

THE CONSORTIUM MULTI-ACADEMY TRUST

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

D Carman-Jones
D Pye
D Wraight
T Thomas (resigned 20 February 2017)
D Williams

Trustees

D Carman-Jones, Chair
S Martin
M Sillis
D Williams
L Holzer (resigned 24 January 2017)
A Williams, Staff Trustee
M Aylett
L Dougherty (resigned 7 November 2017)
S Charlott
T Slater-Robins (appointed 27 April 2017)
A Aalders-Dunthorne, CEO, Principal and Accounting Officer

Company registered number

10255142

Company name

The Consortium Multi-Academy Trust

Principal and registered office

Ground Floor Office 27 Norwich Road, Halesworth, Suffolk, IP19 8BX

Company secretary

E Frere-Smith

Chief executive officer

A Aalders-Dunthorne

Executive Leadership Team

CEO and Principal	A Aalders-Dunthorne
Education and Learning	T Little, appointed 18/04/2017
Operations	T Flanigan, appointed 09/08/2017
Conversions	R Chew
Finance and HR	E Frere-Smith

Independent auditors

Larking Gowen, 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 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates five primary academies in Norfolk and Suffolk. Its academies have a combined pupil capacity of 404 and had a roll of 314 in the school census on January 2017.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of The Consortium Multi-Academy Trust Limited are also the directors of the charitable company for the purpose of company law.

The charitable company is known as The Consortium Multi Academy Trust..

Details of the Trustees who served during the year 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. 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.

d. Policies and procedures adopted for the induction and training of Trustees

All trustees are experienced in school governance or 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 arrangement 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 2017

e. Organisational structure

The trustees make most decisions at full Board meetings, which take place six times a 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) The Trustees sit on two sub-committees:

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

The Executive Leadership team meets regularly, chaired by the CEO.

The Teaching Learning and Assessment Panel meets half termly, chaired by the CEO.

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.

f. Pay policy for key management personnel

The Board has established a pay policy and approved the salary range for central MAT posts. Incremental progression for central MAT employees, as for all school-based employees, including Academy Heads is subject to satisfactory performance management.

g. Connected organisations, including related party relationships

There are no related parties or related party transactions to report.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

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 three converter schools and two 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. 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

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.

Strategic report

Achievements and performance

a. Key performance indicators

During the accounting period 1st September 2016 to the 31st August 2017 – the schools within the Trust reported the following pupil attainment and performance data. The Trust's schools are listed below, with details of their pupil number and Ofsted judgements:

School	Pupils on role (Oct 2016 census)	Ofsted Judgement	Conversion date
Glebeland	89	Good	1 August 2016
Mendham	40	Good	1 August 2016
St Edmund's Hoxne	74	Good	1 August 2016
Middleton	58	Requires Improvement	1 December 2016
Yoxford & Peasenhall	53	Inadequate	1 December 2016

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Data for End of Year 2016/17						
	Consortium Multi Academy Trust Results 2017	National Sponsored Academy After 1 Year	National Converting Academy After 1 Year	National Small Cohorts 2017	National All 2017	Suffolk Academies
5 Schools	58%			61%	61%	
Pupils Achieved Expected Standard in Reading, Writing and Maths						
3 Converter Schools	66%	63%		61%	61%	46%
Pupil Achieved Expected Standard in Reading, Writing and Maths						
2 Sponsored Schools	33%		49%	61%	61%	59%
Pupil Achieved Expected Standard in Reading, Writing and Maths						

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

End of Key Stage 2 Data								
	RWM	RWM National 2017	Reading	Reading National 2017	Writing	Writing National 2017	Maths	Maths National 2017
5 Schools	58%	61%	74%	71%	68%	76%	71%	75%
3 Converter	66%	65%	73%	75%	76%	80%	76%	78%
2 Sponsored	33%	53%	78%	62%	44%	71%	55%	67%

End of Key Stage 1 Data								
	RWM	National 2017	Reading	National 2017	Writing	National 2017	Maths	National 2017
5 Schools	56%	N/A – no national figures for KS 1	67%	76%	60%	68%	73%	75%
3 Converter	62%		76%	78%	65%	71%	76%	78%
3 Sponsored	44%		50%	71%	50%	64%	68%	71%

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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial review

a. Reserves policy

The Academy held fund balances at 31 August 2017 of £5,041,915, comprising restricted funds and unrestricted funds. The Restricted Fixed Asset fund is £5,193,659, the pension deficit is (£471,000) and the restricted general fund (excluding the pension fund deficit) is £292,965. The unrestricted funds amount to £26,291.

