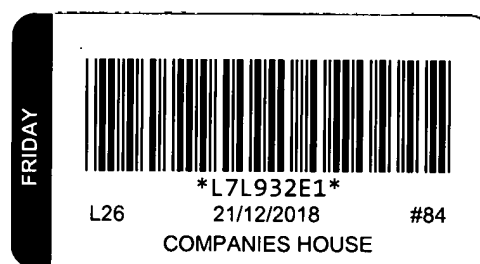


# **Abbey Multi Academy Trust**

**Registered number: 07705552**

**Trustees' Report and Financial  
Statements for the year ended  
31 August 2018**



# Abbey Multi Academy Trust

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# 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)  
T Mason  
D Stratton  
P Laurence  
S Simkins  
F Baker  
Rev J Smith  
C R Blair  
G Price (Appointed 18<sup>th</sup> October 2017)  
H Pratten (Resigned 18<sup>th</sup> October 2017)  
J Norden (Resigned 18<sup>th</sup> October 2017)

### Company Secretary

C Owen

### Senior Management Team

Chief Executive Officer  
Executive Principal (Primary)  
Principal - Abbey Grange C of E Academy/  
Executive Principal (Secondary)  
Principal – St Chad's C of E Primary Academy  
Principal – Lightcliffe Academy  
Principal – Bishop Young C of E Academy  
Head of School – Manston St James Primary  
Academy  
Principal – Holy Trinity C of E Primary Academy  
Principal – Lightcliffe C of E Primary School  
Director of Finance and Corporate Services  
Director of Education

C Kitson  
H Pratten  
J R Norden  
  
A Dunn  
T Rothwell  
P Cooper  
J Kent  
  
D Foulke  
C Woodbridge  
I Harmer  
C Garrett

### Company Name

Abbey Multi Academy Trust

### Principal and Registered Office

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

### Company Registration Number

07705552 (England and Wales)

### External Auditor

Mazars LLP  
5<sup>th</sup> Floor  
3 Wellington Place  
Leeds LS1 4AP

### Internal Auditor

RSM Risk Assurance Services LLP  
Fifth Floor, Central Square  
29 Wellington Street  
Leeds LS1 4DL

# **Abbey Multi Academy Trust**

## **Reference and Administrative Details (continued)**

### **Bankers**

Lloyds Bank plc  
65-68 Briggate  
Leeds  
LS1 6LH

### **Solicitors**

Browne Jacobson LLP  
14<sup>th</sup> 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 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

In September 2018 following the conversion of Christ Church Upper Armley CE Primary Academy, the Trust operated 5 primary and 3 secondary academies in West Yorkshire. Its academies at 1<sup>st</sup> September 2018 have a combined pupil census of 5,198.

### **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 seven Trustees.

The Trust Board is comprised of the Chief Executive Officer and nine 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 6 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**

An External Adviser undertook the CEO's Annual Performance Review and provided a report to the Pay Committee. It was agreed that all objectives had been successfully completed and therefore pay progression was recommended.

Trustees were cognisant of the significant expansion of the Trust since the salary range for the CEO had been set. As a result, the Trust commissioned an independent consultant to provide a benchmark against MATs of a similar size and context. Trustees were presented with a range of options and agreed an uplift to the range to reflect the growth in the size of the Trust and the increase in responsibilities.

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	£14,958.96
The total pay bill	£23,500,000
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%
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#### 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. Indeed, following the rebrokerage of the former LEAF academies, the number of community groups accessing Trust facilities has grown significantly.



# 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 very best educational experience for pupils from 3 - 19 in both church and non-denominational schools. The overarching aim for the Trust is to create academies that provide an environment which is welcoming, caring, calm, disciplined and purposeful and which, within a caring and Christian ethos, will stretch our young people academically, support them pastorally and help them develop socially and spiritually. We believe in allowing each academy to retain its own distinct voice and identity, supporting all with efficient and effective Central Services and expertise. All our academies are focused and innovative with School Improvement Practices sharing best practice and developing deep partnerships that will embed consistent levels of student outcomes and ensure progress.

We are committed to raising the skills base across the communities by ensuring a focus on quality, encouraging innovation through research and strengthening the ethos of the academies as distinctive schools within their respective communities. Our framework will strive to maintain academies which will retain their own independent culture and ethos, whilst operating within a strategic partnership to improve quality, share best practice and operate effectively and efficiently. As a successful Multi Academy Trust, we will work in partnership to bring about an environment and culture where, through school to school support, each will flourish and be involved in shaping the partnership. We believe passionately that education, at every stage of the student journey, is about the development and nurture of the whole child. The environment of the Trust is designed to encourage creativity, physical excellence and academic achievement so that they are ready to take their place in the world and bring their contribution to society.

The overall P8 position of the secondary academies (-0.2) mirrors that of 2016-2017. Although the progress score at Abbey Grange improved further from a position of 0.4 to 0.5, the static position of Bishop Young at -1.0 coupled with the decline in progress at LA from -0.2 to -0.4 impacted upon the overall progress score. The picture of disadvantaged students' achievement across the secondary academies has slightly improved. Progress in Ebacc (-0.4) and in Modern Languages (-0.9) remain key improvement priorities across the Trust.

Gains in attainment across the Trust are evident in the attainment of disadvantaged students in Basics 4-9 from 40% in 2017 to 42% in 2018 and in 5-9 from 19% in 2017 to 23% in 2018. Gains in the % of students attaining at 5+ in English have increased from 55% in 2017 to 57% in 2018. An increase of 5 percentage points in the % of students attaining at 5-9 in Mathematics is also evident from 40% in 2017 to 45% in 2018. An improvement in the average attainment 8 grade in English, Mathematics and the Ebacc element have also been secured. The successes in attainment have meant that Abbey Grange (the lead school in the Trust) was placed in 10<sup>th</sup> position across all comprehensive schools in Yorkshire according to the Sunday Times list (Best Schools Guide 2018).

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.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Strategic Report (continued)**

#### **Achievements and Performance (continued)**

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. At KS1 improvements in attainment were seen in reading, writing and mathematics. These improvements were not evident in the percentage of pupils reaching a higher standard although there was a slight improvement in the percentage of pupils reaching the higher standard in Mathematics. Improvements in EYFS across the Trust were seen in all areas though these were not as marked as at KS2 or even KS1. There were strong improvements in the % of children reaching a good level of development (GLD), and in the % of disadvantaged children attaining the expected standard in Reading, Writing and Maths.

