8 years) at that site. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 25.

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2. Accounting policies (continued)

2.17 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The value of fixed assets inherited on conversion are based on professional valuations provided from the local authorities. The valuations are completed as at the date of conversion and split appropriately by asset categories.

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4. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Transfer from local authority on conversion	90,031	(175,000)	1,834,776	1,749,807
Donations	61,902	-	-	61,902
Capital Grants	-	-	103,597	103,597
	<u>151,933</u>	<u>(175,000)</u>	<u>1,938,373</u>	<u>1,915,306</u>
	<u><u>151,933</u></u>	<u><u>(175,000)</u></u>	<u><u>1,938,373</u></u>	<u><u>1,915,306</u></u>
			<i>Restricted</i>	<i>Total</i>
	<i>Unrestricted</i>	<i>Restricted</i>	<i>fixed asset</i>	<i>funds</i>
	<i>funds</i>	<i>funds</i>	<i>funds</i>	<i>funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Transfer from local authority on conversion	316,415	(376,000)	6,315,915	6,256,330
Donations	34,845	-	-	34,845
Capital Grants	-	-	390,639	390,639
	<u>351,260</u>	<u>(376,000)</u>	<u>6,706,554</u>	<u>6,681,814</u>
	<u><u>351,260</u></u>	<u><u>(376,000)</u></u>	<u><u>6,706,554</u></u>	<u><u>6,681,814</u></u>

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5. Funding for the academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
DFE/ESFA grants			
GAG	-	4,138,016	4,138,016
Start up Grant	-	50,000	50,000
Rates Relief	-	18,351	18,351
Other EFA Grants	-	523,162	523,162
Pupil Premium	-	210,392	210,392
	-	4,939,921	4,939,921
Other government grants			
Other government grants excluding capital	342,629	-	342,629
SEN funding	-	89,004	89,004
	342,629	89,004	431,633
Other funding			
Music and curriculum related	1,924	-	1,924
Catering Income	78,090	-	78,090
Educational visits	68,987	-	68,987
Nursery Fees	27,456	-	27,456
Other grants	14,000	-	14,000
	190,457	-	190,457
	533,086	5,028,925	5,562,011

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NOTES TO THE FINANCIAL STATEMENTS
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6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff Consultancy	7,318	7,318	5,964
Uniform sales	2,880	2,880	2,880
Lettings income	13,268	13,268	5,673
Holiday School	15,570	15,570	13,566
Insurance receipts	3,113	3,113	13,140
Sales of other goods & services	7,453	7,453	716
Other income: self generated	28,871	28,871	21,098
Breakfast & afterschool club	97,638	97,638	67,631
	<u>176,111</u>	<u>176,111</u>	<u>130,668</u>

Trading income of £130,668 in 2018 related to unrestricted funds.

7. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Bank interest	631	631	343
	<u>631</u>	<u>631</u>	<u>343</u>

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8. NET (INCOMING RESOURCES) / RESOURCES EXPENDED

This is stated after charging:

	2019	2018
	£	£
Amortisation of tangible fixed assets	9,245	9,289
Depreciation of tangible fixed assets	296,232	211,358
Auditors remuneration	18,525	15,275
Non-audit accountancy services	2,420	3,750
Operating leases costs	27,959	10,324
	9,245	9,289

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Other costs	709,385	507,837	1,217,222
Staff costs	3,839,391	730,656	4,570,047
Premises costs	-	384,103	384,103
	4,548,776	1,622,596	6,171,372

	Activities undertaken directly 2018 £	Support costs 2018 £	Total funds 2018 £
Other costs	511,736	436,857	948,593
Staff costs	2,641,638	588,509	3,230,147
Premises costs	-	269,601	269,601
	3,153,374	1,294,967	4,448,341

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9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Other costs 2019 £	Staff costs 2019 £	Premises costs 2019 £	Total funds 2019 £
Staff costs	-	730,656	-	730,656
Premises costs	-	-	384,103	384,103
Other support costs	343,070	-	-	343,070
Governance costs	113,468	-	-	113,468
Technology costs	51,299	-	-	51,299
	<u>507,837</u>	<u>730,656</u>	<u>384,103</u>	<u>1,622,596</u>

Certain costs included in support staff costs in 2018 have been re-allocated to direct wages costs.