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 £135,000.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

b. Investments policy

The Trust does not have any formal investments. Any formal investments will be managed centrally by the Trust but be clearly attributed to each school's contribution 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

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 evaluate and appropriate action is taken as a result.

The main financial risks affecting all academies are as follows:

- Reduction in funding on Education Services grant, currently attracting £77 per pupil from September 2016 and is due to eventually disappear;
- Reduction in Suffolk's per pupil funding of £33 per pupil with effect from April 2017;
- Increase in employers' local government pension contributions from April 2017.

These are being addressed with prudent budget management and using balances carried forward in the short and medium term. As the Trust grows, synergy across the Trust will be used to aid this process.

The main non-financial risk is of reputational and ability to deliver effective school improvement to future sponsored schools. The Trust is also being cautious with its approach to agreeing when new schools may join.

Plans for future periods

a. Future developments

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 out sourcing service provision such as the PE and Outdoor Learning Team, and through the successful application for grants and funding outside of the usual educational funding streams.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Summary of Achievements in 2016/17

1. School performance data shows improvements and progress inline or above national averages for converting and sponsored academies
2. Financial support [Glebeland Primary] – significant deficit budget has been inherited.
3. Access to additional resources to facilitate the Trust Growth Strategy and ensure feasibility and viability longer term.
4. Development of the Executive Leadership Team – appointment of an Education and Learning Manager.
5. Strong relationships built with educational establishments, outside agencies and national departments to raise the profile and offering of the Trust and its core values.
6. Office, administration and training space for central functions secured
7. Continued growth to strengthen the hub-school model of school-2-school support with four active hubs

Summary of Priorities for 2017/18

1. Further growth of the Trust with at least one good or outstanding school
2. Embedding the directorate roles and responsibilities to ensure that the strategic function is underpinned by practical, operational support for all academies
3. Widen the influence of the Trust through the application of a TSA bid; enabling further school to school support and promotion of the CPD provision
4. Establishment of the EYFS centre of Excellence at the Yoxford and Peasenhall site; and the Inclusion Hub to support all Trust schools.

Funds held as custodian

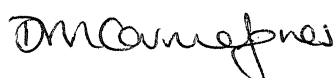
The Trust and its Trustees do not act as the Custodian Trustees of any other charity.

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2017 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. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
D Carman-Jones, Chair	6	6
S Martin	6	6
M Sillis	6	6
D Williams	4	6
L Holzer	0	3
A Williams, Staff Trustee	5	6
M Aylett	5	6
L Dougherty	3	6
S Sharlott	3	6
T Slater-Robins	2	2
A Alders-Dunthorne, CEO, Principal and Accounting Officer	6	6

Movements in the board of trustees are shown on page 1 of these financial statements.

The academy trust's coverage of work is fully detailed within the scheme of delegation with the specific tasks this year of:

- Supporting no notice safeguarding monitoring visits to all academy schools and reviewing central safeguarding functions
- The provision of Governance training through Academy Head and Governor briefing sessions on a half termly basis; LGB (Local Governing Body) training specific to the Scheme of Delegation to support the transition to LGB from Full Governing Body responsibilities
- The support and development of budget reporting documentation to ensure that trustees and LGBs are accessing and using financial information for planning and monitoring
- The support and development of pupil data reporting to ensure that trustees and LGBs are accessing and using pupil data for planning and monitoring
- Strategic planning and growth planning and implementation to ensure that the academy trust is and continues to be sustainable and effective and has wider impact than just Trust Schools

The focus for the forthcoming year is to further strengthen the position of the trust by consolidation of existing functions, continued growth and maximising the opportunities both within the trust and within the wider educational environment; locally, regionally and nationally.

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GOVERNANCE STATEMENT (continued)

The board has a self reflective ethos and has achieved this through their strategic planning and vision day; dynamic and effective chairing of committees and the Board; annual skills audits and significant CPD. The board knows that there is 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. Trustees have strong understanding of the data and do not take information on trust, but seek additional validation of the presented data.