As the Trust has expanded, so we have grown the central corporate team and central education team. The central corporate team was re-structured to increase its effectiveness from September 1st 2017. We were able to incorporate some staff from the joining academies so that we could accommodate the expertise but also in response to the growing need for support. We now have a structure fit for purpose that has a bespoke offer for Finance; IT (Infra-structure, e-learning and information delivery, including through websites); Facilities and Estates, including a growing maintenance team of specialists; Health and Safety; and HR.

In addition, there has been significant growth in the offer for education across the Trust through the Central Education Team. The Trust has an increasingly well-developed and comprehensive portfolio of School Improvement Services. This function is led by the Director of Education who, as an Ofsted inspector, is well placed to lead a team of SLEs and Lead Practitioners. They focus on CPD and school improvement through the development of leadership and improving the provision of teaching and learning. The Head of Effectiveness (Primary) from October 2017 and the Head of Effectiveness (Secondary) from January 2018 support the Director of Education. Equally, the inclusion within the Trust of additional primary schools will allow the Executive Principal (Primary) to work across the various primaries with a view to increasing standards across all schools/academies. Lead Practitioners also supplement the primary team in both maths and English as well as Teaching & Learning.

School Improvement areas are identified with principals through each academy's own QA processes and the reviews lead 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.

With additional need at Bishop Young Academy, a further appointment to the Central Team is an experienced senior practitioner who leads on Behaviour, Attendance and Safeguarding across the Trust. Initially her time was spent predominantly supporting BYA but she also devotes a day a week to primary provision and supports other academies as priorities change and need arises. This colleague also leads the Safeguarding Team of practitioners from each of the academies and provides support, training and assurance to their work.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Strategic Report (continued)**

#### **Achievements and Performance (continued)**

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. This funding will be used for a range of innovative development opportunities designed to make sustained improvements across the group of schools. The bid is led by a new employee working in the Central Education team who is Project Leader and is also an SLE. The work is focused on training staff and middle leaders to use research to inform how they can 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. 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 March 2020.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Strategic Report (continued)

#### Achievements and Performance – Secondary

Attainment for academic year 2017/2018 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.

<b>Abbey Grange Church of England Academy – GCSE</b>	<b>2018</b>	<b>2017</b>
Basics 5-9 (all)	61%	54%
Basics 5-9 (disadvantaged)	48%	33%
Basics 4-9 (all)	79%	79%
Basics 4-9 (disadvantaged)	69%	68.6%
Progress 8 (all)	0.47	0.38
Progress 8 (disadvantaged)	0.31	0.20
Attainment 8 (all)	56.7 points	56.3 points
English Baccalaureate (all) (APS)	5.0	4.9
Average attainment grade 8 (all)	5.67	5.63
Average attainment grade 8 (disadvantaged)	4.96	4.7
Average English attainment grade (all)	6.05	6.0
Average English attainment grade (disadvantaged)	5.33	5.28
Average Maths attainment grade (all)	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	2018	2017
Basics 5-9 (all)	37%	28%
Basics 5-9 (disadvantaged)	17%	15%
Basics 4-9 (all)	70%	53%
Basics 4-9 (disadvantaged)	56%	21%
Progress 8 (all)	-0.42	-0.23
Progress 8 (disadvantaged)	-0.71	-0.68
Attainment 8 (all)	42.9 points	42.5 points
English Baccalaureate (all) (APS)	3.6	3.2
Average attainment grade 8 (all)	4.29	4.25
Average attainment grade 8 (disadvantaged)	3.73	3.21
Average English attainment grade (all)	4.77	4.50
Average English attainment grade (disadvantaged)	4.25	3.49
Average Maths attainment grade (all)	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	2018	2017
Basics 5-9 (all)	13%	19%
Basics 5-9 (disadvantaged)	7%	14.5%
Basics 4-9 (all)	28%	39%
Basics 4-9 (disadvantaged)	23%	33%
Progress 8 (all)	-0.96	-1
Progress 8 (disadvantaged)	-1.32	-1.3
Attainment 8 (all)	28.7 points	30.7 points
English Baccalaureate (all) (APS)	2.28	2.4
Average attainment grade 8 (all)	2.87	3.07
Average attainment grade 8 (disadvantaged)	2.31	2.72
Average English attainment grade (all)	3.19	3.41
Average English attainment grade (disadvantaged)	2.58	3.09
Average Maths attainment grade (all)	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 - Secondary (continued)

Attainment for academic years 2014/15 and 2015/16 is detailed below:

<b>Abbey Grange Church of England Academy - GCSE</b>	<b>2015 Actual</b>	<b>2016 Actual</b>
5 or more A*- C Grades	80%	78.2%
Basics (A*-C in English and Maths)	74%	78%
Attainment 8	-	55.40
Progress 8	-	0.05
5 or more A*- C Grades (including English & Maths)	73%	73.2%
5 or more A*- G Grades	99%	99%
A* - C English	84%	85.1%
Expected Progress (3 or more levels) in English	80%	82.2%
Better than Expected Progress (4 or more levels) in English	43%	49%
Pupil Premium/National Non-PP Gap (3 levels of progress English)	-13	-3
A* - C Maths	80%	84.9%
Expected Progress (3 or more levels) in Maths	75%	78%
Better than Expected Progress (4 or more levels) in Maths	44%	49%
Pupil Premium/National Non PP Gap (3 levels of progress Maths)	-26	-10
English Baccalaureate	38%	42.2%

<b>Lightcliffe Academy - GCSE</b>	<b>2015 Actual</b>	<b>2016 Actual</b>
5 or more A*- C Grades	60%	66
5 or more A*- C Grades (including English & Maths)	48%	57%
5 or more A*- G Grades	96%	NA
A* - C English	66%	71%
Expected Progress (3 or more levels) in English	59%	67%
Better than Expected Progress (4 or more levels) in English	27%	25%
Pupil Premium/Non-PP Gap (3 levels of progress English)	-19	-15
A* - C Maths	63%	71%
Expected Progress (3 or more levels) in Maths	56%	67%
Better than Expected Progress (4 or more levels) in Maths	17%	24%
Pupil Premium/Non PP Gap (3 levels of progress Maths)	-22	-14
English Baccalaureate	9%	11%

