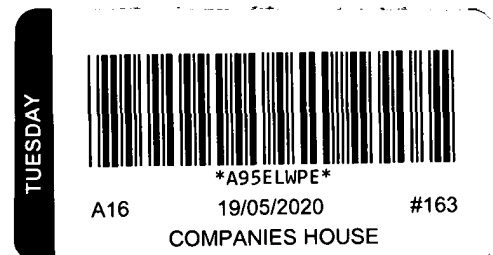




Abbey Multi Academy Trust

Registered number: 07705552

**Trustees' Report and Financial
Statements for the year ended
31 August 2019**



Abbey Multi Academy Trust

Contents

Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	26
Statement of Regularity, Propriety and Compliance	31
Statement of Trustees' Responsibilities	32
Independent Auditors' Report on the Financial Statements	33
Independent Reporting Accountant's Report on Regularity	36
Statement of Financial Activities (Incorporating Income and Expenditure Account)	38
Balance Sheet	39
Statement of Cash Flows	40
Notes to the Financial Statements	41

Abbey Multi Academy Trust

Reference and Administrative Details

Members

P Whitman
R Noake
A Nicholl
The Rt Revd P Slater

Academy Trustees

P Whitman
C Kitson (CEO and Accounting Officer - resigned 31st December 2018)
T Mason
D Stratton (Resigned 1st September 2019)
P Laurence
S Simkins
F Baker
Rev J Smith
C R Blair
G Price
W Shaw (Appointed 27th March 2019)
H Pratten (Acting Co-CEO and Accounting Officer - from 1st January 2019)
C Garrett (Acting Co-CEO - from 1st January 2019)

Company Secretary

C Owen

Senior Management Team

Chief Executive Officer
Acting Co-CEO/Executive Principal (Primary)
Acting Co-CEO/Director of Education
Principal – Abbey Grange C of E Academy/
Executive Principal (Secondary)
Acting Principal – Abbey Grange C of E Academy

C Kitson (to 31st December 2018)
H Pratten (from 1st January 2019)
C Garrett (from 1st January 2019)
J Norden

Principal – St Chad's C of E Primary Academy
Interim Head of School – St Chad's C of E Primary Academy
Principal – Lightcliffe Academy

J Thornton (1st December 2018 to 31st August 2019)
A Dunn
G Marsland (25th February to 31st August 2019)
T Rothwell (to 28th February 2019)
J Norden (1st December 2018 to 31st August 2019)
P Cooper
J Kent (to 31st March 2019)

Principal – Bishop Young C of E Academy
Head of School – Manston St James Primary Academy
Interim Headteacher – Manston St James Primary Academy
Principal – Holy Trinity C of E Primary Academy
Principal – Lightcliffe C of E Primary School
Interim Head of School – Christ Church Upper Armley C of E Primary Academy
Director of Finance and Corporate Services

A Dunn (from 25th February to 31st August 2019)
D Foulke
C Woodbridge
M Hunt

I Harmer

Company Name

Abbey Multi Academy Trust

Principal and Registered Office

c/o Chapter House
Abbey Grange Academy
Butcher Hill
Leeds LS16 5EA

Abbey Multi Academy Trust

Reference and Administrative Details (continued)

Company Registration Number	07705552 (England and Wales)
External Auditor	Mazars LLP 5 th Floor 3 Wellington Place Leeds LS1 4AP
Internal Auditor	RSM Risk Assurance Services LLP Fifth Floor, Central Square 29 Wellington Street Leeds LS1 4DL
Bankers	Lloyds Bank plc 65-68 Briggate Leeds LS1 6LH
Solicitors	Browne Jacobson LLP 14 th Floor No. 1 Spinningfields Hardman Square Manchester M3 3EB

Abbey Multi Academy Trust

Trustees' Report

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

In September 2019, the Trust operated 5 primary and 3 secondary academies in West Yorkshire. Its academies at 4th November 2019 have a combined pupil census of 5032.

Structure, Governance and Management

Constitution

The 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 Trust. The Trustees of Abbey Multi Academy Trust (the Trust) are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Abbey Multi Academy Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 3.

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 £10.00 for the debts and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

The Trust has purchased insurance to protect Trustees from claims arising against negligent acts, errors or omissions occurring whilst on Trust business; further details are provided in note 11.

Method of Recruitment and Appointment or Election of Trustees

The Articles of Association require the appointment of at least five Trustees.

The Trust Board is comprised of two Acting Co-Chief Executive Officers and other Trustees from a range of professional and faith backgrounds. They are appointed by Members according to their skillset, experience and ability to contribute to the strategic leadership of the Trust.

Abbey Multi Academy Trust

Trustees' Report (continued)

Structure, Governance and Management (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

Bespoke training and induction is provided for new Governors and Trustees depending on their previous experience. Where necessary, induction and training is provided on charity, educational, legal and financial matters. All new Governors and Trustees are given a tour of the Trust site and the chance to meet with staff and students. They are provided with access to policies, procedures, minutes, accounts, budgets, strategic and development plans in addition to other documents that they need to undertake their role. Governors and Trustees are provided with training and are encouraged to access external training on appropriate matters.

Organisational Structure

The Trustees are responsible for setting the strategic direction of the Trust. They review and agree the Company's policies and procedures and are responsible for the major decisions of the Trust.

The Trustees meet at least six times in each financial year.

The Trustees have delegated a number of their functions to the Board of Governors (Local Governing Bodies) of Abbey Grange Church of England Academy, St Chad's Church of England Primary School, Lightcliffe Academy, Manston St James Primary Academy, Holy Trinity Church of England Primary Academy and Lightcliffe Church of England Primary School. However, Bishop Young Church of England Academy and Christ Church Upper Armley Church of England Primary Academy do not have these delegated functions as they operate with an Advisory Board, rather than a formal Governing Body.

Arrangements for setting pay and remuneration of key management personnel

Due to the retirement of the CEO in December 2018, the Trust commissioned an independent consultant to provide a benchmark against MATs of a similar size and context when setting the pay scale for the Acting Co-CEOs. Trustees were presented with a range of options and agreed a range to reflect the responsibilities of each post holder. Each post holder retains an element of their substantive position alongside their Co-CEO role and this was taken into account in the recommendations given by the independent consultant.

Performance management of the Trust Interim Co CEOs was conducted by the Chair of the Trust Board and supported by the Trustees at regular intervals during the course of the year. With agreement from the Interim Co CEOs, a decision was made not to recommend pay progression due to the interim nature of the roles despite the Trust Board having determined that the objectives of the performance management cycle had been successfully met.

The appraisal process for Senior Leaders and Central Executive Team is aligned to that for all other members of the Trust in that a performance review meeting is held at which objectives are reviewed against a range of evidence. Recommendations are then made by the CEO to the Trust's Pay Committee which reviews anonymised documentation to ensure that pay progression is consistent and equitable.

Abbey Multi Academy Trust

Trustees' Report (continued)

Structure, Governance and Management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
5	0.5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	5
51-99%	0
100%	0

Percentage of pay bill spent on facility time

The total cost of facility time	£17,950.76
The total pay bill	£28,200,000
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.06%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	6%
--	----

Related Parties and other Connected Charities and Organisations

There are no connected organisations. Related party transactions are disclosed in note 27 which are the Diocese of Leeds and Leeds Faith in Schools.

Abbey Multi Academy Trust

Trustees' Report (continued)

Objectives and Activities

Objectives, Strategies and Activities

The Trust's objective is set out in its Articles of Association. In summary it is to establish, maintain, manage and develop a Multi Academy Trust with a designated Church of England religious character offering a broad and balanced curriculum conducted in accordance with the principles, practices and tenets of the Church of England.

In accordance with the Articles of Association, the Trust has adopted a 'Funding Agreement' approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things, the basis of admitting students to the academies.

Public Benefit

In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to and have complied with the Charities Act 2011 and the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education.

Serving the Local Community and Society

The Trust plays a significant part in the local and wider community and, where possible in support of our charitable objectives, we seek to develop strong partnerships with new and existing organisations to benefit the local community.