Governance Review

The academy trust was part of a regional programme of evaluation of trustee effectiveness which involved a senior RSC Officer interviewing the Chair, the CEO and the Chair of the Finance Committee; and observing a trust board meeting. The feedback was that verbally provided and the key outcomes were that:

- The majority of scrutiny of pupil data and finance information takes place at the Committee level; whilst an effective and efficient way of scrutinising and challenging this data, Trustees should ensure that these areas are given sufficient attention at trust board meetings. This has been addressed and Committee Chairs lead on these agenda items.
- The trust has a strong, robust and ambitious growth strategy and it is underpinned with the need for consolidation and attention at local level for established academy schools.

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 any requests have been in relation to the provision of information to support an application for a joining school.

The focus for trust board development this academic year is on:

- Communication with and training of trustees and LGBs to ensure that all tiers of governance carry out their roles and responsibilities effectively and efficiently.
- Building links with trusts outside of the immediate vicinity to enable trust review and evaluation from a completely external perspective.

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 MAT finances and estates management.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Alders-Dunthorne	3	3
D Carman-Jones	3	3
S Martin, Chair	3	3
S Charlott	2	3
D Williams	3	3

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 MAT standards and progress for both staff and pupils.

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GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Alders-Dunthorne	3	3
M Aylett	3	3
D Carman-Jones	3	3
L Dougherty	3	3
M Sillis	2	3
A Williams, Chair	3	3

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:

Some of the highlighted ways in which the Trust has achieved value for money are:

- 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
- Regularly reviewing contracts and service level agreements

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 ongoing 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 2016 to 31 August 2017 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 2016 to 31 August 2017 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 resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint a Senior Audit Officer to build capacity with the finance team and carry out the internal audit function..

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 account/ bank reconciliations

On a quarterly basis, the internal auditor reports to the board of trustees through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

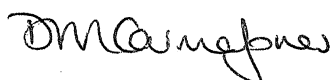
Review of Effectiveness

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 committee and a plan to address weaknesses if relevant and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14 December 2017 and signed on their behalf, by:



Dawn Carman-Jones
Chair of Trustees



Andrew Aalders-Dunthorne
Accounting Officer

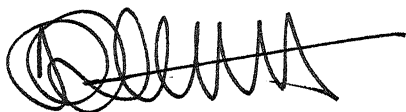
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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: 14 December 2017

THE CONSORTIUM MULTI-ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and 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 14 December 2017 and signed on its behalf by:



Dawn Carman-Jones
Chair of Trustees

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**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 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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.

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for 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' remunerations specified by law 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**

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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



Giles Kerkham (Senior statutory auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

Date: 19/12/2017

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 18 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Consortium Multi-Academy Trust and the 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 auditors

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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE
CONSORTIUM MULTI-ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**
(continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen

Larking Gowen

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

Date: *19/12/2017*

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 2017**

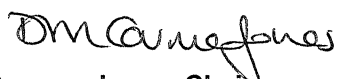
	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Transfers from local authority on conversion	2	155,925	(228,000)	1,412,163	1,340,088	3,526,861
Other donations and capital grants	2	20,948	-	20,266	41,214	3,334
Charitable activities	3	60,339	2,011,862	-	2,072,201	234,993
Other trading activities	4	107,673	-	-	107,673	3,301
Investments	5	229	-	-	229	6
Total income		345,114	1,783,862	1,432,429	3,561,405	3,768,495
Expenditure on:						
Charitable activities		190,519	1,994,253	70,946	2,255,718	140,267
Total expenditure	6	190,519	1,994,253	70,946	2,255,718	140,267
Net income / (expenditure) before transfers		154,595	(210,391)	1,361,483	1,305,687	3,628,228
Transfers between Funds	19	(168,933)	122,256	46,677	-	-
Net income / (expenditure) before other recognised gains and losses		(14,338)	(88,135)	1,408,160	1,305,687	3,628,228
Actuarial gains/(losses) on defined benefit pension schemes	24	-	181,000	-	181,000	(73,000)
Net movement in funds		(14,338)	92,865	1,408,160	1,486,687	3,555,228
Reconciliation of funds:						
Total funds brought forward		40,629	(270,900)	3,785,499	3,555,228	-
Total funds carried forward		26,291	(178,035)	5,193,659	5,041,915	3,555,228