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Strategic Report (continued)

#### Achievements and Performance – Primary

##### St Chad's CE Primary

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

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

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

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



# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Strategic Report (continued)

#### Achievements and Performance - Primary (continued)

##### Manston St James Primary

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

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

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

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

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Strategic Report (continued)

#### Achievements and Performance - Primary (continued)

##### Holy Trinity CE Primary, Rothwell

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

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

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

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

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Strategic Report (continued)

#### Achievements and Performance - Primary (continued)

##### Lightcliffe CE Primary

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

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

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

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

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that Abbey Multi 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 2017 to 31 August 2018 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 ending 31 August 2018, total revenue income was £28.4 million, set off by revenue expenditure of £31.0 million. The excess of expenditure over income for the period was therefore £2.54 million. This represents a decrease in total revenue over the previous periods of £15.5 million due to the fact that the previous statements included assets from the conversion of Lightcliffe Primary and the re-brokerage of the LEAF Academy Trust.

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

In addition, the Trust has continued successfully to develop alternative income streams to support its activities, which include the following:

- The impacts of the Trust's successful Strategic School Improvement Fund bid (SSIF) which is targeted at improving literacy, particularly for disadvantaged students, amongst Trust and partner schools.
- Northern Powerhouse grant of £60,000 to support on-going expansion of the Trust
- Ongoing development of providing staff development to other schools and Trusts in West Yorkshire. This is using key staff to deliver this training in order to assist their development and therefore further benefit other academies in the Trust.
- The Trust now qualifies for School Condition Allocation which is designed to assist the Trust in addressing improvements to its estate.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Financial Review (continued)

Operational expenditure increased over the same period by £8.2 million to £29.1 million due to the following:

- Impacts of the LEAF re-brokerage and Lightcliffe Primary conversion as highlighted above.
- 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 1<sup>st</sup> April 2017
  - The impacts of an unfunded introduction of the Apprenticeship Levy from 1<sup>st</sup> April 2017
  - 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.
  - Increased size of the Trust's Central Services Team to underpin the growth of the overall Trust.

At 31 August 2018, the net book value of fixed assets stood at £51.53 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 £815,000 on fixed assets of which the majority was spent on the 2 major CIF projects at Lightcliffe Academy, which has seen significant expenditure on the renewal of roofs and windows, along with the replacement of aging, inefficient coal-fired boilers.

The provisions of the Financial Reporting Standard No 102 'Accounting for Pension Costs' have been applied in full, resulting in a significant decrease in recognised deficit on the Balance Sheet from £5.3 million, recorded in last year's financial statements, down to £4.35 million at 31<sup>st</sup> August 2018.

The reasons for this increase include the following:

- Actuarial gain on the revaluation of liabilities
- Actuarial gains on the restatement of asset values of £2.3 million
- Increase in net service costs due to low returns on investments in conjunction with historical low interest rates.

These movements continue the recent pattern of huge volatility in the FRS102 valuation year on year, as last year's large actuarial loss has been largely mitigated by this year's actuarial gain.

The major reason for this has been the substantial rise in the value of shares over the period, as the West Yorkshire Pension Fund has a large shareholding as part of its overall asset portfolio in comparison with other LGPS funds.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Financial Review (continued)

The Trust held fund balances at 31 August 2018 of £48.5 million, comprising the following:

	£000
Restricted income fund	(698)
Restricted pension reserves of	(4,354)
Restricted fixed asset reserves of	51,968
Unrestricted income fund	1,551

The revenue balances are made up as follows:

	£000
Abbey Grange CE Academy	230
Lightcliffe Academy	(137)
St Chad's CE Primary Academy	252
Bishop Young CE Academy	771
Manston St James Primary Academy	94
Holy Trinity CE Primary Academy	(121)
Lightcliffe CE Primary School	83
Abbey Multi Academy Trust	(319)

The Abbey Multi Academy Trust is working with Lightcliffe Academy, Bishop Young Academy and Holy Trinity Primary Academy to address their inherited deficits.

With Lightcliffe Academy, the deficit has increased in-year following two years of deficit reduction and, as a result, the Academy's cost base is being reviewed.

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.

In addition, following the rebrokerage of LEAF Academy Trust on 1<sup>st</sup> May 2017, the Trust has continued to work with Bishop Young Academy to address its current and projected in-year deficits. The Academy has now seen its first year of operations under a stable senior leadership team, which managed to reduce the projected in-year deficit. Equally the Academy has seen a large increase in Year 7 students between September 2017 and September 2018; however, the financial position of the Academy still gives cause for concern.

Whilst there are still brought forward reserves to cover these deficits, the Trust believes that it would be unequitable for these losses to go unchallenged.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Financial Review (continued)

#### Post Balance Sheet

In the period since 31 August 2018, the following significant changes have taken place:

- **SSIF Funding** – A further bid for SSIF funding has been successful which has expanded the project to a further 11 schools, including 10 outside of the Trust.
- **Resignation of the CEO** – The CEO has announced her resignation with effect from the end of 2018. The Trustees have announced interim arrangements for the forthcoming financial year ahead of a permanent appointment.
- **Capital Commitments** – Following the receipt of its School Condition Allocation, the Trust has two major capital projects planned for the Autumn term, these being the replacement of windows and facias at Holy Trinity Primary and the provision of additional accommodation at Abbey Grange to support significant growth in post-16 numbers.
- **Inspection** – Lightcliffe Academy was inspected by Ofsted in November 2018 at the time of finalising these financial statements; no formal judgement has been received.

# 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 in 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:

- **Re-Brokerage of the LEAF Academy Trust**

Whilst the three academies have been within the Trust since May 2017, the inherited difficulties still continue to cause issues for the wider Trust.

- **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.

The Trust is now proposing a significant investment in the fabric of the building, which should make the building significantly more attractive to parents and pupils alike.



# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Principal Risks & Uncertainties (continued)

- **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.

- **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.

- **Capital Funding**

The Trust was successful with 2 CIF bids for its Lightcliffe Academy site to address major issues with both the heating and roofing across the school. This has made a major difference to the operations on the site, including significantly reducing both repair and utility bills. It has been unable to secure funding for its Holy Trinity Primary site which is urgently in need of significant investment due to failing infrastructure as a result of its past neglect prior to it being rebrokered by the Trust.

