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ROBIN HOOD
MULTI ACADEMY TRUST
www.robinhoodmat.co.uk

Robin Hood Multi Academy Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number
08686006 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

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Report and Financial Statements
Year ended 31 August 2018

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Reference and Administrative Details

Members	Martin Collard (appointed Sep 2016) Richard Hunter (appointed Sep 2016) Sylvia Morris (appointed Sep 2016)
Trustees	Martin Collard (appointed Sep 2016) Chair of Executive Board Steve Taylor (appointed Sep 2016) Executive HT and Chief Accounting Officer Jo Kerr (appointed Sep 2016) Wendy McClelland (appointed Sep 2016) Mandy Harrison (appointed Sep 2016) Des Hewitt (appointed Sep 2016 - resigned July 2018) Joe Purnell (appointed Sep 2016 - resigned October 2018) Headteacher John McDermott (appointed Sep 2016 - resigned October 2018) Finance Director Samantha Fenn (appointed April 2018) Roy Cooper (appointed October 2018) Susan Berti (appointed October 2018)
Company secretary	John McDermott
Senior management team	
• Executive Headteacher	Steve Taylor
• Headteacher	Paul Smith
• Headteacher	Julia Moxon
• Headteacher	Joe Purnell
• Finance Director	John McDermott
Company name	Robin Hood Multi Academy Trust
Principal and registered office	Pitmaston Road, Birmingham B28 9PP
Company registration number	08686006
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR

Reference and Administrative Details Continued

Bankers	Lloyds Bank Poplar Road Solihull
Solicitors	Anthony Collins 134 Edmund Street Birmingham B3 2ES

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 (incorporating a strategic report) under company law.

The multi academy operates two primary schools serving catchment areas in Birmingham which are :

- Robin Hood Academy
- Cedars Academy

They have a combined pupil capacity of 990 and had a roll of 973 in the school census in October 2018.

Structure, Governance and Management

Constitution

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

Details of the trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. Insurance is covered through the RPA scheme.

Trustees' Report continued

Method of recruitment and appointment or election of Trustees

Parent trustees are elected by the parents of registered pupils at the multi academy. A parent trustee must be a parent of a pupil at the multi academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the multi academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the multi academy.

Taken from the Articles of Association

APPOINTMENT OF TRUSTEES
50. The Members may appoint by ordinary resolution up to 15 Trustees.
50A. Not used.
50B. The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee under Article 57 who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.
51. Not used.
52. Not used.
PARENT TRUSTEES
53. In circumstances where the Trustees have not appointed Local Governing Bodies in respect of the Academies as envisaged in Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A there shall be a minimum of two Parent Trustees and otherwise such number as the Members shall decide who shall be appointed or elected in accordance with Articles 54 - 56.

Where there is a skills gap on the Board of Trustees (as identified in the annual skills audit) the Trust makes effective use of Academy Ambassadors.

Policies and Procedures Adopted for the Induction and Training of Trustees

The board of trustees has a service level agreement with the trustee support department of School and Governor Support, Birmingham City Council to provide training, advice and support to the board of trustees. Development needs are identified where appropriate and training provided either internally or externally.

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance, Audit and HR committee including safeguarding and premises issues
- Standards committee (including attendance)
- Pay committee

Trustees' Report continued

Organisational structure continued

The written terms of reference of the committees include the monitoring of the preparation and management of the multi academy trust's budget and implementation of the multi academy trust's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the multi academy trust's financial procedures.

Decisions relating to the organisation are reserved for the board of trustees. Those responsibilities delegated include sub committees which meet at least termly. Chairs of these committees report back to the full Trustee Body meetings.

The day to day management of the academy is delegated by the Trustee Body to the Head Teachers who are supported by the respective Senior Leadership Teams. The Executive Head Teacher is the Accounting Officer.

The Trustee Body receives regular reports from the Senior Leadership Team, including budget allocation and expenditure and other updates including teaching, learning, achievement and standards.