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10255142

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Intangible assets	14		19,803		20,830
Tangible assets	15		5,124,953		3,742,267
			<u>5,144,756</u>		<u>3,763,097</u>
Current assets					
Stocks	16	391		44	
Debtors	17	114,172		116,560	
Cash at bank and in hand		594,794		170,623	
		<u>709,357</u>		<u>287,227</u>	
Creditors: amounts falling due within one year	18	(341,198)		(137,096)	
Net current assets			<u>368,159</u>		<u>150,131</u>
Total assets less current liabilities			<u>5,512,915</u>		<u>3,913,228</u>
Defined benefit pension scheme liability	24		(471,000)		(358,000)
Net assets including pension scheme liabilities			<u><u>5,041,915</u></u>		<u><u>3,555,228</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	292,965		87,100	
Restricted fixed asset funds	19	5,193,659		3,785,499	
Restricted income funds excluding pension liability		5,486,624		3,872,599	
Pension reserve		(471,000)		(358,000)	
Total restricted income funds			<u>5,015,624</u>		<u>3,514,599</u>
Unrestricted income funds	19		<u>26,291</u>		<u>40,629</u>
Total funds			<u><u>5,041,915</u></u>		<u><u>3,555,228</u></u>

The financial statements on pages 20 to 52 were approved by the Trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:



D Carman-Jones, Chair
Chair of Trustees

The notes on pages 23 to 52 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 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	21	307,528	119,733
Cash flows from investing activities:			
Dividends, interest and rents from investments		229	6
Proceeds from the sale of tangible fixed assets		-	(2,853)
Purchase of tangible fixed assets		(71,605)	(21,419)
Capital grants from DfE/ESFA		-	25,255
Cash transferred on conversion		188,019	49,901
Net cash provided by investing activities		116,643	50,890
Change in cash and cash equivalents in the year		424,171	170,623
Cash and cash equivalents brought forward		170,623	-
Cash and cash equivalents carried forward	22	594,794	170,623

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Consortium Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

The prior period comparators in these accounts reflect only the period from the company's incorporation on 28 June 2016 up to the 31 August 2016 period end.

Current year figures in these accounts reflect the full 12 month period to 31 August 2017.

1.2 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 Department for Education 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 and include grants from the Department for Education.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the 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 risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Where assets are received on the transfer of an existing academy into the 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 trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Intangible fixed assets and amortisation

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 fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

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 2017**

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	50 years
Motor vehicles	-	5 years
Fixtures and fittings	-	10 years
Office equipment	-	5 years
Computer equipment	-	3 years
IT software	-	3 years
Motor vehicles gifts on conversion	-	35% reducing balance

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

The academies operate from land and buildings owned by Norfolk and Suffolk County Council. Both Councils have entered into an agreement with the Trust to make the land and buildings available for use by the academies at no charge for a term of 125 years from and including 1 August 2016. The land and buildings are recognised in the financial statements based on an estimate of their fair value at conversion.

1.8 Interest receivable

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

1.9 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

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

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. 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 instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.15 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. Accounting Policies (continued)

1.17 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved 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 Middleton Primary School and Yoxford Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. Accounting Policies (continued)

1.18 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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 2017. 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.

Critical areas of judgment:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation which was performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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 CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from local authority on conversion	155,925	(228,000)	1,412,163	1,340,088	3,526,861
Donations	20,948	-	-	20,948	-
Capital Grants	-	-	20,266	20,266	3,334
Subtotal	20,948	-	20,266	41,214	3,334
	176,873	(228,000)	1,432,429	1,381,302	3,530,195
Total 2016	40,626	(282,000)	3,771,569	3,530,195	