The Trust's sites continue to play a critical role in the development of community focused service delivery programmes. The Trust and its partners strongly believe good progress has been made to increase social responsibility, cohesion and healthy living within the community; however, the impact is very modest when compared to the significant obstacles faced by many in the community.

Our partners in delivering this change are:

- The Diocese of Leeds
- Leeds City Council
- Calderdale Council
- The citizens of Leeds and Calderdale

In addition to the community focused services developed by the Trust and its partners, local clubs and groups continue to make use of the facilities provided by the Trust.

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report

Achievements and Performance

Abbey MAT Board's vision is to develop a high performing Multi Academy Trust that delivers the best educational experience for pupils from 3 - 19. This document sets out how we will grow, develop, support and improve our Academies across the wide and diverse geographical area of the Leeds Diocese, with a clear focus on raising standards, encouraging innovation and strengthening the ethos of the Trust to ensure that we have a positive impact on all the young people within the Trust.

Our vision is that the Academies, supported by the Trust, will provide an environment which is welcoming, caring, calm, disciplined and purposeful and which will stretch our young people academically, support them pastorally and help them develop socially and spiritually.

We recognise the power of partnership working and seek to share and receive good practice with and from other organisations to ensure that all our students experience high quality education that enables them to achieve their full potential.

The overall P8 position of the secondary academies (-0.2) mirrors that of 2017-2018. The progress 8 score at Abbey Grange remains above average at 0.3 and has remained static at Lightcliffe Academy at -0.4. The most improved progress within the secondary academies is at Bishop Young CE Academy where P8 has moved to -0.49 in 2018/19 (-0.96 in 2017/18). The picture of disadvantaged students' achievement across the secondary academies has slightly improved. Progress in Ebacc (-0.4), Science (-0.4) and in Modern Languages (-0.7) remain key improvement priorities across the Trust.

Key Stage 5 attainment and early progress measures at Abbey Grange remain strong overall and in many subject areas. Value added at Lightcliffe shows a slight improvement.

Trust primary performance data demonstrates significant improvements in a number of respects. At Key Stage 2, there is a substantial improvement in Reading, Writing and Maths across the Trust which is now in-line with national averages. At KS1 slight improvements in attainment were seen in the percentage of pupils reaching the expected and higher standard in reading, writing and mathematics. Overall Good Level of Development at EYFS declined slightly in 2018/9, however, the percentage of pupils achieving the expected standard in each of reading, writing and number remains similar.

The Trust has a well-developed and comprehensive portfolio of School Improvement Services. This function is led by the Director of Education who is well placed to lead a team of Specialist Leaders, Strategic Leaders and Lead Practitioners. They focus on continuing professional development and school improvement through the development of leadership and improving the provision of teaching and learning. Lead Practitioners also supplement the primary team in both maths and English as well as Teaching & Learning.

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance (continued)

School Improvement areas are identified with Principals through each academy's own question and answer processes and the reviews led by the Director of Education and the Primary Executive Principal to create accurate self-evaluation for each academy. Research and shared understanding of it is used to develop effective evidence based strategies, which will drive improvement, accelerate progress and diminish the difference in standards. The team of Lead Practitioners can be deployed directly into classrooms to work alongside teachers as well as leading professional development in training sessions.

The Trust was also successful in its SSIF bid beginning September 2017 and ending March 2019. The funding will provide support in English for 10 schools (secondary and Primary across Leeds and Calderdale Local Authorities), including all those in the Trust, to close the gap for disadvantaged students and support the development of leadership. The funding was used for a range of innovative development opportunities designed to make sustained improvements across the group of schools. The bid was led by a Trust employee working in the Central Education team who is Project Leader and is also an SLE. The work was focused on training staff and middle leaders to use research to inform how they could best identify and support bespoke development plans to bring about improvements in standards for English in their setting, with a particular focus on diminishing the difference for disadvantaged students and improving outcomes. Following the conclusion of the round 1 SSIF project the Trust received a RAG rating of green validating that the project was delivered as set out in the initial application and this was supported by testimonials from supported schools. The Trust was successful in attracting further funding (Round 3 SSIF Bid) to develop the project with additional partner schools. This additional project began in September 2018 and ends in March 2020.

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance – Secondary

Attainment for academic year 2018/2019 is detailed below.

Changes in the grading system at GCSE means that 2018 and 2017 are not comparable with previous years; the information is therefore presented in separate tables.

Abbey Grange Church of England Academy – GCSE	2019	2018	2017
Basics 5-9 (all)	53%	61%	54%
Basics 5-9 (disadvantaged)	31%	48%	33%
Basics 4-9 (all)	72%	79%	79%
Basics 4-9 (disadvantaged)	52%	69%	68.6%
Progress 8 (all)	0.3	0.47	0.38
Progress 8 (disadvantaged)	0	0.31	0.20
Attainment 8 (all)	5.2	5.7	5.6
English Baccalaureate (all) (APS)	4.8	5.0	4.9
Average attainment grade 8 (all)	5.2	5.67	5.63
Average attainment grade 8 (disadvantaged)	4.3	4.96	4.7
Average English attainment grade (all)	5.7	6.05	6.0
Average English attainment grade (disadvantaged)		5.33	5.28
Average Maths attainment grade (all)	5.1	5.40	5.17
Average Maths attainment grade (disadvantaged)		4.55	4.24

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance - Secondary (continued)

Lightcliffe Academy – GCSE (joined Abbey MAT in September 2015)	2019	2018	2017
Basics 5-9 (all)	29%	37%	28%
Basics 5-9 (disadvantaged)	16%	17%	15%
Basics 4-9 (all)	56%	70%	53%
Basics 4-9 (disadvantaged)	36%	56%	21%
Progress 8 (all)	-0.43	-0.42	-0.23
Progress 8 (disadvantaged)	-1	-0.71	-0.68
Attainment 8 (all)	4.1	4.3	4.3
English Baccalaureate (all) (APS)	3.3	3.6	3.2
Average attainment grade 8 (all)	4.1	4.29	4.25
Average attainment grade 8 (disadvantaged)	3.34	3.73	3.21
Average English attainment grade (all)	4.4	4.77	4.50
Average English attainment grade (disadvantaged)		4.25	3.49
Average Maths attainment grade (all)	4	4.42	4.00
Average Maths attainment grade (disadvantaged)		3.69	2.94

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance - Secondary (continued)

Bishop Young Church of England Academy – GCSE (joined Abbey MAT in May 2017)	2019	2018	2017
Basics 5-9 (all)	23%	13%	19%
Basics 5-9 (disadvantaged)	21%	7%	14.5%
Basics 4-9 (all)	37%	28%	39%
Basics 4-9 (disadvantaged)	28%	23%	33%
Progress 8 (all)	-0.49	-0.96	-1
Progress 8 (disadvantaged)	-0.6	-1.32	-1.3
Attainment 8 (all)	3.3	2.9	3.1
English Baccalaureate (all) (APS)	2.5	2.28	2.4
Average attainment grade 8 (all)	3.3	2.87	3.07
Average attainment grade 8 (disadvantaged)	3.1	2.31	2.72
Average English attainment grade (all)	3.8	3.19	3.41
Average English attainment grade (disadvantaged)		2.58	3.09
Average Maths attainment grade (all)	3.2	2.74	3.11
Average Maths attainment grade (disadvantaged)		2.18	2.76

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance – Primary

St Chad's CE Primary (joined Abbey MAT in November 2014)

Key Stage Two (Year 6 Data)	2019	2018	2017	2016
Reading	83%	67%	77%	50%
Writing	69%	63%	71%	73%
EGPS	83%	77%	84%	67%
Maths	82%	73%	81%	60%
Combined Reading, Writing, Maths	62%	57%	71%	43%
Progress in Reading	+2.4	-3.3	-0.32	-1.9
Progress in Writing	-0.7	-4.2	-2.82	0.2
Progress in Maths	+2.1	-2.1	-1.93	-1.1

Key Stage One (Year 2 Data)	2019	2018	2017	2016
Reading	77%	80%	77%	80%
Writing	73%	73%	70%	80%
Maths	77%	77%	73%	77%