Arrangements for setting pay and remuneration of key management personnel

Appraisals ensure that staff are held to account and that successful outcomes result in a pay increase where staff members are not at the top of their grade. Appraisal is carried out by the Senior Leadership team and involves interviews, target setting and observations in order to ensure the best outcomes for the Academy and pupils. Successful Performance Management is reported to governors through the Head Teacher's Report. Individual Salary Ranges are set by the MAT Pay Committee to ensure equality of pay, matching the size and needs of the school. As part of the

Teacher's Pay and Conditions Policy the school ensures that an annual salary statement is given to all teachers clearly outlining their salary range and TLRs where applicable. Each Academy buys into the services of the Birmingham payroll. The Executive Head Teacher has his performance management carried out by an external consultant who reports back to the Chair of the Board of Trustees. The Pay Review Committee carries out a sample and cross section of all performance management procedures across schools.

Trustees' report continued

Related parties and other Connected Charities and Organisations

The Multi Academy Trust works with many school networks within the Birmingham LA and beyond. This involves working with schools in Blackpool, Coventry and Gloucester. The Trust has also forged collaborative links with Create Partnership Trust and Romero MAC. Robin Hood Academy has a Confucius Classroom and also visits schools in China to develop teaching/learning and forge international study and pedagogy. Robin Hood Academy is developing into a Global Learning Hub and is supporting other schools in the Birmingham LA with this work. The Academy has strong partnerships with The Birmingham Repertory Theatre, more recently with the Birmingham Royal Ballet together with other art organisations to sustain its Artsmark Platinum. The Trust has also supported schools that require improvement through providing support through a Service Level Agreement. Both academies have supported various charities working closely with The Salvation Army, Barnardos and supporting the Birmingham Children's Hospital. UNICEF and the Rights of the Child form the basis of the Trust's philosophy and practice. The Academies receive training from this organisation. The Trust is developing partnership work with Universities - in particular with Worcester and Warwick University.

Objectives and activities

Objects and aims
The strategic goal of Robin Hood Multi Academy Trust is to provide a genuinely world class learning experience for all children that builds on innovative practice within a broad and balanced curriculum. Innovation and risk taking which push the boundaries of education are central to the operation of the trust and its values.

Objectives, strategies and activities

The main objectives for the year are:
- To build the capacity for growth within the trust
- To further develop the consistency of approach across the trust
- To create a culture of innovation within all MAT schools.
- Growth mindset and mindfulness
- Mastery for all to ensure success for all - 'Achievement for All'

The strategies adopted for achieving these objectives are:
- Creation of MAT Growth Plan.
- Forging close links with the DFE to ensure accurate evaluation of trust capacity
- Formation of the HT Steering Group
- External and peer reviews of each school (reported back to the Executive Board)

Significant activities linked to the trust's charitable activities, and how they further its aims, have been:
- Supporting school to school improvement through BEP
- Joining the Birmingham CEO group
- UCL/Deloitte national CEO programme
- Engaged with promoting the trust nationally
- Developing the professional development of staff for the good of the pupils and wider community
- Offering opportunities for all our pupils beyond the national curriculum expectations

Trustees' report continued

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Robin Hood Multi Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Trustees' report continued

Strategic Report

Cedars Academy Performance

	Key Stage 2				
	Reading	Writing	Maths	EGPS	RWM combined
2018	ES: 64%	ES: 69%	ES: 68%	ES: 76%	ES: 52%
	GD: 17%	GD: 13%	GD: 14%	GD: 31%	GD: 4%
	NA: 75%	NA: 78%	NA: 76%	NA: 78%	NA: 64%

Cedars reviews of T&L.

Cedars had an external review of teaching and learning carried out by HMI Paul Weston on the 22nd November 2017. The school was judged to be good and focusing on the correct issues to move it forward. This was supported by a visit from Sajid Gulzar (HTB representative for the RSC) who judged the school to be working on the correct areas to move it forward. It was acknowledged that there is still a data lag, however the three year trend for attainment and progress is on an upward trajectory. The next external review of Cedars is on the 10th October 2018.

Robin Hood Academy Performance

	GLD	Y1 Phonics	Key Stage 1			Key Stage 2				
			Reading	Writing	Maths	Reading	Writing	Maths	GAPS	RWM combined
2018	67%	74.6%	ES: 76.7%	ES: 71.1%	ES: 75.5%	ES: 72.2%	ES: 81.1%	ES:67.8%	ES: 82.2%	ES: 62.2%
			GD: 24.4%	GD: 18.9%	GD: 24.4%	GD: 28.9%	GD: 26.7%	GD: 20%	GD: 44%	GD:11.1%
	NA:71%	NA:81%	NA:76%	NA:68%	NA:75%	NA:75	NA:78	NA:76	NA:78	NA:64

Trustees' Report continued

Robin Hood review of T&L.