THE CONSORTIUM MULTI-ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
GAG	-	1,471,405	1,471,405	85,345
Start up Grant	-	183,412	183,412	60,580
Rates Relief	-	9,232	9,232	208
Other EFA Grants	-	203,299	203,299	86,000
Pupil Premium	-	64,887	64,887	2,860
	-	1,932,235	1,932,235	234,993
Other government grants				
Other government grants excluding capital	-	58,316	58,316	-
SEN funding	-	21,311	21,311	-
	-	79,627	79,627	-
Other funding				
Catering income	28,388	-	28,388	-
Educational visits	19,738	-	19,738	-
Music and curriculum related	6,047	-	6,047	-
Nursery fees	5,366	-	5,366	-
Other grants	800	-	800	-
	60,339	-	60,339	-
	60,339	2,011,862	2,072,201	234,993
<i>Total 2016</i>	-	234,993	234,993	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Staff Consultancy	46,025	-	46,025	-
Uniform sales	1,773	-	1,773	-
Lettings income	1,299	-	1,299	-
Holiday school	9,371	-	9,371	-
Insurance receipts	2,249	-	2,249	-
Sale of other goods & services	1,716	-	1,716	-
Other income: self generated	16,016	-	16,016	3,301
Breakfast & afterschool club	29,224	-	29,224	-
	<u>107,673</u>	<u>-</u>	<u>107,673</u>	<u>3,301</u>
<i>Total 2016</i>	<u>3,301</u>	<u>-</u>	<u>3,301</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	229	-	229	6
	<u>6</u>	<u>-</u>	<u>6</u>	
<i>Total 2016</i>	<u>6</u>	<u>-</u>	<u>6</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct costs- Activities:					
Direct costs	1,363,398	-	253,362	1,616,760	75,614
Support costs	260,849	141,617	236,492	638,958	64,653
	<u>1,624,247</u>	<u>141,617</u>	<u>489,854</u>	<u>2,255,718</u>	<u>140,267</u>
<i>Total 2016</i>	<u>83,382</u>	<u>-</u>	<u>56,885</u>	<u>140,267</u>	

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7. SUPPORT COSTS

	Direct costs- Activities £	Total 2017 £	Total 2016 £
Premises costs	141,617	141,617	830
Other support costs	121,592	121,592	598
Governance costs	74,972	74,972	46,596
Technology costs	39,928	39,928	-
Support staff salaries	172,075	172,075	13,149
Support staff national insurance	19,812	19,812	358
Support staff pension cost	68,962	68,962	3,122
	<u>638,958</u>	<u>638,958</u>	<u>64,653</u>
<i>At 31 August 2016</i>	<u>64,653</u>	<u>64,653</u>	

During the year ended 31 August 2017, the academy trust incurred the following Governance costs:
£NIL (2016 - £NIL) included within the table above in respect of Direct costs- Activities (Activity 1).

8. NET (INCOMING RESOURCES) / RESOURCES EXPENDED

This is stated after charging:

	2017 £	2016 £
Amortisation of intangible fixed assets	8,027	589
Depreciation of tangible fixed assets	62,919	6,900
Auditors' remuneration	11,150	7,400
Non-audit accountancy services	<u>3,600</u>	<u>3,600</u>

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9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,107,923	67,483
Social security costs	100,450	2,269
Operating costs of defined benefit pension schemes	410,211	13,630
	<u>1,618,584</u>	<u>83,382</u>
Staff restructuring costs	5,663	-
	<u>1,624,247</u>	<u>83,382</u>

Staff restructuring costs comprise:

	2017 £	2016 £
Severance payments	5,663	-

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,663 (2016 - £NIL). Individually, the payments were £5,663.

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

	2017 No.	2016 No.
Teachers	23	11
Administration and support staff	47	29
Management	7	4
	<u>77</u>	<u>44</u>

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

	2017 No.	2016 No.
In the band £80,001 - £90,000	1	0

The above employee participates in the Teachers' Pension Scheme which is a defined benefit scheme. During the year ended 31 August 2017 pension contributions for the employees amounted to £13,263.

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 £465,559 (2016 - £26,039).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. 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:

15% of General Annual Grant in the first year.
12.5% of General Annual Grant in the second year.
10% of General Annual Grant in the third year.

The actual amounts charged during the year were as follows:

	2017 £	2016 £
St Edmund's Primary School	61,408	4,275
Glebeland Primary School	57,768	4,851
Mendham Primary School	42,305	3,430
Middleton Primary School	36,672	-
Yoxford Primary School	40,055	-
Consortium Multi Academy Trust	6,942	-
	<u>245,150</u>	<u>12,556</u>
Total		

11. 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
A Alders-Dunthorne (CEO and staff trustee)	Remuneration	85,000-90,000	5,000-10,000
	Pension contributions paid	5,000-10,000	0-5,000
A Williams (Principal and staff trustee)	Remuneration	35,000-40,000	0-5,000
	Pension contributions paid	5,000-10,000	0-5,000

During the year ended 31 August 2017, expenses totalling £3,453 (2016 - £NIL) were reimbursed to 2 Trustee (2016 - NIL).

13. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	8,000	-
Interest on pension scheme liabilities	(20,000)	(1,000)
	<u>(12,000)</u>	<u>(1,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

14. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2016	21,419
Additions	7,000
	<hr/>
At 31 August 2017	28,419
	<hr/>
Amortisation	
At 1 September 2016	589
Charge for the year	8,027
	<hr/>
At 31 August 2017	8,616
	<hr/>
Carrying amount	
At 31 August 2017	19,803
	<hr/> <hr/>
<i>At 31 August 2016</i>	<i>20,830</i>
	<hr/> <hr/>

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 September 2016	3,723,381	11,583	2,853	-	11,350	3,749,167
Additions	19,590	-	12,343	13,774	18,898	64,605
Transfers on conversion	1,381,000	-	-	-	-	1,381,000
At 31 August 2017	5,123,971	11,583	15,196	13,774	30,248	5,194,772
Depreciation						
At 1 September 2016	6,206	341	9	-	344	6,900
Charge for the year	46,037	4,054	704	783	11,341	62,919
At 31 August 2017	52,243	4,395	713	783	11,685	69,819
Net book value						
At 31 August 2017	5,071,728	7,188	14,483	12,991	18,563	5,124,953
At 31 August 2016	3,717,175	11,242	2,844	-	11,006	3,742,267

Included within long term leasehold property is land valued at £2,598,590 which is not subject to depreciation.

TERMS OF OCCUPATION OF PREMISES:

<u>Academy name</u>	<u>Joined the MAT</u>	<u>Terms of occupation of land and buildings</u>
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 & Peasenhall Primary School	1 Dec 2016	125 year lease from Suffolk County Council

16. STOCKS

	2017 £	2016 £
Clothing and oil	391	44

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. DEBTORS

	2017 £	2016 £
Trade debtors	2,352	-
Other debtors	652	108,846
Prepayments and accrued income	85,401	7,659
VAT recoverable	25,767	55
	<u>114,172</u>	<u>116,560</u>

18. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	122,263	654
Other taxation and social security	62,358	29,508
ESFA creditor: School deficit balance upon conversion	37,259	37,324
Other creditors	1,173	-
Accruals and deferred income	118,145	69,610
	<u>341,198</u>	<u>137,096</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	16,189	16,189
Resources deferred during the year	87,026	-
Amounts released from previous years	(16,189)	-
Deferred income at 31 August 2017	<u>87,026</u>	<u>16,189</u>

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

- Universal Infant Free School Meals grant funding for 2017/18
- Start up grants relating to two schools joining the MAT in 2017/18
- Balances at conversion from a school joining the MAT in 2017/18.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Total unrestricted funds	40,629	345,114	(190,519)	(168,933)	-	26,291
Restricted funds						
General Annual Grant (GAG)	5,649	1,471,405	(1,599,310)	122,256	-	-
Pupil Premium	2,860	64,887	(35,702)	-	-	32,045
Start Up Grants	3,591	183,412	(56,859)	-	-	130,144
Other grants	75,000	292,158	(236,382)	-	-	130,776
Pension reserve	(358,000)	(228,000)	(66,000)	-	181,000	(471,000)
	(270,900)	1,783,862	(1,994,253)	122,256	181,000	(178,035)
Restricted fixed asset funds						
Fixed assets transferred on conversion	3,763,097	1,412,163	(70,946)	46,677	-	5,150,991
Capital grants unspent	22,402	20,266	-	-	-	42,668
	3,785,499	1,432,429	(70,946)	46,677	-	5,193,659
Total restricted funds	3,514,599	3,216,291	(2,065,199)	168,933	181,000	5,015,624
Total of funds	3,555,228	3,561,405	(2,255,718)	-	181,000	5,041,915

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Total unrestricted funds	-	43,933	(3,304)	-	-	40,629
	-	43,933	(3,304)	-	-	40,629

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	-	83,808	(78,159)	-	-	5,649
Pupil Premium	-	2,860	-	-	-	2,860
Start Up Grants	-	60,580	(35,570)	(21,419)	-	3,591
Dev Grant	-	75,000	-	-	-	75,000
Audit Grant	-	11,000	(11,000)	-	-	-
Educational Services Grant	-	1,537	(1,537)	-	-	-
Rates Relief	-	208	(208)	-	-	-
Pension reserve	-	(282,000)	(3,000)	-	(73,000)	(358,000)
	-	(47,007)	(129,474)	(21,419)	(73,000)	(270,900)

Restricted fixed asset funds

Fixed assets transferred on conversion	-	3,746,314	(7,489)	24,272	-	3,763,097
Capital grants unspent	-	25,255	-	(2,853)	-	22,402
	-	3,771,569	(7,489)	21,419	-	3,785,499
Total restricted funds	-	3,724,562	(136,963)	-	(73,000)	3,514,599
Total of funds	-	3,768,495	(140,267)	-	(73,000)	3,555,228

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 schools.