Phonics (Year 1)	2019	2018	2017	2016
Year 1	80%	87%	90%	87%

EYFSP	2019	2018	2017	2016
Good Level of Development (GLD)	79%	77%	77%	70%

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance - Primary (continued)

Manston St James Primary (joined Abbey MAT in May 2017)

Key Stage Two (Year 6 Data)	2019	2018	2017	2016
Reading	72%	78%	45%	55%
Writing	74%	75%	68%	68%
GPS	74%	75%	55%	57%
Maths	78%	78%	54%	63%
Combined Reading, Writing, Maths	63%	63%	36%	41%
Progress in Reading	-2.5	0.4	-2.95	-1.7
Progress in Writing	0	0.4	-2.22	-2.7
Progress in Maths	-1.1	0.3	-3.66	-2.1

Key Stage One (Year 2 Data)	2019	2018	2017	2016
Reading	72%	73%	69%	67%
Writing	67%	67%	56%	63%
Maths	63%	72%	71%	70%

Phonics (Year 1)	2019	2018	2017	2016
Year 1	83%	80%	85%	83%

EYFSP	2019	2018	2017	2016
Good Level of Development (GLD)	64%	80%	74%	77%

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance - Primary (continued)

Holy Trinity CE Primary, Rothwell (joined Abbey MAT in May 2017)

Key Stage Two (Year 6 Data)	2019	2018	2017	2016
Reading	68%	87%	63%	79%
Writing	71%	73%	71%	74%
EGPS	61%	77%	67%	89%
Maths	61%	77%	75%	68%
Combined Reading, Writing, Maths	57%	60%	58%	53%
Progress in Reading	-1.1	+1	-0.6	-1.5
Progress in Writing	-1.6	0	-1.8	-3.3
Progress in Maths	-4.8	-1.1	+0.6	-0.2

Key Stage One (Year 2 Data)	2019	2018	2017	2016
Reading	69%	63%	68%	62%
Writing	69%	71%	68%	55%
Maths	77%	65%	71%	76%

Phonics (Year 1)	2019	2018	2017	2016
Year 1	91%	55%	85%	82%

EYFSP	2019	2018	2017	2016
Good Level of Development (GLD)	71%	70%	63%	71%

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance - Primary (continued)

Lightcliffe CE Primary (joined Abbey MAT in September 2017)

Key Stage Two (Year 6 Data)	2019	2018	2017	2016
Reading	88%	90%	87%	83%
Writing	98%	88%	67%	78%
EGPS	88%	87%	80%	69%
Maths	86%	83%	82%	83%
Combined Reading, Writing, Maths	80%	62%	62%	67%
Progress in Reading	+0.7	+1.1	-0.31	-0.8
Progress in Writing	+1	+0.2	-5.4	-2.6
Progress in Maths	+0.2	-0.8	-0.26	-1.2

Key Stage One (Year 2 Data)	2019	2018	2017	2016
Reading	86%	87%	75%	85%
Writing	80%	83%	67%	77%
Maths	83%	82%	80%	87%

Phonics (Year 1)	2019	2018	2017	2016
Year 1	83%	93%	87%	92%

EYFSP	2019	2018	2017	2016
Good Level of Development (GLD)	86%	83%	83%	88%

Abbey Multi Academy Trust

Trustees' Report (continued)

Strategic Report (continued)

Achievements and Performance - Primary (continued)

Christ Church Upper Armley CE Primary (joined Abbey MAT in September 2018)

Key Stage Two (Year 6 Data)	2019	2018	2017
Reading	75%	46%	58%
Writing	67%	58%	55%
EGPS	79%	50%	81%
Maths	71%	54%	54%
Combined Reading, Writing, Maths	54%	42%	32%
Progress in Reading	+1	-2.1	-2.3
Progress in Writing	-1.2	+2.2	-5.4
Progress in Maths	+0.6	-0.8	-3.8

Key Stage One (Year 2 Data)	2019	2018	2017
Reading	67%	61%	50%
Writing	63%	48%	0%
Maths	71%	65%	0%

Phonics (Year 1)	2019	2018	2017
Year 1	83%	68%	32%

EYFSP	2019	2018	2017
Good Level of Development (GLD)	64%	68%	32%

Abbey Multi Academy Trust

Trustees' Report (continued)

Going Concern

In July 2019 the Trust submitted a projected deficit budget for the year ended 31 August 2020. The Trust is working collaboratively with the ESFA on the implementation of the internal recovery plan. As part of the internal recovery plan the Trust has taken a two stage approach to the implementation of the integrated financial curriculum targets that have been set, with the first stage being implemented in the Autumn 2019 term and the second stage due for implementation in the Spring 2020 term.

In addition to the above the central team is currently working on the procurement strategy, which will entail a detailed review of all expenditure lines and suppliers across the Trust to ensure that contracts are coterminous and are achieving economies of scale savings where possible. Detailed cashflow forecasts are being produced and reviewed regularly to ensure that liabilities can be met as they fall due.

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

Financial Review

Most of the Trust's income is derived from the Department of Education (DfE) via the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from these parties during the period 1 September 2018 to 31 August 2019 and the associated expenditure against these grants are shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice "Accounting & Reporting by Charities (SORP FRS102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2019, total revenue income was £31.4 million, offset by revenue expenditure of £33.1 million. The excess of expenditure over income for the period was therefore £1.7 million.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives.

Operational expenditure increased over the same period by £2.2 million to £33.1 million due to the following:

- Impacts of continuing upward pressure on salary related costs, including the following:
 - Full impact of the increase in employer contributions for the Local Government Pension Scheme of 3% from 1st April 2017

Abbey Multi Academy Trust

Trustees' Report (continued)

Financial Review (continued)

- Full impact of the unfunded increase in support staff salary increases of 2%. The Trust continues to mirror the progress made by Leeds City Council in this respect.
- Continued implementation of the living wage pledge as the Trust seeks to support its most lowly paid staff. The Trust continues to mirror the progress made by Leeds City Council in this respect.
- Significant supply costs across the Trust due to unplanned staff absences.

At 31 August 2019, the net book value of fixed assets stood at £52 million, with details of movements in the fund shown at Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

During the period the Trust spent £568,000 on fixed assets with the significant capital projects being the windows replacement and required asbestos removal at Holy Trinity CE Primary Academy and further asbestos removal that was required at Abbey Grange CE Secondary Academy.

The provisions of the Financial Reporting Standard No 102 'Accounting for Pension Costs' have been applied in full, resulting in a significant increase in recognised deficit on the Balance Sheet from £4.35 million, recorded in last year's financial statements, up to £10.84 million at 31st August 2019.

The reasons for this increase include the following:

- A reduction in the discount rate of 0.9%, and an increase in CPI inflation of 0.1% between this year's and last year's accounting dates has led to the value of pensions liabilities increasing by more than 20% under the reporting standard. This impact can be seen most clearly in the element "actuarial losses due to changes in financial assumptions" amounting to £5.709m.
- The additional assets and liabilities for Christ Church Upper Armley CE Primary Academy when it joined the MAT. The value of liabilities that transferred on a funding/valuation basis were lower than the liabilities calculated on an accounting basis as the discount rate was lower in the latter, and this transfer will have added to the accounting deficit.
- Past service cost of £0.280m to make an allowance for the implications of the McCloud judgement (£0.209m) and GMP Indexation/Equalisation (£0.070m).

Abbey Multi Academy Trust

Trustees' Report (continued)

Financial Review (continued)

The Trust held fund balances at 31 August 2019 of £47.78 million, comprising the following:

	£000
Restricted income fund	(1,778)
Restricted pension reserves	(10,834)
Restricted fixed asset reserves	52,431
Unrestricted income fund	1,551

The Abbey Multi Academy Trust is working with Lightcliffe Academy, Bishop Young Academy, Manston St James Primary Academy, Christ Church Upper Armley Primary Academy and Holy Trinity Primary Academy to address their deficits.

Lightcliffe Academy's deficit has increased again in-year which increased their overall deficit reserves position. A review of the Academy's cost base against the Integrated curriculum financial planning (ICFP) model for Academies shows that there are significant savings that can be made with a tighter staffing model going forwards.