Robin Hood Academy was inspected in November 2016 and received a 'good' OFSTED grade. Robin Hood had an external review in early June 2018 which was carried out by Paul Weston HMI who indicated the school was progressing on key areas identified in the last OFSTED. The next external review will be carried out by a link Trust in Spring 2019.

Safeguarding.

The MAT has moved forward with safeguarding systems over the past year including:

- CPOMS has been rolled out across the MAT which allows all safeguarding concerns to be captured electronically with notifications flagged automatically to the DSLs in each school.
- A safeguarding working party has been formed across the schools to share effective practice.
- Mandy Harrison has been nominated as the Executive Board lead person for safeguarding.
- The SCRs of all schools have been checked by the HTs, Executive HT and Paul Weston along with the Chairs of Governors.
- The number of safeguarding concerns and categories including MASH referrals have been reported on a regular basis to the Executive Board with the number of both school's referrals scrutinised and compared relative to pupil numbers.

Performance Management systems.

All Performance Management for 2017/18 have been closed across the MAT and the Executive Board have reviewed a cross sample of staff Performance Management paperwork and decision making processes.

DFE Progress and Update

Relationships with the DFE over the past two years have continued to grow and develop and in 2017/18 progress was made in the following areas:

- The DFE granted Yenton Primary and Ulverley Primary, Academy Orders to join the Trust on January 1st 2019.
- A MAT review of the Trust took place in June at the DFE offices and positive feedback was received.
- A member of the HTB visited Cedars Academy to check on progress and reported back positively.
- A grant of £120,000 was awarded to the Trust as part of a successful MDIF bid.

Relationship with BEP

Robin Hood MAT is well respected within the Birmingham Education Partnership and especially strong relationships have been forged with Tracy Ruddle (Head of School Improvement) and Pat Smart (Vice Chair of BEP). These partnerships, along with Robin Hood's track record for school improvement, mean that as a small MAT, we are well positioned.

NQT Programme

After the success of the MAT NQT programme in which 5 NQTs passed through, this is running again but has been revised to take into account NQT feedback from last year. Improvements to the programme this year will see NQTs gain more experience in taking part in learning walks and seeing effective practice in action whilst maintaining a balance of theory based approach.

Trustees' report continued

Recruitment and Retention

Last year saw the MAT recruit across two schools and work closely with Yenton. In order to bring in high quality staff across the MAT all advertisements were done through the trust rather than being targeted at a specific school vacancy. This model worked well and adverts focused on selling the uniqueness of the MAT to potential candidates. It is through this joined up approach that we were able to recruit five high quality NQTs, a MAT Business Manager and other key support staff.

In terms of retention of staff, the MAT is acutely aware of the ever increasing workload of staff and the need to retain high calibre staff. In order to do this the following initiatives have been implemented:

- Ambitious staff have the opportunity to request a secondment within the MAT to further their careers - last year this was taken up by two staff and this year we have enabled additional staff to take on new opportunities within the MAT that have resulted in a promotion.
- 'No Pen Friday' has been continued which occurs on the second Friday of a new term and the penultimate Friday. On these days staff are expected to deliver the curriculum in a creative way that sees children learn in an innovative way - in doing this the staff do not generate marking for the day although we still expect high quality learning. Each school then lays on a free lunch in the staffroom with all staff asked to attend to build team spirit. Schools then expect staff to leave at 4pm to enable them to start the weekend that bit earlier - the initiative so far has been a real success.

Recruitment and Retention continued

- Mindfulness days - this is a new initiative across the MAT in which each staff member is entitled to one mindfulness day a year to use towards their mental health - this might be to get away to the country for a day or to take a long weekend. The initiative is cost neutral as all days are covered internally and a guiding set of principles regarding when and how days can be booked have been shared with all staff.
- MAT INSET - one after school INSET per term is dedicated to a MAT get together event which sees staff from across the schools join up to get to know each other better and build team spirit.

Direct Costs

- Direct costs as a percentage of total costs were 65.3.% (2017 : 67.8%)
- Support costs as a percentage of total costs were 34.7% (2017 : 32.2%)
- Total payroll costs as a percentage of recurring income were 75.8% (2017 : 71.5%)

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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.