	<i>Other costs 2018 £</i>	<i>Staff costs 2018 £</i>	<i>Premises costs 2018 £</i>	<i>Total funds 2018 £</i>
Staff costs	-	588,509	-	588,509
Premises costs	-	-	269,601	269,601
Other support costs	291,667	-	-	291,667
Governance costs	109,481	-	-	109,481
Technology costs	35,709	-	-	35,709
	<u>436,857</u>	<u>588,509</u>	<u>269,601</u>	<u>1,294,967</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	<i>As restated</i>
	£	<i>2018</i>
		£
Wages and salaries	3,485,456	2,434,975
Social security costs	270,430	188,173
Pension costs	800,699	577,279
	4,556,585	3,200,427
Agency staff costs	13,462	29,720
	4,570,047	3,230,147

2018 has been reclassified to show a re-allocation of costs between 'Wages and salaries' and Pension costs. There is no change to the total wages costs.

b. Staff numbers

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

	2019	<i>2018</i>
	No.	<i>No.</i>
Teachers	45	45
Administration and support staff	154	96
Management	8	8
	207	149

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10. Staff costs (continued)

c. Higher paid staff

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

	2019	<i>2018</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	<i>1</i>
In the band £80,001 - £90,000	1	<i>1</i>

d. Key management personnel

The key management personnel of the academy trust comprise the CEO, Heads of School, Finance/HR Manager, Operations Manager, Education Officer, Senior Finance Officer and Senior Audit Officer. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £624,752 (2018 - £496,007).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Payroll
- Finance
- Human resources
- Pensions
- Procurement
- Education and Learning Management
- Governance Management
- Estate Management

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

10% of General Annual Grant.
Capped to £70,000 for Rendlesham

The actual amounts charged during the year were as follows:

	2019	<i>As restated</i>
	£	2018 £
St Edmund's Primary School	33,383	41,303
Glebeland Primary School	45,000	54,461
Mendham Primary School	30,696	37,097
Middleton Primary School	24,398	35,793
Yoxford Primary School	34,598	42,250
Consortium Multi Academy Trust	-	-
Henley Primary School	43,999	67,231
Barnby & North Cove Primary School	37,212	50,293
Southwold Primary School	30,591	44,846
Rendlesham Primary School	70,000	23,333
Winterton Primary School	21,446	-
Helmingham Primary School	17,013	-
Total	388,336	396,607

The revisions to the disclosure in 2018 is to exclude recharge purchases.

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12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	<i>2018</i>
		£	£
A Aalder-Dunthorne	Remuneration	80,000 -	<i>80,000 -</i>
		85,000	<i>85,000</i>
	Pension contributions paid	10,000 -	<i>10,000 -</i>
		15,000	<i>15,000</i>
A Williams	Remuneration	NA	<i>0 - 5,000</i>
	Pension contributions paid	NA	<i>0 - 5,000</i>

During the year ended 31 August 2019, expenses totalling £816 were reimbursed or paid directly to 1 Trustee (*2018 - £140 to 1 Trustee*).

13. Trustees' and Officers' insurance

The academy trust 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 unlimited cover. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

14. Other finance income

	2019	<i>2018</i>
	£	£
Interest income on pension scheme assets	53,000	<i>27,000</i>
Interest on pension scheme liabilities	(75,000)	<i>(47,000)</i>
	(22,000)	<i>(20,000)</i>

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15. Intangible assets

	Computer software £
Cost	
At 1 September 2018	28,419
At 31 August 2019	<u>28,419</u>
Amortisation	
At 1 September 2018	17,905
Charge for the year	9,245
At 31 August 2019	<u>27,150</u>
Net book value	
At 31 August 2019	<u>1,269</u>
<i>At 31 August 2018</i>	<u><u>10,514</u></u>