In the case of Holy Trinity Primary, the Trust is undertaking a detailed review of income & expenditure to ensure that this position can be addressed in the coming years. The major issue continues to be the demographics in the Rothwell area which has resulted in an excess number of school places.

The Trust has continued to work with Bishop Young Academy to address its current and projected in-year deficits by reviewing the Academies cost base in line with ESFA's ICFP model for Academies. The Academy is currently operating under a stable senior leadership team and has increasing Year 7 intakes each year, however it will take several years for the historical falling numbers to work their way through the Academy which will continue to impact on the overall funding being received. The Academy has had brought forward reserves to cover these deficits, however these reserves will fall out in 2019-20 and it is expected that the Academy will move into deficit reserves.

Manston St James Primary Academy has ended the year with a deficit which is expected to continue into 2019-20. A review of the academies cost base against the ESFA ICFP model has highlighted that the staffing model at the Academy is rich against the national averages, the intention is to review staffing numbers during 2019-20 with a plan to reduce in the first instance through natural wastage and in the second instance through staff restructures if required.

Christ Church Upper Armley Primary Academy was converted into the Trust on the 1 September 2019 and ran a deficit against budget during the year, a review of the Academy has been done during the first quarter of 2019-20 and a surplus is currently being forecast against the small deficit budget set. The main reason for the deficit in the previous year is due to an historical agreement that was put in place by the Local Authority in which the Academy was providing one to one support for high needs students but not attracting any funding. This has now been resolved and the additional funding expected to be received should have a positive impact on the budget.

Abbey Multi Academy Trust

Trustees' Report (continued)

Financial Review (continued)

The Central Trust has increased its deficit position in the year to deficit position of £661k, a review is underway of the central costs with a view to obtaining cost efficiencies going forwards. The formula for the central charge that is being recharged to the Academies in the Trust will need to ensure that expenditure is being covered going forwards to start moving the central Trust back into a positive position.

Post Balance Sheet

In the period since 31 August 2019, the following significant changes have taken place:

- **Appointment of Joint CEO's** – Helen Pratten and Catherine Garrett were permanently appointed to the Joint CEO role on 6th December 2019 and will continue with their combined roles as Executive Principal (Primary) and Director of education respectively, as well as the strategic and operational leadership of the Trust.

Abbey Multi Academy Trust

Trustees' Report (continued)

Principal Risks & Uncertainties

The Trust has in place sound risk management and assurance processes. Trustees believe that an effective risk management strategy is a matter of good organisational practice, lying at the heart of good management and effective governance. The principal risks and uncertainties are centred around changes in the level of funding from the DfE/ESFA and the requirement to deliver surplus budgets in order to increase levels of reserves. In addition, the Trust is a member of the West Yorkshire Local Government Pension Scheme (LGPS) which results in the recognition of a significant deficit on the Trust's balance sheet.

The Trustees continue to acknowledge that they live in ever uncertain times which have heightened their awareness of risk throughout the Trust and they have spent some time discussing the risks and their approach to dealing with that risk.

Consequently, the Trustees believe that they are developing a robust and rigorous approach to the management of risk which will stand the Trust in good stead as it develops over the coming years. The major risks facing the Trust are deemed to be as follows:

- **Bishop Young Academy**

Whilst the academy has started to recover academically, with the latest internal reviews starting to show many positive improvements, it still has some significant financial difficulties caused by on-going low pupil recruitment over recent years. Numbers are now starting to increase but, due to the lagged nature of the funding systems, it will be some time before income begins to increase.

- **Holy Trinity Primary**

Similar to the issues at Bishop Young Academy, this academy has struggled with both numbers and quality. Again, the quality of the provision at the academy is showing signs of recovery, but it has yet to translate into increased funding due to continued low pupil recruitment which is due in part to the poor quality of the buildings which are the worst in the Trust.

- **Finances**

The Trust, like the vast majority of the academy sector, faces a very uncertain future financially due to the following factors:

- **Unfunded Pay Increases**

Whilst the Teachers' Pay Award in September 2018 is largely mitigated by the Pay Grant, it still requires on-going efficiency savings to fund the award. Equally, there is no guarantee that this funding will continue beyond August 2020. However, the NJC Pay Award for support staff covering the two years to April 2020, awarding a minimum 2% pay award in each year with significant higher increases at the lower end of pay scales, is unfunded. In addition, this increase in lower pay grades will continually erode differentials.

Abbey Multi Academy Trust

Trustees' Report (continued)

Principal Risks & Uncertainties (continued)

○ Pension Contribution Increases

The Trust has seen its pension contributions continue to increase, following the increase in Local Government Pension Scheme (LGPS) rates in April 2017 and it is now facing a substantial rise in Teacher Pension Scheme (TPS) contributions.

Whilst this increase will be largely mitigated until August 2020, there is no certainty that this funding will continue once the new funding formula is released.

• Recruitment

The Trust continues to work actively on retention and recruitment strategies.

Reserves Policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is in a deficit position (£226,000). Trustees plan to increase the level of reserves in the short term to cover one month's expenditure which would amount to £2.5 million which would enable the Trust to cover any unexpected costs such as staff sickness.

The long term target is 2 months of working capital which would amount to £5 million. Trustees accept that this is a long term goal which will be challenging to achieve in the current challenging financial climate.

Investment Policy

The Trust invests surplus funds through term deposit accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risk to the principal sum.

Fundraising

The Academy Trust does not use external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

Abbey Multi Academy Trust

Trustees' Report (continued)

Plans for Future Periods

The Trustees are committed to the future development of the Trust in terms of the following:

- **Central Services - Curriculum**

The Trust has a well-developed and comprehensive portfolio of School Improvement Services. This function is led by the Director of Education who is well placed to lead a team of SLEs, Strategic Leaders and Lead Practitioners. They focus on CPD and school improvement through the development of leadership and improving the provision of teaching and learning. Lead Practitioners also supplement the primary team in both maths, English, EYFS as well as Curriculum and Teaching & Learning. The Trust was successful in its SSIF round 3 bid which will provide support in English for 14 schools, including 4 from within the Trust, to close the gap for disadvantaged students and support the development of leadership. This funding will be used for a range of innovative development opportunities designed to make sustained improvements across the group of schools

- **Capital Developments**

With the enlargement highlighted above, the Trust has met the requirements for 'Devolved Capital Support', which provides funds for the Trust to improve the fabric of its estate on an annual basis, giving increased clarity and certainty over proposed projects rather than having to bid for capital funds through the annual Condition Improvement Fund. This has given the Trust an allocation for the fiscal year of around £715,000.

Going forward the Trust will continue to address the condition of the estate with a view to getting it all to the highest possible standard. To assist in this, the Trust will be exploring a range of projects for completion during the next 12-18 months.

- **Expansion**

The Trustees are committed to the expansion of the Trust but in a controlled manner so that a number of the pitfalls encountered by multi academy trusts who have experienced rapid growth are not repeated.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is 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 18th December 2019 and signed on the Board's behalf by:

 18/12/19

Paul Whitman
Trustee

Abbey Multi Academy Trust

Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Abbey 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 mis-statement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Acting Co-CEO/Executive Principal (Primary) as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management in accordance with the requirements and responsibilities assigned to it in the funding agreement between Abbey 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 9 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of a possible
P G Whitman (Chair)	9	9
F Baker (Vice Chair)	8	9
T M Mason	6	9
S Simkins	6	9
C J Kitson (CEO to 31/12/18))	2	2
P J Laurence	7	9
M D Stratton (Resigned 1/09/2019)	3	9
Rev J Smith	7	9
C R Blair	5	9
G Price	8	9
W Shaw	3	3
C Garrett (Acting Co-CEO from 1/1/19)	7	7
H Pratten (Acting Co-CEO from 1/1/19)	7	7