Trustees' report continued

Financial Review

The financial results of Robin Hood Multi Academy are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Multi Academy.

During the year ended 31 August 2018 total resources expended were £5,474,756 and the shortfall of income over expenditure was £121,965 which included depreciation of £255,546.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The multi academy had total funds at 31 August 2018 of £6,543,757 which included £511,068 restricted funds not available for general purposes of the multi academy trust, £917,678 of free reserves defined as unrestricted funds available for general purposes and £8,352,011 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,428,746.

In addition, the deficit on the restricted pension fund of £3,237,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Budgeted expenditure for 2018/19 is £5,405,218.

Investment Policy

Any surplus funds are held in a current account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Trustees' report continued

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Plan for Future Periods

The growth strategy for the trust continues to be centred around developing a world class MAT and working with like minded schools to innovate and create change within the education system. The MAT operates a 'no approach' policy where schools are not contacted and asked to join the MAT. Growth is based on reputational standing within the Midlands and relationships with the DFE and BEP (Birmingham Education Partnership) rather than targeting schools. In 2018/19 the trust aims to effectively integrate Yenton and Ulverley into the MAT. The MAT strategy is based on sustainable growth which is driven by school improvement rather than focusing on improving budgets as the main driver. In doing this we aim to future proof the MAT from growing too big too soon and becoming another larger ineffective MAT.

Auditor

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on .....5/12/18..... and signed on the board's behalf by:

..... Martin Collard - Chair of Trustees

Governance statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal/Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Robin Hood Multi Academy 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 :

Review of Executive Board
In the 2017/18 academic year the Executive Board met a total of seven times (3 times as a Full Executive Board, 3 times in sub committees, 1 pay review committee) and covered the following areas:

- Working directly with the DFE to identify MAT growth capacity.
- Review of Performance Management processes (random cross section) and staff increments
- Key policy check and review
- Review effectiveness of monitoring linked to teaching and learning
- Annual review of teaching and learning across each school
- Key data checks - attainment and progress
- Review safeguarding trails and test out rigour of system
- Health and safety plus review wellbeing processes for staff and pupils
- Strategic annual planning for the MAT
- Link work with governing bodies of MAT schools
- Budget monitoring.

Governance statement continued

Attendance of the full MAT Executive Board Meetings was as follows:

	30th Nov 2017	28th March 2018	18th July 2018
Martin Collard (Chair)	✓	✓	✓
Mandy Harrison	✓	✓	✓
Jo Kerr	Apologies	✓	Apologies
Des Hewitt	Apologies	Apologies	Resigned as a trustee
Steve Taylor	✓	✓	✓
Wendy McClelland	✓	✓	Apologies
John McDermott	✓	✓	✓
Joe Purnell	✓	✓	✓
Sam Fenn	Joined as a trustee in May 2018		✓

Attendance of the Finance/HR sub committee was as follows:

	27th September 2017	7th February 2018	23rd May 2018
Martin Collard	✓	✓	✓
Jo Kerr (Chair)	✓	✓	✓
Steve Taylor	✓	✓	✓
John McDermott	✓	✓	✓

Attendance of the Standards sub-committee was as follows:

	27th September 2017	7th February 2018	23rd May 2018
Mandy Harrison	✓	✓	✓
Des Hewitt (Chair)	Apologies	✓	✓
Steve Taylor	✓	✓	✓
Wendy McClelland	✓	✓	✓
Joe Purnell	✓	✓	✓

Meeting with the DFE strategy team (Leah Ireland and Sue Crease) for MAT Review

	3rd May 2018
Martin Collard (Chair of Exec Board)	✓
Steve Taylor	✓
John McDermott	✓

Governance statement continued

All Executive Board Trustees and Members have completed pecuniary interest forms and these are accessible on the Robin Hood MAT website www.robinhoodMAT.co.uk

Robin Hood Governing Body

Robin Hood Academy continues to operate the traditional model of a Governing Body. Ateeq Khan remains the Chair of Governors and out of 15 vacancies for Governors there are currently eleven in post. Vacancies are live on Inspiring Governance.

In addition to the Governing Body, Robin Hood continues to run a community forum aimed at gaining a greater insight into parent voice and the wider community.