# **Abbey Multi Academy Trust**

## **Trustees' Report (continued)**

### **Principal Risks & Uncertainties (continued)**

Without significant investment in the fabric of the building, there remains a significant risk that parts of the site will be subject to repeated failure resulting in the closure of parts of the Academy. Work is planned in the Autumn of 2018 to address some of these issues.

The Trust now qualifies for its own school condition money from ESFA, but it is beginning to become aware that there is a significant backlog of maintenance issues, particularly in the newly acquired academies, especially Holy Trinity C of E Primary Academy.

- **Competition**

The Trust recognises that increased competition is now an integral part of the modern educational landscape as new providers are allowed to develop additional provision to meet a perceived gap in either capacity or quality. It does however see these new ventures as potential competition, particularly in the crowded 16-19 market in Leeds, where the development of new provision could put significant strain on its post 16 provision at Abbey Grange.

Equally the Trust wishes to expand its provision both at its Lightcliffe site and at St Chad's Primary to meet unmet demand in their local areas but it faces competition from other providers in the area who may also wish to expand.

### **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 £853,000. Trustees plan to further increase the level of reserves long term, to provide a cushion for unexpected items of expenditure such as unplanned building repairs and unexpected staff sickness levels.

The long term target is 2 months of working capital which would amount to £2.5 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.

# 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:

- **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. The Trust has invested in additional resources to manage this proposed controlled increase in numbers.

In the immediate future:

The Trust is committed to increasing the size of the Trust and is actively participating with the Leeds City Council and the Leeds Diocese in the submission of free school applications to support perceived growth in pupil numbers in North Leeds, as well as pursuing an opportunity in Central Leeds.

In addition, it is in continual discussion with other diocesan primary schools with good or outstanding Ofsted rating with regard to them joining the Trust over the coming 12 months.

The Trust is also mindful of the need to assure recruitment for future teaching staff in a current environment of teaching shortage. To this end St Chad's Primary are leading a Schools' Direct programme for primary teaching with four other primary schools and a local Higher Education provider. Abbey Grange is a provider within Teamwork's TSA SCITT and is already recruiting for the September 2019 intake.

- **Central Services - Curriculum**

The Trust has an increasingly well developed and comprehensive portfolio of School Improvement Services. This function is led by the Director of Education who, as an Ofsted inspector, is well placed to lead a team of SLEs and Lead Practitioners who will focus on CPD and school improvement. The Director of Education is supported by the Head of Effectiveness (Primary) from October 2017 and the Head of Effectiveness (Secondary) from January 2018. Equally, the inclusion within the Trust of additional primary schools will allow the Executive Principal (Primary) to work across the various primaries with a view to increasing standards across all schools/academies. This team is supported by Lead Practitioners who are also Senior Leaders in Education in maths, English, science and humanities, as well as Teaching & Learning.

The Trust was also successful in its SSIF bid which will provide support in English for 10 schools, including all those in 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.

# Abbey Multi Academy Trust

## Trustees' Report (continued)

### Plans for Future Periods (continued)

- **Support Services**

The Trust is currently developing its support services, so that they are in a position to provide the enlarged Trust with all of the required support services at a higher quality and lower cost. Over the coming months the emphasis will be on developing the scope and range of service so that the Trust can reduce its reliance of third party contracts, thus increasing the amount of resources available for curriculum delivery both centrally and in individual academies.

The enlarged Trust is also using its increased size to seek improved procurement arrangements with its key suppliers, looking to source centrally with increased volumes.

- **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 £700,000, plus £67,000 from the Government's sugar tax allocation.

The Trust has already committed approximately £150,000 on school improvements and is developing over £200,000 worth of projects on two substantial capital developments at Abbey Grange and Holy Trinity.


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.

### 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 14th December 2018 and signed on the Board's behalf by:



**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 CEO/Executive Principal 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 7 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)	5	7
T M Mason	6	7
S Simkins	6	7
F Baker (Vice Chair)	6	7
C J Kitson (CEO)	7	7
P J Laurence	4	7
M D Stratton	7	7
Rev J Smith	6	7
C R Blair	4	7
G Price	5	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)	4	4
M D Stratton	4	4
C J Kitson	4	4
C R Blair	1	4
G Price	2	4

# Abbey Multi Academy Trust

## Governance Statement (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)	3	4
F Baker	4	4
M D Stratton	4	4
C J Kitson	4	4
G Price	3	3
Rev J Smith	1	1

## Review of Value for Money

As Accounting Officer, the CEO/Executive Principal 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:

- working increasingly collectively so that some external contracts are now supported by internal staff;
- through its insurance arrangements with Zurich Municipal, using the extensive links and expertise within that company to work with the Trust to develop Business Continuity expertise so that it can develop wide-ranging plans which will enable the Trust to recover promptly and effectively from an incident; this includes planning with Portakabin to provide mobile units in the case of a site being unavailable;
- working across the Trust to manage effectively the costs of its utility services so that future contracting is managed more effectively, bringing significant cost benefits;
- working across the Trust, a number of common supplies have been brought together under a single agreement with a single termination date and built in savings.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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
- Governance and Risk Management Audit
- Human Resources – Vacancy Activation Forms Framework
- Marketing and Growth Plans
- Business Continuity Planning
- Risk Management (Part 2)
- Financial Reporting, Budget Setting and Monitoring

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 CEO/Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external 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 [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14th December 2018 and signed on its behalf by:



**Paul Whitman**  
Trustee



**Carol Kitson**  
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 2017.

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 2017.

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.



**Carol Kitson**  
**Accounting Officer**

14/12/2018

# 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 2017 to 2018
- 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 14th December 2018 and signed on its behalf by:



**Paul Whitman**  
Trustee

# **Abbey Multi Academy Trust**

## **Independent Auditors' Report to the Trustees of Abbey Multi Academy Trust**

We have audited the financial statements of Abbey Multi Academy Trust (the 'Trust') for the year ended 31 August 2018 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 2017 to 2018 issued by the Education and 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 Trust's affairs at 31 August 2018 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 2017 to 2018.