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to monitor the financial position of the Trust and its individual academies and recommend appropriate remedial action where necessary. Also to ensure that the Trust is managing its wider resources in the most effective manner to facilitate the integration of new academies into the Trust and enhance the fabric of its estates.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
F Baker (Chair Resigned from Dec 18)	3	5
M D Stratton (Resigned 1/09/2019)	2	5
C J Kitson (CEO)	1	1
C R Blair	2	5
G Price (Chair from Dec 18)	5	5
W Shaw	3	3
C Kitson	2	2
C Garrett (Acting Co-CEO)	4	4
H Pratten (Acting Co-CEO)	3	4

Abbey Multi Academy Trust

Governance Statement (continued)

Governance (continued)

The Audit and Risk Committee is also a sub-committee of the main Board of Trustees. Its purpose is to oversee the development of the Trust's Risk Management Policy and processes, using both internal and external audit functions to give assurance on this and the systems of internal control. This will then allow the Committee to give the Trust Board the assurance it required.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of a possible
S Simkins (Chair)	4	4
F Baker	4	4
M D Stratton (Resigned 1/09/2019)	1	1
G Price	4	4
C Kitson	2	2
C Garrett	2	2
H Pratten	2	2

Review of Value for Money

As Accounting Officer, the Acting Co-CEO/Executive Principal (Primary) has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Renegotiating contracts in a timely manner to ensure the best mix of quality and cost effectiveness.
- Working with other local schools to share knowledge and best practice with a view to increasing cost efficiencies within the Trust
- Central purchasing for large contracts to achieve economies of scale

The Trust is committed to extending this approach over the coming years and is already targeting a number of services to address over the coming months.

Abbey Multi Academy Trust

Governance Statement (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

The 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 RSM Risk Assurance Services Ltd as internal auditor
- to re-appoint Mazars LLP as external auditor

Abbey Multi Academy Trust

Governance Statement (continued)

The Risk and Control Framework (continued)

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:

- Follow up of 2017/18 internal audit work
- General Data Protection Regulation Audit
- Cyber Security Audit
- Human Resources – Performance Management Audit
- Health and Safety Audit
- Financial Controls Audit
- Budget Forecasting Audit

On a regular basis the auditor reports to the Board of Trustees, through the Audit and Risk Committee/Finance and Resources Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Abbey Multi Academy Trust

Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the Acting Co-CEO/Executive Principal (Primary) 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 auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the 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 Audit & Risk Committee/Finance & Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 18th December 2019 and signed on its behalf by:



18/12/19

Paul Whitman
Trustee



18/12/19

Helen Pratten
Accounting Officer

Abbey Multi Academy Trust

Statement of Regularity, Propriety and Compliance

As Accounting Officer of Abbey Multi Academy Trust I have considered my responsibility to notify Abbey Multi Academy Trust's Board of Trustees and the Education & 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 Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies' Financial Handbook 2018.

I confirm that I, and the Board of Trustees, are able to identify any material irregularity or improper use of funds by the Trust or material non-compliance with the terms and conditions of funding under the Trust's Funding Agreement and the Academies' Financial Handbook 2018.

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



Helen Pratten
Accounting Officer

18/12/19

Abbey Multi Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who act as Directors of Abbey 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 published by the Education 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 in the Charities SORP 2015 and the Academies' Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards 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 18th December 2019 and signed on its behalf by:

 18/12/19

Paul Whitman
Trustee

Independent auditor's report to the members of Abbey Multi Academy Trust

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which sets out the reasons for the Trust's current financial position and the plans in place to address them. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the 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 incorporated Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 32, the Trustees (who are directors 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.

Auditor's 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 auditor's 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 auditor's report.

Use of the audit report

This report is made solely to the Academy Trust's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an auditor's 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 the Academy Trust's members as a body for our audit work, for this report, or for the opinions we have formed.



Shaun Mullins (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars LLP
5th Floor
3 Wellington Place
Leeds
LS1 4AP

20 December 2019

Independent Reporting Accountant's Assurance Report on Regularity to Abbey Multi Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 28 November 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Abbey Multi Academy Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Abbey 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 Abbey Multi Academy Trust and the ESFA those matters we are required to state to it 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 Abbey Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Abbey Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Abbey Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

Conclusion

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

Mazars LLP

Reporting Accountant

Mazars LLP

20 December 2019

Abbey Multi Academy Trust

Statement of Financial Activities (Incorporating Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Donations and capital grants	4	-	26	1,113	1,139	902
Transfer from local authority on conversion	4	-	(130)	1,620	1,490	-
Charitable activities:						
Funding for the Trust's educational operations	5	1,396	27,038	-	28,434	27,181
Other trading activities	6	319	19	-	338	349
Investments	7	1	-	-	1	2
Total		1,716	26,953	2,733	31,402	28,434
Expenditure on:						
Charitable activities:						
The Trust's educational operations	8	1,433	29,931	1,773	33,137	30,970
Total		1,433	29,931	1,773	33,137	30,970
Net income/(expenditure)		283	(2,978)	960	(1,735)	(2,536)
Transfers between funds		(283)	780	(497)	-	-
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes		-	(5,549)	-	(5,549)	1,331
Revaluation gain on defined pension assets		-	187	-	187	391
Net movement in funds		-	(7,560)	463	(7,097)	(814)
Reconciliation of funds						
Total funds brought forward		1,551	(5,052)	51,968	48,467	49,281
Total funds carried forward		1,551	(12,612)	52,431	41,370	48,467

Abbey Multi Academy Trust

Balance Sheet

Company Number 07705552

	Notes	2019 £000	2018 £000
Fixed assets			
Intangible assets	12	35	43
Tangible assets	13	51,950	51,532
Current assets			
Debtors	14	1,137	1,069
Cash at bank and in hand	25	1,490	2,604
		<u>2,627</u>	<u>3,673</u>
Liabilities			
Creditors: Amounts falling due within one year	15	<u>(2,380)</u>	<u>(2,394)</u>
Net current assets		247	1,279
Total assets less current liabilities		52,232	52,854
Creditors: Amounts falling due after more than one year	16	<u>(28)</u>	<u>(33)</u>
Net assets excluding pension liability		<u>52,204</u>	<u>52,821</u>
Defined benefit pension scheme liability	29	<u>(10,834)</u>	<u>(4,354)</u>
Total net assets		<u>41,370</u>	<u>48,467</u>
Funds of the Trust:			
Restricted funds			
. Fixed asset fund	17	52,431	51,968
. Restricted income fund	17	(1,778)	(698)
. Pension reserve	17	<u>(10,834)</u>	<u>(4,354)</u>
Total restricted funds		39,819	46,916
Unrestricted income funds	17	<u>1,551</u>	<u>1,551</u>
Total funds		<u>41,370</u>	<u>48,467</u>

The financial statements on pages 38 to 68 were approved by the Trustees and authorised for issue on 18th December 2019 and are signed on their behalf by:


 Paul Whitman
 Trustee

18/12/19

Abbey Multi Academy Trust

Statement of Cash Flows

	Notes	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	(1,660)	(458)
Cash flows from financing activities	23	1	2
Cash flows from investing activities	24	545	160
Change in cash and cash equivalents in the reporting period		<u>(1,114)</u>	<u>(295)</u>
Cash and cash equivalents at 1 September 2018		2,604	2,899
Cash and cash equivalents at 31 August 2019	25	<u>1,490</u>	<u>2,604</u>

Abbey Multi Academy Trust

Notes to the Financial Statements

1 Statement of Accounting Policies

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

Basis of preparation

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

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

Going concern

In July 2019 the Trust submitted a projected deficit budget for the year ended 31 August 2020. The Trust is working collaboratively with the ESFA on the implementation of the internal recovery plan. At the end of August 2019 the Trust had total net deficit revenue reserves of £226k which is expected to continue for the year ended 31 August 2020. The Trust is forecasting that surpluses will be generated by the year ended 31 August 2021. This will also take the Trust back into surplus reserves. As part of the recovery plan the Trust has put processes in place to monitor closely the Trust's consolidated cashflow and to report as part of the monthly management accounts reporting process.

In addition to the above the central team is currently working on the procurement strategy, which will entail a detailed review of all expenditure lines and suppliers across the Trust to ensure that contracts are coterminous and are achieving economies of scale savings where possible. Detailed cashflow forecasts are being produced and reviewed regularly to ensure that liabilities can be met as they fall due.