Cedars Academy Advisory Board

The Advisory Board met three times across last academic year to monitor teaching and learning across the school along with safeguarding procedures. All other responsibilities were held by the MAT Executive Board.

The Advisory Board has the former Chair of Governors as the Chair and consists of: one external HT, two parent representatives, a staff representative and the HT of Cedars. The Executive HT is also part of the process.

Review of value for money

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

The accounting officer considers how the trust's use of resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by :

- Income generation eg school improvement consultancy and successful grant bids including CIF and MDIF
- Working collaboratively across the trust and utilising staff across both schools
- Starting to centralise services and procuring contracts as a MAT

The Purpose of the System of Internal Control

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

Governance statement continued

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi Academy Trust's significant risks that has been in place for the year 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 multi academy'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, audit and HR 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 not to appoint an internal auditor. However the trustees have appointed

- drb Schools and Academies Services, an external financial management company, to perform additional checks specifically the Internal Review of Controls

Their role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control accounts / bank reconciliations
- review of contracts
- review of I&E
- capital grant expenditure

On a termly basis, the Responsible Officer reports are presented to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Governance statement continued

Review of Effectiveness

As accounting officer, Steve Taylor, chief executive officer, has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal reviewer
- the work of the external auditor;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

Governance statement continued

Review of Effectiveness continued

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

Approved by order of the members of the board of trustees on 5 December 2018 and signed on its behalf by:

Martin Collard
Chair of Trustees

Steve Taylor
Accounting Officer

Robin Hood Multi Academy Trust
(A Company Limited by Guarantee)

Statement of regularity, propriety and compliance

As accounting officer of Robin Hood Multi Academy Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy 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 the ESFA.

.....Steve Taylor – Accounting Officer

...5.... December..... 2018

Statement of Trustees' Responsibilities

The trustees (who act as governors of Robin Hood 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements 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; and
- 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 the 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 ..5.....December.....2018 and signed on its behalf by:

.....Martin Collard – Chair of Trustees

Independent Auditor's Report on the Financial Statements to the Members of Robin Hood Multi Academy Trust

Opinion

We have audited the financial statements of Robin Hood Multi Academy (the 'Multi Academy trust') for the period 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period 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
- have been prepared in accordance with the Charities SORP 2015 and the 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 Multi Academy trust 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 Multi Academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 19), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

Auditor's responsibilities for the audit of the financial statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

13 December 2018

Independent Reporting Accountant's Assurance Report on Regularity to Robin Hood Multi Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 10 July 2014 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 the Robin Hood Multi Academy Trust during the year 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 Robin Hood 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 Robin Hood Multi Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Robin Hood Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Robin Hood Multi Academy Trust's funding agreement with the Secretary of State for Education dated 30 September 2013 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 year 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.

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

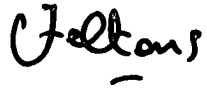
The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the multi academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Independent Reporting Accountant's Assurance Report on Regularity to Robin Hood Multi Academy and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

13 December 2018

Robin Hood Multi Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2018 (including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Income from :							
Donations and capital grants	2	2,969	-	-	264,122	267,091	139,909
Transfer from local authority on conversion		-	-	-	-	-	3,706,586
Funding for the academy trust's educational operations	3	283,097	-	4,786,284	-	5,069,381	5,054,248
Other trading activities	4	15,303	-	-	-	15,303	16,333
Investments	5	1,016	-	-	-	1,016	1,061
Total		302,385	-	4,786,284	264,122	5,352,791	8,918,137
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6	119,415	222,000	4,873,996	259,345	5,474,756	5,087,071
Total		119,415	222,000	4,873,996	259,345	5,474,756	5,087,071
Net income/(expenditure) before transfers		182,970	(222,000)	(87,712)	4,777	(121,965)	3,831,066
Transfers between funds	15	-	-	(103,322)	103,322	-	-
Net income/(expenditure) after transfers		182,970	(222,000)	(191,034)	108,099	(121,965)	3,831,066
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	15, 23	-	491,000	-	-	491,000	(319,000)
Net movement in funds		182,970	269,000	(191,034)	108,099	369,035	3,512,066
Reconciliation of funds							
Total funds brought forward	16	734,708	(3,506,000)	702,102	8,243,912	6,174,722	2,662,656
Total funds carried forward		917,678	(3,237,000)	511,068	8,352,011	6,543,757	6,174,722

All of the Academy's activities derive from continuing operations during the above two financial periods.