### **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.

### **Conclusions relating to going concern**

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

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

# **Abbey Multi Academy Trust**

## **Independent Auditors' Report to the Trustees of Abbey Multi Academy Trust (continued)**

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual 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' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

# **Abbey Multi Academy Trust**

## **Independent Auditors' Report to the Trustees of Abbey Multi Academy Trust (continued)**

### **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 35, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company 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](http://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 company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company'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**

**5<sup>th</sup> Floor**  
**3 Wellington Place**  
**Leeds**  
**LS1 4AP**

**19** December 2018

# **Abbey Multi Academy Trust**

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

In accordance with the terms of our engagement letter dated 25 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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' Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Abbey Multi Academy Trust' funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. 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 September 2017 to 31 August 2018 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 2017 to 2018 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.

# **Abbey Multi Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to Abbey Multi Academy Trust and the Education and Skills Funding Agency (continued)**

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
- Concluded 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 2017 to 31 August 2018 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  
5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP**

**19** December 2018



# Abbey Multi Academy Trust

## Statement of Financial Activities for the year ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2018 £000	Total 2017 £000
<b>Income and endowments from:</b>						
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
<b>Total</b>		<b>1,988</b>	<b>25,566</b>	<b>880</b>	<b>28,434</b>	<b>43,945</b>
<b>Expenditure on:</b>						
Charitable activities:						
The Trust's educational operations	8	1,684	27,442	1,844	30,970	22,132
<b>Total</b>		<b>1,684</b>	<b>27,442</b>	<b>1,844</b>	<b>30,970</b>	<b>22,132</b>
<b>Net income/(expenditure)</b>		<b>304</b>	<b>(1,876)</b>	<b>(964)</b>	<b>(2,536)</b>	<b>21,813</b>
<b>Transfers between funds</b>		<b>-</b>	<b>178</b>	<b>(178)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/(losses):</b>						
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)
<b>Net movement in funds</b>		<b>304</b>	<b>24</b>	<b>(1,142)</b>	<b>(814)</b>	<b>24,652</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		1,247	(5,076)	53,110	49,281	24,629
<b>Total funds carried forward</b>		<b>1,551</b>	<b>(5,052)</b>	<b>51,968</b>	<b>48,467</b>	<b>49,281</b>

# Abbey Multi Academy Trust

## Balance Sheet as at 31 August 2018

Company Number 07705552

	Notes	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed assets</b>					
Intangible assets	12		43		23
Tangible assets	13		51,532		52,527
<b>Current assets</b>					
Debtors	14	1,069		1,439	
Cash at bank and in hand	25	2,604		2,899	
		<u>3,673</u>		<u>4,338</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	15	<u>(2,394)</u>		<u>(2,270)</u>	
<b>Net current assets</b>		<b>1,279</b>			<b>2,068</b>
Creditors: Amounts falling due after more than one year	16	(33)			-
<b>Total assets less current liabilities</b>		<b>52,821</b>			<b>54,618</b>
<b>Net assets excluding pension liability</b>		<b>52,821</b>			<b>54,618</b>
Defined benefit pension scheme liability	29	<u>(4,354)</u>			<u>(5,337)</u>
<b>Total net assets</b>		<b>48,467</b>			<b>49,281</b>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	17	51,968		53,110	
Restricted income fund	17	(698)		261	
Pension reserve	17	<u>(4,354)</u>		<u>(5,337)</u>	
<b>Total restricted funds</b>		<b>46,916</b>		<b>48,034</b>	
<b>Unrestricted income funds</b>	17	<u>1,551</u>			<b>1,247</b>
<b>Total funds</b>		<b>48,467</b>			<b>49,281</b>

The financial statements on pages 41 to 70 were approved by the Trustees and authorised for issue on 14<sup>th</sup> December 2018 and are signed on their behalf by:



**Paul Whitman**  
Trustee

# Abbey Multi Academy Trust

## Statement of Cash Flows for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	(458)	1,870
<b>Cash flows from financing activities</b>	23	2	1
<b>Cash flows from investing activities</b>	24	160	356
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(295)</u>	<u>2,227</u>
<b>Cash and cash equivalents at 1 September 2017</b>		2,899	672
<b>Cash and cash equivalents at 31 August 2018</b>	25	<u>2,604</u>	<u>2,899</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018

### 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 2017 to 2018 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

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

#### 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.

- **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.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

- **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.

- **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.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

- **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.

### **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.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 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	1.67% 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.

### 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.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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 for the year ended 31 August 2018 (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 26, 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.

Non-teaching members of staff were offered membership of a defined benefit final salary scheme during the period.

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 for the year ended 31 August 2018 (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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 2 Comparative Statement of Financial Activities for Year Ended 31 August 2017

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	4	-	28	765	793	127
Transfer from local authority on conversion	22	-	(404)	4,187	3,783	-
Transfer of existing academies	22	424	(2,048)	20,637	19,013	-
Charitable activities:						
Funding for the Trust's educational operations	5	530	18,991	-	20,127	15,759
Other trading activities	6	834	-	-	228	980
Investments	7	-	1	-	1	5
<b>Total</b>		<b>1,788</b>	<b>16,568</b>	<b>25,589</b>	<b>43,945</b>	<b>16,871</b>
<b>Expenditure on:</b>						
Charitable activities:						
The Trust's educational operations	8	1,197	19,708	1,227	22,132	17,594
Service costs		-	-	-	-	181
<b>Total</b>		<b>1,197</b>	<b>19,708</b>	<b>1,227</b>	<b>22,132</b>	<b>17,775</b>
<b>Net income/(expenditure)</b>		<b>591</b>	<b>(3,140)</b>	<b>24,362</b>	<b>21,813</b>	<b>(904)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial gains / (losses) on defined benefit pension schemes		-	3,246	-	3,246	(2,787)
Revaluation gain on defined pension assets		-	928	-	928	-
Acquisition of defined benefit pension scheme liabilities		-	(1,335)	-	(1,335)	-
<b>Net movement in funds</b>		<b>591</b>	<b>(301)</b>	<b>24,362</b>	<b>24,652</b>	<b>(3,691)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward (Restated)		656	(4,775)	28,748	24,629	28,320
<b>Total funds carried forward</b>		<b>1,247</b>	<b>(5,076)</b>	<b>53,110</b>	<b>49,281</b>	<b>24,629</b>

### 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 2018 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 for the year ended 31 August 201 (continued)

### 4 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Restricted Fixed Assets £000	Total 2018 £000	Total 2017 £000
Capital grants	-	-	880	880	765
Other donations	-	22	-	22	28
	<u>-</u>	<u>22</u>	<u>880</u>	<u>902</u>	<u>793</u>