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16. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2018	11,465,221	85,207	72,045	11,583	11,634,056
Additions	53,440	48,151	92,327	-	193,918
Transfer on conversion	1,595,876	213,710	-	-	1,809,586
At 31 August 2019	<u>13,114,537</u>	<u>347,068</u>	<u>164,372</u>	<u>11,583</u>	<u>13,637,560</u>
Depreciation					
At 1 September 2018	226,123	7,837	38,768	8,449	281,177
Charge for the year	225,065	23,430	44,603	3,134	296,232
At 31 August 2019	<u>451,188</u>	<u>31,267</u>	<u>83,371</u>	<u>11,583</u>	<u>577,409</u>
Net book value					
At 31 August 2019	<u><u>12,663,349</u></u>	<u><u>315,801</u></u>	<u><u>81,001</u></u>	<u><u>-</u></u>	<u><u>13,060,151</u></u>
At 31 August 2018	<u><u>11,239,098</u></u>	<u><u>77,370</u></u>	<u><u>33,277</u></u>	<u><u>3,134</u></u>	<u><u>11,352,879</u></u>

Included within long term leasehold property is land valued at £4,221,159 (2018: £4,165,894)

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Terms of occupation of premises:

Academy name	Joined the MAT	Terms of occupation of land and buildings
St Edmund's Primary School	1 Aug 2016	125 year lease from Suffolk County Council
Mendham Primary School	1 Aug 2016	125 year lease from Suffolk County Council
Glebeland Primary School	1 Aug 2016	125 year lease from Norfolk County Council
Middleton Primary School	1 Dec 2016	125 year lease from Suffolk County Council
Yoxford Primary School	1 Dec 2016	125 year lease from Suffolk County Council
Henley Primary School	1 Sept 2017	125 year lease from Suffolk County Council
Barnby & North Cove Primary School	1 Sept 2017	125 year lease from Suffolk County Council
Southwold Primary School	1 Sept 2017	13 year lease from Suffolk County Council
Rendlesham Primary School	1 May 2018	125 year lease from Suffolk County Council
Winterton Primary School	1 Jan 2019	125 year lease from Norfolk County Council
Helmingham Community Primary School	1 Mar 2019	19.8 year lease from Suffolk County Council

17. Stocks

	2019 £	2018 £
Clothing and oil	-	2,976

18. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	2,912	866
Other debtors	1,750	2,411
Prepayments and accrued income	102,142	407,421
VAT recoverable	44,987	33,036
	151,791	443,734

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19. Creditors: Amounts falling due within one year

	2019	<i>2018</i>
	£	£
Trade creditors	193,875	<i>114,067</i>
Other taxation and social security	151,200	<i>123,136</i>
Other creditors	21,063	<i>29,648</i>
Accruals and deferred income	130,589	<i>147,720</i>
	<hr/> 496,727 <hr/>	<hr/> <i>414,571</i> <hr/>
	2019	<i>2018</i>
	£	£
Deferred Income		
Deferred income at 1 September 2018	105,048	<i>87,026</i>
Resources deferred during the year	94,981	<i>105,048</i>
Amounts released from previous periods	(105,048)	<i>(87,026)</i>
	<hr/> 94,981 <hr/>	<hr/> <i>105,048</i> <hr/>

At the balance sheet date the academy trust was holding funds received in advance as follows:

- Universal Infant Free School Meals grant funding for 2019/20
- Trip income for the 2019/20 period