Robin Hood Multi Academy Trust
(A Company Limited by Guarantee)

Company number : 08686006
Balance sheet as at 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	12		8,110,451		8,218,601
Current assets					
Debtors	13	367,009		148,894	
Cash at bank and in hand		1,378,181		1,720,171	
		1,745,190		1,869,065	
Liabilities					
Creditors: amounts falling due within one year	14	74,884		406,944	
Net current assets			1,670,306		1,462,121
Total assets less current liabilities			9,780,757		9,680,722
Net assets excluding pension liability			9,780,757		9,680,722
Defined benefit pension scheme liability	23		(3,237,000)		(3,506,000)
Total net assets			6,543,757		6,174,722
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	15	8,352,011		8,243,912	
General fund	15	511,068		702,102	
Pension reserve	15	(3,237,000)		(3,506,000)	
Total restricted funds			5,626,079		5,440,014
Unrestricted income funds	15		917,678		734,708
Total funds			6,543,757		6,174,722

The financial statements on pages 26 to 51 were approved by the trustees, and authorised for issue on 5 December 2018 and are signed on their behalf by:

..... Martin Collard - Chair of Trustees

Statement of cash flows for the year ended 31 August 2018

	Notes	2017/18 £	2016/17 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	19	(455,933)	204,470
Cash transferred on conversion to academy trust		-	217,226
Cash flows from investing activities	20	113,943	(184,556)
		(341,990)	237,140
Cash and cash equivalents at 1 September 2017		1,720,171	1,483,031
Cash and cash equivalents at 31 August 2018	21	1,378,181	1,720,171

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 multi 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.

Robin Hood Multi Academy meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a year of at least one year from the date of authorisation for issue of the financial statements and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi 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 recognised when the multi academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

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

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

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

1. Statement of accounting policies (continued)

Income (continued)

- **Other income**
  Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy 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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

  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 multi academy trust's accounting policies.

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

1. Statement of accounting policies (continued)

Tangible fixed assets (continued)

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

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

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 25% reducing balance
Computer hardware	- 20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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 academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

The academy trust only holds basic financial instruments as defined by 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. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. 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.

Leased assets

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

1. Statement of accounting policies (continued)

Taxation

The multi academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

Pension benefits

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

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

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

1. Statement of accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 or Department for Education.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

Notes to the financial statements for the year ended 31 August 2018 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
Capital grants	-	-	264,122	264,122	136,587
Other donations	2,969	-	-	2,969	3,322
	2,969	-	264,122	267,091	139,909
2017 total	3,322	-	136,587	139,909	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	Total 2016/17 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	4,042,597	-	4,042,597	3,961,627
Other DfE Group grants	-	601,993	-	601,993	556,419
	-	4,644,590	-	4,644,590	4,518,046
Other government grants					
Local authority grants	-	135,694	-	135,694	192,000
	-	135,694	-	135,694	192,000
Other income from the academy trust's educational operations	283,097	6,000	-	289,097	344,202
	283,097	141,694	-	424,791	536,202
	283,097	4,786,284	-	5,069,381	5,054,248
2017 total	344,202	4,710,046	-	5,054,248	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Hire of facilities	15,303	-	15,303	16,333
	15,303	-	15,303	16,333
2017 total	16,333	-	16,333	

Notes to the financial statements for the year ended 31 August 2018 (continued)

5. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	Total 2016/17 £
Short term deposits	1,016	-	1,016	1,061
2017 total	1,061	-	1,061	

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Non pay expenditure Other £	Total 2017/18 £	Total 2016/17 £
Academy's educational operations					
Direct costs	3,102,073	176,803	292,306	3,571,182	3,447,733
Allocated support costs	982,101	345,736	575,737	1,903,574	1,639,338
	4,084,174	522,539	868,043	5,474,756	5,087,071
2017 total	3,725,383	550,203	811,485	5,087,071	

Net income/(expenditure) for the period includes :

		2017/18 £	2016/17 £
Operating leases	- plant and machinery	9,323	7,864
Depreciation		255,546	247,890
Loss on disposal of fixed assets		3,799	-
Fees payable to auditor	- audit	8,750	8,250
	- other services	260	-