The Trustees have assessed whether it is appropriate to prepare the financial statements on a going concern basis in light of there being material uncertainty. The Trustees believe the robust plans being implemented should mitigate the material uncertainty regarding the going concern risk of the Trust.

After making appropriate enquires, the board of trustees has 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.

Income

All incoming resources are included in the Statement of Financial Activities when the Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

- **Grants**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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

- **Sponsorship**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

- **Donations**

The value of donated services and gifts in kind provided to the Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

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

Income tax recoverable in relation to donations received under Gift Aid or Deeds of Covenant is recognised at the time of the donation.

- **Other Income**

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

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

- **Donated goods, facilities and services**

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

- **Donated fixed assets**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the

appropriate fixed asset category and depreciated over the useful economic life in accordance with the Trust's accounting policies.

- **Transfer on conversion**

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 risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

Expenditure

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

• Freehold buildings	1.67% to 4%
• Long leasehold buildings	1% to 4%
• Fixtures, fittings and equipment	10% to 20%
• Computer hardware	20% to 25%
• Motor vehicles	20% to 25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

Provisions

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

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

Leased assets

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

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 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

Pensions benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS').

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 29, 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 Trust in separate Trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency, Leeds City and Calderdale Councils.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 29, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

2 Comparative Statement of Financial Activities for Year Ended 31 August 2018

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	4	-	22	880	902	793
Transfer from local authority on conversion		-	-	-	-	3,783
Transfer of existing academies						19,013
Charitable activities:						
Funding for the Trust's educational operations	5	1,705	25,476	-	27,181	20,127
Other trading activities	6	281	68	-	349	228
Investments	7	2	-	-	2	1
Total		1,988	25,566	880	28,434	43,945
Expenditure on:						
Charitable activities:						
The Trust's educational operations	8	1,684	27,442	1,844	30,970	22,132
Total		1,684	27,442	1,844	30,970	22,132
Net income/(expenditure)		304	(1,876)	(964)	(2,536)	21,813
Transfers between funds		-	178	(178)	-	-
Other recognised gains/(losses):						
Actuarial gains on defined benefit pension schemes		-	1,331	-	1,331	3,246
Revaluation gain on defined pension assets		-	391	-	391	928
Acquisition of defined benefit pension scheme liabilities		-	-	-	-	(1,335)
Net movement in funds		304	24	(1,142)	(814)	24,652
Reconciliation of funds						
Total funds brought forward		1,247	(5,076)	53,110	49,281	24,629
Total funds carried forward		1,551	(5,052)	51,968	48,467	49,281

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Trust was not subject to any limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

4 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	Total 2019 £000	Total 2018 £000
Capital grants	-	-	1,113	1,113	880
Assets on conversion	-	(130)	1,620	1,490	
Other donations	-	26	-	26	22
	<u>-</u>	<u>(104)</u>	<u>2,733</u>	<u>2,629</u>	<u>902</u>

5 Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	23,783	23,783	22,884
Other DfE/ESFA grants	-	2,555	2,555	2,192
	<u>-</u>	<u>26,338</u>	<u>26,338</u>	<u>25,076</u>
Other Government grants				
Local authority grants	-	548	548	404
Other income from the Trust's educational operations	<u>1,396</u>	<u>152</u>	<u>1,548</u>	<u>1,701</u>
	<u>1,396</u>	<u>27,038</u>	<u>28,434</u>	<u>27,181</u>

6 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Hire of facilities	152	-	152	137
Income from other charitable activities	167	19	186	212
	<u>319</u>	<u>19</u>	<u>338</u>	<u>349</u>

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

7 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
Short term deposits	1	-	1	2
	<u>1</u>	<u>-</u>	<u>1</u>	<u>2</u>

8 Charitable activities

	Staff Costs £000	Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Direct costs – educational operations	19,112	1,383	3,121	23,616	23,141
Support costs – educational operations	5,576	1,532	2,413	9,521	7,829
Total	24,688	2,915	5,534	33,137	30,970

Net income/(expenditure) for the period includes:

	Total 2019 £000	Total 2018 £000
Operating leases rentals	282	233
Depreciation	1,762	1,712
Loss on disposal of fixed assets	-	3
Amortisation	11	8
Fees payable to auditor for:		
- audit	25	23
- other services	9	6
Actuarial fees	2	1
Trustees' liability insurance	2	2

Analysis of support costs

	Total 2019 £000	Total 2018 £000
Support staff costs	4,708	3,555
FRS 102 – Service Cost	868	614
FRS 102 – Finance Cost	115	125
Depreciation	390	297
Technology costs	80	63
Premises costs	1,532	1,122
Other support cost	1,722	1,972
Governance cost	106	81
Total support costs	9,521	7,829

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

9 Staff

a. Staff costs

Staff costs during the period were:

	Total 2019 £000	Total 2018 £000
Wages and salaries	17,917	17,215
Social security costs	1,795	1,738
Operating costs of defined benefit pension schemes	3,582	3,159
	23,294	22,112
Supply staff costs	1,267	853
Staff restructuring costs	127	49
	1,394	902
	24,688	23,014
Staff restructuring costs comprise:		
Redundancy payments	-	23
Severance payments	127	26
	127	49

b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are 7 non-contractual severance payments (2018:4) £60,861, 2019: £21,401, £20,000, £5,584, £4,800, £3,544, £3,442, £2,090. (2018: £3,750 £3,442, £1,171 and £1,000)

c. Staff numbers

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

	2019 No.	2018 No.
Teacher	270	289
Administration and support	364	335
Management	43	42
	677	666

d. Higher paid staff

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

	2019 No.	2018 No.
£60,001- £70,000	10	7
£70,001- £80,000	2	1
£80,001- £90,000	2	4
£90,001 - £100,000	1	1
£100,001 - £110,000	2	1

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £974,598 (Average employees 10) (2018: £1,077,105 (Average employees 11)).

10 Related Party Transactions – Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust.

Other Trustees did not receive any payments from the Trust in respect of their services as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

C Kitson (Chief Executive Officer and Director): (Resigned 31.12.18)

Remuneration £52,023 (2018: £152,2162)

Employer's pension contributions paid £8,573 (2018: £25,093)

C Garrett (Acting Co-CEO/Director of Education): (Appointed 01.01.2019)

Remuneration £71,139 (2018: £nil)

Employer's pension contributions paid £11,724 (2018: £nil)

H Pratten (Acting Co-CEO/Executive Principal (Primary)): (Appointed 01.01.2019)

Remuneration £71,139 (2018: £nil)

Employer's pension contributions paid £11,724 (2018: £nil)

During the year ended 31 August 2019, travel and subsistence expenses totalling £nil were reimbursed or paid directly to Trustees (2018: £nil).

11 Trustees' and Officers' insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 was £4,045 (2018: £2,277). The cost of this insurance is included in the total insurance cost.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

12 Intangible fixed assets

	Computer Software 2019 £'000
Cost	
At 1 September 2018	80
Additions	3
At 31 August 2019	<u>83</u>
Amortisation	
At 1 September 2018	37
Charged in year	11
At 31 August 2019	<u>48</u>
Carrying amount	
At 1 September 2018	43
At 31 August 2019	<u>35</u>

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

13 Tangible fixed assets

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Furniture & Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2018	23,042	38,382	2,945	2,883	81	67,333
Transfer on conversion	-	1,620	-	-	-	1,620
Additions	265	95	99	109	-	568
Disposals	-	-	-	(8)	-	(8)
At 31 August 2019	23,307	40,097	3,044	2,984	81	69,513
Depreciation						
At 1 September 2018	4,200	6,754	2,172	2,596	79	15,801
Charged in year	621	827	155	157	2	1,762
At 31 August 2019	4,821	7,581	2,327	2,753	81	17,563
Net book values						
At 31 August 2018	18,842	31,628	773	287	2	51,532
At 31 August 2019	18,486	32,516	717	231	-	51,950

Long leasehold land and buildings represent either land owned by the Church of England and held on Trust by the Leeds Diocese (formerly West Yorkshire & the Dales) Board of Finance or land owned by the local authority and leased to the Trust under a 125-year lease. The land and buildings owned by the Church of England have been made available to the Trust under a supplemental agreement between the Leeds Diocesan Board of Finance and the Trust for as long as the Trust conforms to terms of the Trust deed.