### 5 Funding for the Trust's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	22,884	22,884	17,158
Other DfE/ESFA grants	-	2,192	2,192	1,316
	<u>-</u>	<u>25,076</u>	<u>25,076</u>	<u>18,474</u>
<b>Other Government grants</b>				
Local authority grants	104	300	404	307
Other income from the Trust's educational operations	1,601	100	1,701	1,346
	<u>1,705</u>	<u>25,476</u>	<u>27,181</u>	<u>20,127</u>

### 6 Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	137	-	137	97
Income from other charitable activities	144	68	212	131
	<u>281</u>	<u>68</u>	<u>349</u>	<u>228</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 7 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	2	-	2	1
	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>

### 8 Charitable activities

	Staff Costs £000	Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Direct costs – educational operations	18,845	1,424	2,872	23,141	16,335
Support costs – educational operations	4,169	1,122	2,538	7,829	5,797
<b>Total</b>	<b>23,014</b>	<b>2,546</b>	<b>5,410</b>	<b>30,970</b>	<b>22,132</b>

Net income (expenditure) for the period includes:

	Total 2018 £000	Total 2017 £000
Operating leases rentals	233	141
Depreciation	1,712	1,226
Loss on disposal of fixed assets	3	1
Amortisation	8	1
Fees payable to auditor for:		
- audit	23	22
- other services	6	2
Actuarial fees	1	2
Trustees' liability insurance	2	2

#### Analysis of support costs

	Total 2018 £000	Total 2017 £000
Support staff costs	3,555	2,526
FRS 102 – Service Cost	614	666
FRS 102 – Finance Cost	125	111
Depreciation	297	217
Technology costs	63	85
Premises costs	1,122	734
Other support cost	1,972	1,402
Governance cost	81	56
<b>Total support costs</b>	<b>7,829</b>	<b>5,797</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 9 Staff

#### a. Staff costs

Staff costs during the period were:

	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
Wages and salaries	17,215	12,116
Social security costs	1,738	1,187
Operating costs of defined benefit pension schemes	3,159	2,421
	<b>22,112</b>	<b>15,724</b>
Supply staff costs	853	681
Staff restructuring costs	49	105
	<b>902</b>	<b>786</b>
	<b>23,014</b>	<b>16,510</b>

Staff restructuring costs comprise:

Redundancy payments	23	48
Severance payments	26	57
Other restructuring costs	-	-
	<b>49</b>	<b>105</b>

#### b. Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are 4 non-contractual severance payments (2017:2) £3,750 £3,442, £1,171 and £1,000 (2017: £12,000 and £3,479).

#### c. Staff numbers

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

	<b>2018 No.</b>	<b>2017 No.</b>
Teacher	316	215
Administration and support	389	252
Management	41	26
	<b>746</b>	<b>493</b>

#### d. Higher paid staff

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

	<b>2018 No.</b>	<b>2017 No.</b>
£60,001- £70,000	7	4
£70,001- £80,000	1	3
£80,001- £90,000	4	1
£90,001 - £100,000	1	1
£150,001 - £160,000	1	1

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (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 £1,077,105 (Average employees 11) (2017: £805,585 (Average employees 9)).

### 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. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment. Both of the staff Trustees resigned their position on the Trust Board on 18<sup>th</sup> October 2017.

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):**

Remuneration £152,262 (2017: £131,928)

Employer's pension contributions paid £25,093 (2017: £21,742)

#### **J R Norden (Staff Trustee):**

Remuneration £15,889 (2017: £92,129)

Employer's pension contributions paid £2,618 (2017: £15,178)

#### **H Pratten (Staff Trustee):**

Remuneration £13,385 (2017: £70,401)

Employer's pension contributions paid £2,206 (2017: £11,577)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil were reimbursed or paid directly to Trustees (2017: 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 2018 was £2,277 (2017: £2,277). The cost of this insurance is included in the total insurance cost.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 12 Intangible fixed assets

	Computer Software 2018 £'000
<b>Cost</b>	
At 1 September 2017	53
Additions	27
At 31 August 2018	<u>80</u>
<b>Amortisation</b>	
At 1 September 2017	29
Charged in year	8
At 31 August 2018	<u>37</u>
<b>Carrying amount</b>	
At 1 September 2017	24
At 31 August 2018	<u>43</u>



# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 13 Tangible fixed assets

	Freehold Land & Buildings £000	Leasehold Land & Buildings £000	Assets under construction £000	Furniture & Equipment £000	Computer Hardware £000	Motor Vehicles £000	Total £000
<b>Cost</b>							
At 1 September 2017	22,350	38,437	205	2,803	2,793	96	66,684
Additions	487	72	-	163	93	-	815
Disposals	-	(127)	-	(21)	(3)	(15)	(166)
Reclassification	205	-	(205)	-	-	-	-
At 31 August 2018	23,042	38,382	-	2,945	2,883	81	67,333
<b>Depreciation</b>							
At 1 September 2017	3,590	6,001	-	2,028	2,447	91	14,157
Charged in year	610	766	-	158	153	3	1,690
Disposal	-	(13)	-	(14)	(4)	(15)	(46)
At 31 August 2018	4,200	6,754	-	2,172	2,596	79	15,801
<b>Net book values</b>							
At 31 August 2017	18,760	32,436	205	775	346	5	52,527
At 31 August 2018	18,842	31,628	-	773	287	2	51,532

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.