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

The restricted fixed asset fund represents the net book value of the fixed assets held by the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	<i>Total 2016 £</i>
St Edmund's Primary School	61,332	45,190
Glebeland Primary School	(56,398)	(38,048)
Mendham Primary School	64,677	41,991
Consortium Multi Academy Trust	110,410	78,595
Middleton Primary School	72,079	-
Yoxford Primary School	67,156	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	319,256	127,728
Restricted fixed asset fund	5,193,659	3,785,499
Pension reserve	(471,000)	(358,000)
	<hr/>	<hr/>
Total	<u>5,041,915</u>	<u>3,555,227</u>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Glebeland Primary School	(56,398)

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

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
St Edmund's Primary School	258,266	34,070	7,995	64,235	364,566	21,036
Glebeland Primary School	311,449	47,926	14,543	92,991	466,909	28,286
Mendham Primary School	196,299	37,105	2,931	63,063	299,398	24,330
Consortium Multi Academy Trust	308,329	83,069	3,832	148,839	544,069	59,126
Middleton Primary School	103,974	36,884	580	60,198	201,636	-
Yoxford Primary School	179,029	27,075	10,702	91,388	308,194	-
	<u>1,357,346</u>	<u>266,129</u>	<u>40,583</u>	<u>520,714</u>	<u>2,184,772</u>	<u>132,778</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	19,803	19,803
Tangible fixed assets	-	-	5,124,953	5,124,953
Current assets	94,611	565,843	48,903	709,357
Creditors due within one year	(68,320)	(272,878)	-	(341,198)
Provisions for liabilities and charges	-	(471,000)	-	(471,000)
	<u>26,291</u>	<u>(178,035)</u>	<u>5,193,659</u>	<u>5,041,915</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2016</i>	<i>2016</i>	<i>2016</i>	<i>2016</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Intangible fixed assets	-	-	20,830	20,830
Tangible fixed assets	-	-	3,742,267	3,742,267
Current assets	80,705	184,120	22,402	287,227
Creditors due within one year	(40,076)	(97,020)	-	(137,096)
Provisions for liabilities and charges	-	(358,000)	-	(358,000)
	<u>40,629</u>	<u>(270,900)</u>	<u>3,785,499</u>	<u>3,555,228</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<i>2017 £</i>	<i>2016 £</i>
Net income for the year (as per Statement of Financial Activities)	1,305,687	3,628,228
Adjustment for:		
Depreciation charges and amortisation charges	70,946	7,489
Interest received	(229)	(6)
(Increase) / decrease in stocks	(347)	(44)
(Increase) / decrease in debtors	2,388	(116,560)
Increase / (decrease) in creditors	204,102	137,096
Capital grants from DfE and other capital income	-	(3,334)
Defined benefit pension scheme obligation inherited	228,000	282,000
Defined benefit pension scheme cost less contributions payable	54,000	2,000
Defined benefit pension scheme finance cost	12,000	1,000
Fixed assets inherited on conversion	(1,381,000)	(3,768,235)
Other income received on conversion to academy trust	(188,019)	(49,901)
Net cash provided by operating activities	<u>307,528</u>	<u>119,733</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<i>2017 £</i>	<i>2016 £</i>
Cash in hand	594,794	170,623
Total	<u>594,794</u>	<u>170,623</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. CONVERSION TO AN ACADEMY TRUST

On 1 December 2016 Middleton 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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	514,000	514,000
Budget surplus/(deficit) on LA funds	24,405	-	-	24,405
LGPS pension surplus/(deficit)	-	(95,000)	-	(95,000)
Unspent capital grants	-	-	1,299	1,299
Net assets/(liabilities)	24,405	(95,000)	515,299	444,704

On 1 December 2016 Yoxford and Peasenhall 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 headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - 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 incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	867,000	867,000
Budget surplus/(deficit) on LA funds	131,520	-	-	131,520
LGPS pension surplus/(deficit)	-	(133,000)	-	(133,000)
Unspent capital grants	-	-	29,864	29,864
Total	131,520	(133,000)	896,864	895,384

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

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

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

Contributions amounting to £32,044 were payable to the schemes at 31 August 2017 (2016 - 16,328) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The 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.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age.