On the 1 September 2019 Christ Church Upper Armley C of E Primary Academy converted into the Trust, the land that the Academy is situated on is currently unregistered but is believed to be held by the Leeds Diocesan Board of Finance and a Church Supplemental Agreement is in place which gives the Trust operating rights. On that basis the land and buildings have been categorised as Long leasehold in line with the valuation done by Eddisons Taylors Business and Commercial Valuers.

The gross book value of freehold and long leasehold and buildings includes land with a value of £6,060,000 which is not depreciated.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

14 Debtors

	2019 £000	2018 £000
Trade debtors	-	-
VAT recoverable	187	233
Other debtors	145	63
Prepayments and accrued income	805	773
	<u>1,137</u>	<u>1,069</u>

15 Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	745	696
ESFA creditor	95	81
Other creditors	344	358
Accruals and deferred income	766	832
Other taxation and social security	430	427
	<u>2,380</u>	<u>2,394</u>

	2019 £000	2018 £000
Deferred income		
Deferred income at 1 September 2018	580	561
Released from previous years	(567)	(551)
Resources deferred in the year	416	570
Deferred income at 31 August 2019	<u>429</u>	<u>580</u>

At the year end the Trust was in receipt of £213,198 (2018: £229,941) in respect of future trips, £216,127 (2018: £347,992) for grants for future periods and £nil for childcare provision (2018: £2,196).

The Trust received a loan of £40,000 from ESFA for the purpose of boiler replacement and energy efficiency which is provided on the following terms: Repayment of £2,500 every 6 months over a period of 8 years. The amount repaid in the year was £2,500.

16 Creditors: amounts falling due in greater than one year

	2019 £000	2018 £000
ESFA creditor	28	33
	<u>28</u>	<u>33</u>

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

17 Funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	(64)	23,783	(26,357)	780	(1,858)
Pupil Premium	-	-	(1,393)	-	-
SSIF	-	313	(237)	-	76
Other grants	(634)	1,599	(961)	-	4
Pension reserve	(4,354)	(135)	(983)	(5,362)	(10,834)
	(5,052)	26,953	(29,931)	(4,582)	(12,612)
Restricted fixed asset funds					
Transfer on conversion	27,606	1,620	(876)		28,350
Donated assets	19,338		(744)		18,594
ESFA capital grants	4,656	1,113	(110)	(498)	5,161
Capital expenditure from GAG	368		(43)	1	326
	51,968	2,733	(1,773)	(497)	52,431
Total restricted funds	46,916	29,686	(31,704)	(5,079)	39,819
Total unrestricted funds	1,551	1,716	(1,433)	(283)	1,551
Total funds	48,467	31,402	(33,137)	(5,362)	41,370

Under the Funding Agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of General Annual Grant that it could carry forward at 31 August 2019.

GAG and Other Grants

The General Annual Grant and other grants were paid to cover the running costs of the Trust. Funds spent in the year have been done so in line with the academies funding agreements.

The Trust received £313,459 of Strategic School Improvement funding grant in the year from the National College of Teaching and Learning, the funding is received in stages of completion and in advance. At the end of the year there was an amount of £75,912 that had not been spent.

Lightcliffe Academy was bequeathed £4,043 in the year through a gift in will from a previous student, the funds have been designated to building a remembrance garden for the use of the students. At the year end there was a balance of £3,921 of the funds that had not been spent.

Unrestricted Funds

This is the revenue income generated by the Academy Trust throughout the year through the provision of consultancy services, unrestricted donations, and trading activities. These funds are held as a reserve for unforeseen expenditure.

Unrestricted funds can be transferred to restricted funds only with the consent of the Academy Trust.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

The academy trust is carrying a net deficit of £226k on restricted general funds (excluding pension reserve) plus unrestricted funds because four of the Academies and the central Trust have ended the period with deficit reserve positions. The academy trust has a recover plan in place to bring the Trust back in surplus reserve by the end of 2020/21.

18 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
General Annual Grant (GAG)	261	22,885	(23,388)	178	(64)
Pupil Premium	-	1,320	(1,320)	-	-
SSIF	-	184	(184)	-	-
Other grants	-	1,177	(1,811)	-	(634)
Pension reserve	(5,337)	-	(739)	1,722	(4,354)
	(5,076)	25,566	(27,442)	1,900	(5,052)
Restricted fixed asset funds					
Transfer on conversion	28,468	-	(862)	-	27,606
Donated assets	20,076	-	(738)	-	19,338
ESFA capital grants	4,062	880	(201)	(85)	4,656
Capital expenditure from GAG	207	-	(43)	204	368
BYA Capital Grants	297	-	-	(297)	-
	53,110	880	(1,844)	(178)	51,968
Total restricted funds	48,034	26,446	(29,286)	1,722	46,916
Total unrestricted funds	1,247	1,988	(1,684)	-	1,551
Total funds	49,281	28,434	(30,970)	1,722	48,467

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

19 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2019 £000
Restricted general funds					
General Annual Grant (GAG)	261	46,668	(49,745)	958	(1,858)
Pupil Premium	-	2,713	(2,713)	-	-
SSIF	-	497	(421)	-	76
Other grants	-	2,776	(2,772)	-	4
Pension reserve	(5,337)	(135)	(1,722)	(3,640)	(10,834)
	<u>(5,076)</u>	<u>52,519</u>	<u>(57,373)</u>	<u>(2,682)</u>	<u>(12,612)</u>
Restricted fixed asset funds					
Transfer on conversion	28,468	1,620	(1,738)	-	28,350
Donated assets	20,076	-	(1,482)	-	18,594
ESFA capital grants	4,062	1,993	(311)	(583)	5,161
Capital expenditure from GAG	207	-	(86)	205	326
Other Capital grants	297	-	-	(297)	-
	<u>53,110</u>	<u>3,613</u>	<u>(3,617)</u>	<u>(675)</u>	<u>52,431</u>
Total restricted funds	<u>48,034</u>	<u>56,132</u>	<u>(60,990)</u>	<u>(3,357)</u>	<u>39,819</u>
Total unrestricted funds	<u>1,247</u>	<u>3,704</u>	<u>(3,117)</u>	<u>(283)</u>	<u>1,551</u>
Total funds	<u>49,281</u>	<u>59,836</u>	<u>(64,107)</u>	<u>(3,640)</u>	<u>41,370</u>

Total funds analysis by the Trust

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £000	Total 2018 £000
Abbey Grange CE Academy	360	230
Lightcliffe Academy	(284)	(137)
Bishop Young CE Academy	114	771
Manston St James Primary Academy	(23)	94
St Chad's CE Primary Academy	263	252
Holy Trinity CE Primary Academy	(137)	(121)
Lightcliffe CE Primary Academy	181	83
Christ Church Upper Armley CE Primary Academy	(40)	-
Abbey MAT	(661)	(319)
Total before fixed assets and pension reserve	(227)	853
Restricted fixed asset fund	52,431	51,968
Pension reserve	(10,834)	(4,354)
Total	<u>41,370</u>	<u>48,467</u>

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

The Trust is carrying a net deficit of £2,061 million on restricted general funds (excluding pension reserve) as a result of historic deficits at its Holy Trinity C of E Primary Academy and Lightcliffe Academy over recent years and an in-year deficit at Christ Church Upper Armley Primary Academy, Manston St James Primary Academy and within Central Trust. The Trust is supporting both academies to re-position financially so that they can remove this deficit over the next two to three years.