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NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds - all funds	188,688	861,761	(798,893)	(11,145)	-	240,411
Restricted general funds						
General Annual Grant (GAG)	156,898	4,138,016	(4,131,205)	(81,446)	-	82,263
Pupil Premium	7,343	210,392	(228,336)	10,601	-	-
Other Grants	77,754	630,517	(558,461)	(35,773)	-	114,037
Start Up Grants	-	50,000	(50,000)	-	-	-
Pension reserve	(672,000)	(175,000)	(99,000)	-	(587,000)	(1,533,000)
	(430,005)	4,853,925	(5,067,002)	(106,618)	(587,000)	(1,336,700)
Restricted fixed asset funds						
Fixed assets transferred on conversion	11,210,978	1,809,586	(239,312)	-	-	12,781,252
Fixed assets other	152,415	-	(66,165)	193,917	-	280,167
Capital grants unspent	419,769	128,787	-	(76,154)	-	472,402
	11,783,162	1,938,373	(305,477)	117,763	-	13,533,821
Total Restricted funds	11,353,157	6,792,298	(5,372,479)	11,145	(587,000)	12,197,121
Total funds	11,541,845	7,654,059	(6,171,372)	-	(587,000)	12,437,532

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20. Statement of funds (continued)

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

The General Annual Grant (GAG) and other restricted funds are for the operational activities of the school.

The pension reserve represents the academy's defined benefit pension scheme liability.

The restricted fixed asset fund recognises the tangible fixed assets gifted to the trust upon conversion by the local authority. Depreciation charged on those tangible assets is allocated to the fund. Fixed asset additions of £193,917 were funded by transfers of £76,154 from the Capital Grants fund and £117,154 from the GAG fund.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
St Edmund's Primary School	39,126	54,029
Glebeland Primary School	(16,099)	(53,875)
Mendham Primary School	94,791	76,726
Middleton Primary School	84,496	96,400
Yoxford Primary School	34,004	23,031
Henley Primary School	63,159	53,494
Barnby & North Cove Primary School	16,493	8,856
Southwold Primary School	72,119	22,914
Rendlesham Primary School	242,273	239,875
Winterton Primary School	103,343	-
Helmingham Primary School	43,472	-
Central Office	(340,466)	(90,767)
Total before fixed asset funds and pension reserve	<u>436,711</u>	<u>430,683</u>
Restricted fixed asset fund	13,533,821	11,783,162
Pension reserve	(1,533,000)	(672,000)
Total	<u><u>12,437,532</u></u>	<u><u>11,541,845</u></u>

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20. Statement of funds (continued)

The following academies are carrying a net deficit on their portion of the funds as follows:

	Deficit £
Glebeland Primary School	(16,099)
Central Office	(340,466)
	<hr/> <hr/>

The academy trust is taking the following action to return the academies to surplus:

For Glebeland the deficit was transferred into the academy trust on conversion. The academy trust has a deficit repayment plan with the Local Authority and is working to meet the requirements of this agreement.

The Trust has invested in its central resources in the early stages of its development in order to create a structure that gives the capacity to support its growth. The Trustees are aware of the central office deficit and the need to bring it back into balance. Following the successful and impactful implementation of pooled capital funding, the Trustees have approved plans to implement GAG pooling from September 2020, as described in the Governance Statement.

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20. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
St Edmund's Primary School	271,437	30,953	3,065	66,002	371,457
Glebeland Primary School	316,031	46,645	19,286	84,419	466,381
Mendham Primary School	244,705	40,762	6,496	66,253	358,216
Middleton Primary School	172,989	19,793	2,068	42,438	237,288
Yoxford Primary School	265,074	28,016	5,620	77,957	376,667
Henley Primary School	329,933	64,073	7,706	113,910	515,622
Barnby & North Cove Primary School	304,186	52,563	8,604	102,235	467,588
Southwold Primary School	226,315	39,312	2,420	72,318	340,365
Rendlesham Primary School	883,732	91,610	18,999	256,435	1,250,776
Winterton Primary School	150,004	14,377	6,691	47,004	218,076
Helmingham Primary School	140,660	20,317	9,374	73,683	244,034
Central Office	534,325	282,235	930	201,935	1,019,425
Academy trust	3,839,391	730,656	91,259	1,204,589	5,865,895

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20. Statement of funds (continued)