Importantly, pension benefits built up before 1 April 2015 will be fully protected. In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire.

There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection. In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

The employer's pension costs paid to TPS in the period amounted to £116,752 (2016 - £6,203).

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

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24. PENSION COMMITMENTS (continued)

set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £148,000 (2016 - £6,000), of which employer's contributions totalled £122,000 (2016 - £5,000) and employees' contributions totalled £26,000 (2016 - £1,000). The agreed contribution rates for future years are 28% for employers and tiered % for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an 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.

Suffolk County Council assumptions, applicable to:

- 2017: Middleton, Yoxford & Peasenhall, Mendham and St Edmunds Primary Schools;
- 2016: Mendham and St Edmunds Primary Schools only

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.10 %
Expected return on scheme assets at 31 August	2.40 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today:		
Males	21.9 years	22.4 years
Females	24.4 years	24.4 years
Retiring in 20 years:		
Males	23.9 years	24.3 years
Females	26.4 years	26.9 years

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	18,200	6,400
Discount rate -0.1%	(18,200)	(6,400)
Mortality assumption - 1 year increase	25,840	6,660
Mortality assumption - 1 year decrease	(25,840)	(6,660)
CPI rate +0.1%	12,800	4,200
CPI rate -0.1%	(12,800)	(4,200)

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FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

The above assumptions were used by the Suffolk LGPS scheme's actuary. The actuary for the Norfolk school (Glebeland Primary School) used the following assumptions:

	2017	2016
Discount rate for scheme liabilities		2.5%
2.1%		
Rate of increase for pensions in payment / inflation		2.4%
2.1%		
Rate of increase in salaries		2.7%
3.1%		
Assumed life expectations on retirement age 65:		
Retiring today:		
Males (years)	22.1	22.1
Females (years)	24.4	24.4
Retiring in 20 years:		
Males (years)	24.1	24.1
Females (years)	26.4	26.4
Sensitivity analysis		
Discount rate +0.1%		£9,400
£8,600		
Discount rate -0.1%		(£9,400)
(£8,600)		
Mortality assumption - 1 year increase	£14,400	£10,110
Mortality assumption - 1 year decrease		(£14,400)
(£10,110)		
CPI rate +0.1%		£6,600
£5,200		
CPI rate -0.1%		(£6,600)
(£5,200)		

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	354,000	128,000
Debt instruments	119,000	47,000
Property	55,000	23,000
Cash	7,000	3,000
	<hr/>	<hr/>
Total market value of assets	535,000	201,000
	<hr/>	<hr/>

The actual return on scheme assets was £47,000 (2016 - £6,000).

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	(176,000)	(7,000)
Interest income	8,000	-
Net interest cost	(20,000)	(1,000)
Total	<u>(188,000)</u>	<u>(8,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	559,000	-
Upon conversion	-	471,000
Transferred in upon conversion of new academies joining the trust	363,000	-
Current service cost	176,000	7,000
Interest cost	20,000	1,000
Employee contributions	26,000	1,000
Actuarial (gains)/losses	(138,000)	79,000
Closing defined benefit obligation	<u>1,006,000</u>	<u>559,000</u>

Movements in the fair value of the academy trust's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	201,000	-
Upon conversion	-	189,000
Transferred in upon conversion of new academies joining the trust	135,000	-
Interest income	8,000	-
Actuarial gains and (losses)	43,000	6,000
Employer contributions	122,000	5,000
Employee contributions	26,000	1,000
Closing fair value of scheme assets	<u>535,000</u>	<u>201,000</u>

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25. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	1,792	860
Between 1 and 5 years	3,009	1,727
Total	<u>4,801</u>	<u>2,587</u>

26. 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 £NIL for the debts and liabilities contracted before he/she ceases to be a member.

27. RELATED PARTY TRANSACTIONS

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

28. POST BALANCE SHEET EVENTS

On 1 September 2017, three additional schools joined the Consortium Multi Academy Trust: Henley Primary School, and the Kingfisher Schools Federation, comprised of Barnby & North Cove Primary School and Southwold Primary School.