The gross book value of freehold and long leasehold and buildings includes land with a value of £5,850,000 which is not depreciated.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 14 Debtors

	2018 £000	2017 £000
Trade debtors		
VAT recoverable	233	328
Other debtors	63	185
Prepayments and accrued income	773	926
	<u>1,069</u>	<u>1,439</u>

### 15 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	696	855
ESFA creditor:	81	-
Other creditors	358	190
Accruals and deferred income	832	1,127
Other taxation and social security	427	98
	<u>2,394</u>	<u>2,270</u>

	2018 £000	2017 £000
<b>Deferred income</b>		
Deferred income at 1 September 2016	561	295
Released from previous years	(551)	(235)
Resources deferred in the year	570	501
Deferred income at 31 August 2017	<u>580</u>	<u>561</u>

At the year end the Trust was is in receipt of £229,941 (2017: £180,531) in respect of future trips, £347,992 (2017: £113,866) for grants for future periods and £2,196 for childcare provision (2017: £706)

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

	2018 £000	2017 £000
ESFA creditor	33	-
	<u>33</u>	<u>-</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 17 Funds

	Balance at 1 September 2017 £000 (Restated)	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
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)
	<b>(5,076)</b>	<b>25,566</b>	<b>(27,442)</b>	<b>1,900</b>	<b>(5,052)</b>
<b>Restricted fixed asset funds</b>					
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)	-
	<b>53,110</b>	<b>880</b>	<b>(1,844)</b>	<b>(178)</b>	<b>51,968</b>
<b>Total restricted funds</b>	<b>48,034</b>	<b>26,446</b>	<b>(29,286)</b>	<b>1,722</b>	<b>46,916</b>
<b>Total unrestricted funds</b>	<b>1,247</b>	<b>1,988</b>	<b>(1,684)</b>	<b>-</b>	<b>1,551</b>
<b>Total funds</b>	<b>49,281</b>	<b>28,434</b>	<b>(30,970)</b>	<b>1,722</b>	<b>48,467</b>

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 2018.

### 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.

### 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 for the year ended 31 August 2018 (continued)

### 18 Funds

	Balance at 1 September 2016 £000 (Restated)	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(242)	17,645	(17,142)		261
Pupil Premium	-	836	(836)		-
Other grants	-	953	(953)		-
Pension reserve	(4,533)	(2,866)	(777)	2,839	(5,337)
	<b>(4,775)</b>	<b>16,568</b>	<b>(19,708)</b>	<b>2,839</b>	<b>(5,076)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	25,045	4,187	(764)	-	28,468
Donated assets	-	20,637	(252)	(309)	20,076
ESFA capital grants	3,459	765	(191)	29	4,062
Capital expenditure from GAG	227	-	(20)	-	207
Diocese Capital Grants	17	-	-	(17)	-
BYA Capital Grants	-	-	-	297	297
	<b>28,748</b>	<b>25,589</b>	<b>(1,227)</b>	<b>-</b>	<b>53,110</b>
<b>Total restricted funds</b>	<b>23,973</b>	<b>42,157</b>	<b>(20,935)</b>	<b>2,839</b>	<b>48,034</b>
<b>Total unrestricted funds</b>	<b>656</b>	<b>1,788</b>	<b>(1,197)</b>	<b>-</b>	<b>1,247</b>
<b>Total funds</b>	<b>24,629</b>	<b>43,945</b>	<b>(22,132)</b>	<b>2,839</b>	<b>49,281</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 19 Funds

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

	Balance at 1 September 2016 £000 (Restated)	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	(242)	40,529	(40,529)	178	(64)
Pupil Premium	-	2,156	(2,156)	-	-
Other grants	-	2,315	(2,949)	-	(634)
Pension reserve	(4,533)	(2,866)	(1,516)	4,561	(4,354)
	<u>(4,775)</u>	<u>42,134</u>	<u>(47,150)</u>	<u>4,739</u>	<u>(5,052)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	25,045	4,187	(1,626)	-	27,606
Donated assets	-	20,637	(990)	(309)	19,338
ESFA capital grants	3,459	1,645	(392)	(56)	4,656
Capital expenditure from GAG	227	-	(63)	204	368
Other Capital grants	17	-	-	(17)	-
	<u>28,748</u>	<u>26,469</u>	<u>(3,071)</u>	<u>(178)</u>	<u>51,968</u>
<b>Total restricted funds</b>	<u>23,973</u>	<u>68,603</u>	<u>(50,221)</u>	<u>4,561</u>	<u>46,916</u>
<b>Total unrestricted funds</b>	<u>656</u>	<u>3,776</u>	<u>(2,881)</u>	<u>-</u>	<u>1,551</u>
<b>Total funds</b>	<u>24,629</u>	<u>72,379</u>	<u>(53,102)</u>	<u>4,561</u>	<u>48,467</u>

### Total funds analysis by the Trust

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Abbey Grange CE Academy	230	369
Lightcliffe Academy	(137)	(10)
Bishop Young CE Academy	771	731
Manston St James Primary Academy	94	165
St Chad's CE Primary Academy	252	206
Holy Trinity CE Primary Academy	(121)	(91)
Lightcliffe CE Primary School	83	138
Abbey MAT	(319)	
Total before fixed assets and pension reserve	853	1,508
Restricted fixed asset fund	51,968	53,110
Pension reserve	(4,354)	(5,337)
<b>Total</b>	<u>48,467</u>	<u>49,281</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

The Trust is carrying a net deficit of £121k on restricted general funds (excluding pension reserve) as a result of historic losses at its Holy Trinity C of E Primary Academy over recent years and an in-year loss at Lightcliffe Academy. The Trust is supporting both academies to re-position financially so that they can remove this deficit over the next two to three years. The Trust is looking for Holy Trinity C of E Primary Academy to have cleared its recurrent deficit by the end of the 2019/20 financial year.

### 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 2018 £000	Total 2017 £000
Abbey Grange CE Academy	5,065	572	1,338	1,172	8,147	7,933
Lightcliffe Academy	5,100	925	724	1,198	7,947	7,764
Bishop Young CE Academy	3,414	745	644	962	5,765	2,118
Manston St James Primary Academy	1,412	104	169	301	1,986	603
St Chad's CE Primary Academy	771	111	118	193	1,193	1,181
Holy Trinity CE Primary Academy	621	75	92	207	995	314
Lightcliffe CE Primary	1,164	197	72	266	1,699	121
Trust Services	1,344	845	149	392	2,730	1,146
<b>Total</b>	<b>18,891</b>	<b>3,574</b>	<b>3,306</b>	<b>4,691</b>	<b>30,462</b>	<b>21,180</b>

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 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)
<b>Total net assets</b>	<b>1,551</b>	<b>(5,052)</b>	<b>51,968</b>	<b>48,467</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Intangible fixed assets			24	24
Tangible fixed assets	-	-	52,526	52,526
Current assets	1,247	2,531	560	4,338
Current liabilities	-	(2,270)	-	(2,270)
Pension scheme liability	-	(5,337)	-	(5,337)
<b>Total net assets</b>	<b>1,247</b>	<b>(5,076)</b>	<b>53,110</b>	<b>49,281</b>