Total cost analysis by Academy

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2019 £000	Total 2018 £000
Abbey Grange CE Academy	5,308	672	867	1,342	8,189	8,147
Lightcliffe Academy	5,278	915	696	1,279	8,168	7,947
Bishop Young CE Academy	3,331	732	778	942	5,783	5,765
Manston St James Primary Academy	1,453	166	173	290	2,082	1,986
St Chad's CE Primary Academy	858	120	106	144	1,228	1,193
Holy Trinity CE Primary Academy	634	98	90	180	1,002	995
Lightcliffe CE Primary	1,128	240	149	212	1,729	1,699
Christ Church UA CE Primary Academy	739	80	65	166	1,050	-
Trust Services	1,431	999	196	503	3,129	2,730
Total	20,160	4,022	3,120	5,058	32,360	30,462

Total cost analysis per Academy excludes depreciation and includes internal recharges where relevant.

20 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	35	35
Tangible fixed assets	-	-	51,950	51,950
Current assets	1,551	367	709	2,627
Current liabilities	-	(2,117)	(263)	(2,380)
Non-current liabilities	-	(28)	-	(28)
Pension scheme liability	-	(10,834)	-	(10,834)
Total net assets	1,551	(12,612)	52,431	41,370

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

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

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets	-	-	43	43
Tangible fixed assets	-	-	51,532	51,532
Current assets	1,551	1,518	604	3,673
Current liabilities	-	(2,183)	(211)	(2,394)
Non-current liabilities	-	(33)	-	(33)
Pension scheme liability	-	(4,354)	-	(4,354)
Total net assets	1,551	(5,052)	51,968	48,467

21 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £000	2018 £000
Amounts due within one year	176	241
Amounts due between one and five years	193	210
Amounts over five years	29	29
	398	480

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

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

	2019 £000	2018 £000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,735)	(2,536)
Adjusted for:		
Assets transferred on conversion	(1,485)	-
Depreciation [note 13]	1,762	1,690
Amortisation [note 12]	11	8
Gain on sale of assets [note 13]	-	(3)
Capital grants from DfE and other capital income [note 4]	(1,113)	(880)
Interest receivable [note 7]	(1)	(2)
Defined benefit pension scheme cost less contributions payable [note 29]	868	614
Defined benefit pension scheme finance cost [note 29]	115	125
Decrease in debtors [note 14]	(68)	370
Decrease in creditors [note 15]	(14)	158
Net cash provided by Operating Activities	(1,660)	(457)

23 Cash flows from financing activities

	2019 £000	2018 £000
Interest received	1	2
Net cash provided by financing activities	1	2

24 Cash flows from investing activities

	2019 £000	2018 £000
Purchase of fixed assets	(568)	(844)
Disposal of assets	-	121
Gain on sale of assets	-	3
Capital grants from DfE/ESFA	1,113	880
Net cash provided by investing activities	545	160

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

25 Analysis of cash and cash equivalents

	At 31 August 2019 £000	At 31 August 2018 £000
Cash in hand and at bank	1,490	2,604
Total cash and cash equivalents	1,490	2,604

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 £10.00 for the debts and liabilities contracted before he/she ceases to be a member.

27 Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account:

The Diocese of Leeds (formerly the Diocese of West Yorkshire & the Dales) where the Director of Education and two further Trust Members (The Rt Revd P Slater and Mrs A Nicholl), all regularly attend Diocese of Leeds Trust Board meetings as Diocese of Leeds Trust Members, transactions amounted to £27,735 (2018: £13,346) in respect of subscriptions, course fees, room hire, and the recharge of staff time for undertaking independent performance management reviews of senior primary staff.

Leeds Faith in Schools, where a Trustee, the Reverend Jude Smith, and a Trust Member, Mrs A Nicholl, are both Trustees, transactions amounted to £22,078 (2018: £5,175) in respect of the provision of faith related services.

The Trustees considered that all of the above transactions are in keeping with the activities of the Trust, especially a faith based organisation such as Abbey Multi Academy Trust.

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

28 Agency arrangements

The Trust administers funds on behalf of the ESFA in respect of bursaries for Post 16 students, the analysis of funds area as follows:

	Total 2019 £000
Balance bought forward	77
Bursary grants received	56
5% Admin Fee	(3)
Expenditure incurred	(40)
Amount reflected in Creditors	<u>90</u>

29 Pension and similar obligations

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

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

Contributions amounting to £340,008 were payable to the schemes at 31 August 2019 (2018: £329,969) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Scheme Change

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

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

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

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

The employer's pension costs paid to TPS in the period amounted to £1,839,744 (2018: £1,869,820).

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,081,694 (2018: £952,669), of which employer's contributions totalled £778,492 (2018: £689,506) and employees' contributions totalled £303,202 (2018: £263,163). The agreed contribution rates for future years are 2019 - 2021:15.9% for employers and a variable rate for employees based upon earnings.

As described in note 29, the LGPS obligation relates to the employees of the academy trust, who were employees transferred on conversion or from existing academies and represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Principal actuarial assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.4%	3.3%
Rate of increase for pensions in payment/inflation	3.1%	3.1%
Discount rate for scheme liabilities	1.9%	2.8%
Inflation assumption (CPI)	2.1%	2.0%

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

	At 31 August 2019	At 31 August 2018
<i>Retiring today</i>		
Males	23.2	22.1
Females	27.2	25.3
<i>Retiring in 20 years</i>		
Males	22.2	23.1
Females	25.2	27.1

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

The Trust's share of the assets in the scheme were:

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equity instruments	14,263	12,403
Government Bonds	1,930	1,796
Corporate Bonds	827	582
Cash	349	366
Others	202	781
Property	809	698
Total market value of assets	18,380	16,626

The actual return on scheme assets was £674,000 (2018: £780,000).

Amount recognised in the statement of financial activities

	2019 £000	2018 £000
Current service cost (net of employer contributions)	588	578
Past service costs	280	36
Net interest cost	115	125
Total operating charge	983	739

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

	2019 £000	2018 £000
At 1 September	20,980	20,632
Current service cost	1,359	1,255
Interest cost	602	514
Employee contributions	299	246
Actuarial loss/(gain)	5,549	(1,331)
Past service cost	280	36
Benefits paid	(402)	(372)
Net increase in liabilities from acquisition	547	-
At 31 August	29,214	20,980

Changes in the fair value of Trust's share of scheme assets:

	2019 £000	2018 £000
At 1 September	16,626	15,295
Return on plan assets (excluding net interest on the net defined pension liability)	487	389
Actuarial gain	187	391
Employer contributions	771	677
Employee contributions	299	246
Benefits paid	(402)	(372)
Net increase in assets from disposals/acquisitions	412	-
At 31 August	18,380	16,626

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

30 Central Services

The Trust allocates across its member Academies a number of centrally derived costs which include the following;

- The services of the Acting Co-Chief Executives,
- The Central Curriculum & Business Support Teams,
- HR & Finance Support,
- Legal & Professional charges &
- Insurance & Apprenticeship Levy

The basis of the central services charge for the period was an amount per form of entry for the Primary Academies except for Lightcliffe Primary due to a 3-year agreement on conversion, with Secondary Academies picking up the remaining balance on an equal basis less any income generated by the Central Services Team, through Grants and/or the sale of services. Academies joining the Trust during the year were charged on a pro rata basis.

The budget and basis for the Central Services charge is approved annually by the Trust Board.

The actual amounts charged during the year were as follows:

	Total 2019 £000	Total 2018 £000
Abbey Grange CE Academy	545	490
Lightcliffe Academy	510	465
Bishop Young CE Academy	415	405
St Chads Primary CE Academy	45	40
Manston St James CE Academy	90	80
Holy Trinity CE Academy	45	40
Lightcliffe Primary	60	60
Christ Church Upper Armley CE Primary Academy	45	-
	1,755	1,580

Abbey Multi Academy Trust

Notes to the Financial Statements (continued)

31 Conversion to an Academy Trust

On 1 September 2018 Chris Church, Upper Armley Primary converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Abbey Multi Academy Trust from the Leeds City 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 as Donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and analysis of their recognition in the SOFA.

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land	-	-	210	210
Leasehold buildings	-	-	1,410	1,410
Current assets				
Cash at bank	-	5	-	5
Pensions				
Defined benefit pension scheme deficit	-	(135)	-	(135)
Net assets	<u>-</u>	<u>(130)</u>	<u>1,620</u>	<u>1,490</u>