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

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£	£
Unrestricted funds						
Total unrestricted funds	26,291	601,052	(438,655)	-	-	188,688
Restricted general funds						
General Annual Grant (GAG)	-	3,051,550	(2,837,160)	(57,492)	-	156,898
Pupil Premium	32,045	147,542	(172,244)	-	-	7,343
Other Grants	130,144	96,000	(226,144)	-	-	-
Start Up Grants	130,776	438,573	(445,491)	(46,104)	-	77,754
Pension reserve	(471,000)	(376,000)	(108,000)	-	283,000	(672,000)
	(178,035)	3,357,665	(3,789,039)	(103,596)	283,000	(430,005)
Restricted fixed asset funds						
Fixed assets transferred on conversion	5,074,210	6,315,915	(179,147)	-	-	11,210,978
Fixed assets other	76,781	-	(41,500)	117,134	-	152,415
Capital grants unspent	42,668	390,639	-	(13,538)	-	419,769
	5,193,659	6,706,554	(220,647)	103,596	-	11,783,162
Total Restricted funds	5,015,624	10,064,219	(4,009,686)	-	283,000	11,353,157
Total funds	5,041,915	10,665,271	(4,448,341)	-	283,000	11,541,845

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	13,060,151	13,060,151
Intangible fixed assets	-	-	1,269	1,269
Current assets	297,178	631,141	475,603	1,403,922
Creditors due within one year	(56,767)	(434,841)	(3,202)	(494,810)
Provisions for liabilities and charges	-	(1,533,000)	-	(1,533,000)
Total	240,411	(1,336,700)	13,533,821	12,437,532

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	11,352,879	11,352,879
Intangible fixed assets	-	-	10,514	10,514
Current assets	333,302	511,952	419,769	1,265,023
Creditors due within one year	(144,614)	(269,957)	-	(414,571)
Provisions for liabilities and charges	-	(672,000)	-	(672,000)
Total	188,688	(430,005)	11,783,162	11,541,845

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22. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	1,482,687	6,216,930
Adjustments for:		
Amortisation	9,245	9,289
Depreciation	296,232	211,358
Interest receivable	(631)	(343)
Decrease/(increase) in stocks	2,976	(2,585)
Decrease/(increase) in debtors	291,943	(329,385)
Increase in creditors	82,156	73,196
Defined pension scheme obligation inherited	175,000	376,000
Defined pension scheme cost less contributions payable	77,000	88,000
Defined benefit pension scheme finance cost	22,000	20,000
Fixed assets inherited on conversion	(1,809,586)	(6,277,850)
Other income received on conversion to academy trust	(25,190)	(88,771)
Net cash provided by operating activities	603,832	295,839

23. Cash flows from investing activities

	2019 £	2018 £
Interest	631	343
Purchase of tangible fixed assets	(193,918)	(161,434)
Cash transferred on conversion	25,190	88,771
Net cash used in investing activities	(168,097)	(72,320)

24. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,254,048	818,313
Total cash and cash equivalents	1,254,048	818,313

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25. Conversion to an academy trust

On 1 January 2019 Winterton Primary School school converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Consortium Multi-Academy Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings	-	-	1,699,605	1,699,605
Current assets				
Budget surplus on LA funds	33,679	-	-	33,679
Unspent capital grants	-	-	13,986	13,986
Other grants	-	16,560	-	16,560
Non-current liabilities				
LGPS pension surplus/(deficit)	-	(139,000)	-	(139,000)
Net assets/(liabilities)	33,679	(122,440)	1,713,591	1,624,830

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25. Conversion to an academy trust (continued)

On 1 March 2019 Helmingham Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Consortium Multi-Academy Trust from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Freehold land and buildings	-	-	109,981	109,981
Current assets				
Budget surplus on LA funds	56,257	-	-	56,257
Unspent capital grants	-	-	11,204	11,204
Other grants	-	5,696	-	5,696
Non-current liabilities				
LGPS pension surplus/(deficit)	-	(36,000)	-	(36,000)
Net assets/(liabilities)	56,257	(30,304)	121,185	147,138

26. Pension commitments

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

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

Contributions amounting to £83,325 were payable to the schemes at 31 August 2019 (2018 - £66,578) and are included within creditors.