## 21 Commitments under operating leases

### Operating leases

At 31 August 2018 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	241	119
Amounts due between one and five years	210	38
Amounts over five years	29	29
	<b>480</b>	<b>186</b>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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

	2018 £000	2017 £000
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	(2,537)	21,813
Adjusted for:		
Assets transferred on conversion	-	(19,013)
Assets donated on re-brokerage	-	(3,783)
Cash transferred from donated assets	-	1,688
Depreciation [note 13]	1,690	1,226
Amortisation [note 12]	8	1
Gain on sale of assets [note 13]	(3)	2
Capital grants from DfE and other capital income [note 4]	(880)	(791)
Interest receivable [note 7]	(2)	(1)
Defined benefit pension scheme cost less contributions payable [note 29]	614	666
Defined benefit pension scheme finance cost [note 29]	125	111
Decrease in debtors [note 14]	370	16
Decrease in creditors [note 15]	158	(65)
<b>Net cash provided by Operating Activities</b>	<b>(458)</b>	<b>1,870</b>

### 23 Cash flows from financing activities

	2018 £000	2017 £000
Interest received	2	1
<b>Net cash provided by financing activities</b>	<b>2</b>	<b>1</b>

### 24 Cash flows from investing activities

	2018 £000	2017 £000
Purchase of fixed assets	(844)	-
Disposal of assets	121	(435)
Gain on sale of assets	3	-
Capital grants from DfE/ESFA	880	791
<b>Net cash (used in) / provided by investing activities</b>	<b>160</b>	<b>356</b>



# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 25 Analysis of cash and cash equivalents

	At 31 August 2018 £000	At 31 August 2017 £000
Cash in hand and at bank	2,604	2,899
<b>Total cash and cash equivalents</b>	<b>2,604</b>	<b>2,899</b>

### 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, two further Trust Members (The Rt Revd P Slater and Mrs A Nicholl), and a Trustee, (Mr J Norden), all regularly attend Diocese of Leeds Trust Board meetings as Diocese of Leeds Trust Members, transactions amounted to £13,346 (2017: £7,587) 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 £5,175 (2017: £5,173) 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 for the year ended 31 August 2018 (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:

	<b>Total 2018 £000</b>
Balance bought forward	58
Bursary grants received	61
5% Admin Fee	(2)
Expenditure incurred	(40)
Amount reflected in Creditors	<u>77</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.

#### Teachers' Pension Scheme

##### Introduction

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

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

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019 at a rate of 23.6%.

The employer's pension costs paid to TPS in the period amounted to £1,869,820 (2017: £1,347,31).

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 a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Trust has set out above the information available on the scheme.

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £952,669 (2017: £581,601), of which employer's contributions totalled £689,506 (2017: £403,449) and employees' contributions totalled £263,163 (2017: £178,152). The agreed contribution rates for future years are 2018: 15.4%, 2019: 15.9%, 2020: 15.9% for employers and a variable rate for employees based upon earnings.

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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.

On 26 October, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefit ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Principle actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.3%	3.3%
Rate of increase for pensions in payment/inflation	3.1%	3.1%
Discount rate for scheme liabilities	2.8%	2.5%
Inflation assumption (CPI)	2.0%	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 2018	At 31 August 2017
<i>Retiring today</i>		
Males	22.1	22.1
Females	25.3	25.2
<i>Retiring in 20 years</i>		
Males	23.1	23.0
Females	27.1	27.0

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equity instruments	12,403	11,792
Government Bonds	1,796	1,468
Corporate Bonds	582	597
Cash	366	229
Others	781	520
Property	698	688
<b>Total market value of assets</b>	<b>16,626</b>	<b>15,295</b>

The actual return on scheme assets was £780,000 (2017: £1,018,000).

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### Amount recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost (net of employer contributions)	614	666
Net interest cost	125	111
Total operating charge	<u>739</u>	<u>777</u>

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

	2018 £000	2017 £000
<b>At 1 September</b>	20,632	11,090
Current service cost	1,255	1,074
Interest cost	514	291
Employee contributions	246	181
Actuarial (gain)/loss	(1,331)	(3,246)
Past service cost	36	89
Benefits paid	(372)	(274)
Net increase in liabilities from acquisition	-	11,427
<b>At 31 August</b>	<u>20,980</u>	<u>20,632</u>

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

	2018 £000	2017 £000
<b>At 1 September</b>	15,295	6,557
Interest income		
Return on plan assets (excluding net interest on the net defined pension liability)	389	180
Actuarial gain	391	928
Employer contributions	677	497
Employee contributions	246	181
Benefits paid	(372)	(274)
Net increase in assets from disposals/acquisitions	-	7,226
<b>At 31 August</b>	<u>16,626</u>	<u>15,295</u>

# Abbey Multi Academy Trust

## Notes to the Financial Statements for the year ended 31 August 2018 (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 Chief Executive,
- 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 £40k per form of entry for the Primary Academies, 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 & basis for the Central Services charge is approved annually by the Trust Board.

The actual amounts charged during the year were as follows:

	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
Abbey Grange CE Academy	490	355
Lightcliffe Academy	465	355
Bishop Young CE Academy	405	125
St Chads Primary CE Academy	40	40
Manston St James CE Academy	80	35
Holy Trinity CE Academy	40	20
Lightcliffe Primary	60	5
	<b>1,580</b>	<b>935</b>

### 31 Post balance sheet events

In the period since 31 August 2018, the following significant changes have taken place:

- **New Academy** – In September 2018, Christ Church Upper Armley Primary joined the Trust.
- **SSIF Funding** – A further bid for SSIF funding has been successful which has expanded the project to a further 11 schools, including 10 outside of the Trust.
- **Resignation of the CEO** – The CEO has announced her resignation with effect from the end of 2018. The Trustees have announced interim arrangements for the forthcoming financial year ahead of a permanent appointment.
- **Capital Commitments** – Following the receipt of its School Condition Allocation, the Trust has two major capital projects planned for the Autumn term, these being the replacement of windows and facias at Holy Trinity Primary and the provision of additional accommodation at Abbey Grange to support significant growth in post-16 numbers.
- **Inspection** – Lightcliffe Academy was inspected by Ofsted in November 2018 at the time of finalising these financial statements; no formal judgement has been received.