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26. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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 previous actuarial valuation was carried out as at 31 March 2012 and determined the contributions for the period, which were paid at a rate of 16.48%. This rate has been paid since September 2015.

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

The employer's pension costs paid to TPS in the year amounted to £274,042 (2018 - £219,904).

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

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

Scheme changes

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

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

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

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26. Pension commitments (continued)

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 £447,000 (2018 - £306,000), of which employer's contributions totalled £375,000 (2018 - £258,000) and employees' contributions totalled £ 72,000 (2018 - £48,000). The agreed contribution rates for future years are 28% per cent for employers and tiered % per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Principal actuarial assumptions - Suffolk		
Discount rate for scheme liabilities	1.9%	2.8%
Rate of increase in salaries	2.6%	2.6%
Rate of increase for pensions payment/inflation	2.3%	2.3%
Principal actuarial assumptions - Norfolk		
Discount rate for scheme liabilities	1.9%	2.8%
Rate of increase in salaries	2.6%	2.6%
Rate of increase for pensions payment/inflation	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 Years	2018 Years
Suffolk		
<i>Retiring today</i>		
Males	21.3	21.9
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.3	23.9
Females	24.9	26.4
Norfolk		
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25	26.4

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26. Pension commitments (continued)

Sensitivity analysis - Suffolk

	2019 £	2018 £
Discount rate +0.1%	86,800	52,800
Discount rate -0.1%	(86,800)	(52,800)
Mortality assumption - 1 year increase	119,200	25,840
Mortality assumption - 1 year decrease	(119,200)	(25,840)
CPI rate +0.1%	68,000	39,000
CPI rate -0.1%	(68,000)	(39,000)

Sensitivity analysis - Norfolk

	2019 £	2018 £
Discount rate +0.1%	23,000	10,000
Discount rate -0.1%	(23,000)	(10,000)
Mortality assumption - 1 year increase	34,480	15,280
Mortality assumption - 1 year decrease	(34,480)	(15,280)
CPI rate +0.1%	18,000	7,600
CPI rate -0.1%	(18,000)	(7,600)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	1,150,000	923,000
Gilts	659,000	426,000
Corporate bonds	469,000	157,000
Property	31,000	19,000
Total market value of assets	2,309,000	1,525,000

The actual return on scheme assets was £121,000 (2018 - £83,000).

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26. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(437,000)	(346,000)
Past service cost	(15,000)	-
Interest income	53,000	27,000
Interest cost	(75,000)	(47,000)
Total amount recognised in the Statement of Financial Activities	(474,000)	(366,000)

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

	2019 £	2018 £
At 1 September	2,197,000	1,006,000
Transferred in upon conversion of new academies joining the trust	402,000	1,001,000
Current service cost	437,000	346,000
Interest cost	75,000	47,000
Employee contributions	72,000	48,000
Actuarial losses/(gains)	644,000	(251,000)
Past service costs	15,000	-
At 31 August	3,842,000	2,197,000

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	1,525,000	535,000
Transferred in upon conversion of new academies joining the trust	227,000	625,000
Interest income	53,000	27,000
Actuarial gains	57,000	32,000
Employer contributions	375,000	258,000
Employee contributions	72,000	48,000
At 31 August	2,309,000	1,525,000

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27. Operating lease commitments

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

	2019	<i>2018</i>
	£	<i>(Restated)</i>
		£
Not later than 1 year	44,745	<i>10,324</i>
Later than 1 year and not later than 5 years	156,155	<i>29,370</i>
Later than 5 years	1,572,083	<i>-</i>
	<hr/> 1,772,983 <hr/>	<hr/> <i>39,694</i> <hr/>

28. 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.

29. Related party transactions

No related party transactions took place in the period of accounts, other than certain trustees' remuneration and expenses as disclosed in note 12.