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/18 £	Total 2016/17 £
Educational operations					
Direct costs	47,422	-	3,523,760	3,571,182	3,447,733
Support costs	71,993	222,000	1,609,581	1,903,574	1,639,338
	119,415	222,000	5,133,341	5,474,756	5,087,071
2017 total	393,641	178,000	4,515,430	5,087,071	
Analysis of support costs					
Support staff costs	-	222,000	760,101	982,101	704,439
Depreciation	-	-	82,542	82,542	145,460
Technology costs	-	-	19,144	19,144	12,884
Premises costs	-	-	279,838	279,838	313,766
Other support costs	71,993	-	457,491	529,484	452,914
Governance costs	-	-	10,465	10,465	9,875
Total support costs	71,993	222,000	1,609,581	1,903,574	1,639,338
2017 total	69,169	178,000	1,392,169	1,639,338	

8. Staff

a) Staff costs

Staff costs during the year were:

	Total 2017/18 £	Total 2016/17 £
Wages and salaries	2,861,851	2,685,369
Social security costs	273,241	257,979
Pension costs	869,754	666,746
	4,004,846	3,610,094
Agency staff costs	76,828	115,289
Staff restructuring costs	2,500	-
	4,084,174	3,725,383

	Total 2017/18 £	Total 2016/17 £
Staff restructuring costs comprise :		
Severance payments	2,500	-
	2,500	-

b) Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,500 (2017: £nil). Individually, the payments were: £2,500 made in May 2018.

c) Staff numbers

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

	2017/18 Number	2016/17 Number
Teachers	52	54
Administration and support	65	69
Management	5	9
	122	132

8. Staff (continued)

d) Higher paid staff

	2017/18 Number	2016/17 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	3	3
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-

e) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £437,876 (2017 : £834,515)

9. Central services

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

Category	Basis
Central support costs	4% of general annual grant

The actual amounts charged during the year were as follows :

	2017/18 £	2016/17 £
Robin Hood Academy	100,359	97,742
Cedars Academy	61,144	60,953
	161,503	158,695

10. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Steve Taylor (Executive Head Teacher)	
Remuneration	£80, 000- £85,000 (2017 : £75,000 - £80,000)
Employer's pension contributions paid	£10,000 - £15,000 (2017 : £10,000 - £15,000)
Joe Purnell (Head teacher)	
Remuneration	£65,000 - £70,000 (2017 : £65,000 - £70,000)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £10,000 - £15,000)
John McDermott (Finance Director) - appointed 1 September 2016	
Remuneration	£50,000 - £55,000 (2017 : £nil)
Employer's pension contributions paid	£5,000 - £10,000 (2017 : £nil)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 : £1,016) were reimbursed or paid directly to nil (2017 : one) trustees.

11. Trustees' and officers' insurance

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

12. Tangible fixed assets

	Assets under construction £	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation					
At 1 September 2017	-	8,360,889	233,439	223,514	8,817,842
Additions	71,335	35,919	13,938	67,003	188,195
Disposals	-	-	-	(4,749)	(4,749)
Adjustment	-	(37,000)	-	-	(37,000)
At 31 August 2018	71,335	8,359,808	247,377	285,768	8,964,288
Depreciation					
At 1 September 2017	-	383,002	125,546	90,693	599,241
Charge for the year	-	167,934	30,460	57,152	255,546
Elimination on disposals	-	-	-	(950)	(950)
At 31 August 2018	-	550,936	156,006	146,895	853,837
Net book values					
At 31 August 2018	71,335	7,808,872	91,371	138,873	8,110,451
At 31 August 2017	-	7,977,887	107,893	132,821	8,218,601

Leasehold property for Robin Hood Academy was valued in May 2014 at £3,523,000 by Mouchel and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Leasehold property for Cedars Academy was valued in July 2017 at £4,212,022 by DVS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2018 is represented by :

	Assets under construction £	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2014	-	3,523,000	122,317	33,454	3,678,771
Valuation in 2017	-	4,212,022	46,717	97,621	4,356,360
Cost	71,335	624,786	78,343	154,693	929,157
	71,335	8,359,808	247,377	285,768	8,964,288

13. Debtors

	Total 2018 £	Total 2017 £
Debtors from operations	7,313	-
VAT recoverable	223,204	16,656
Prepayments and accrued income	136,492	129,268
Other debtors	-	2,970
	367,009	148,894

14. Creditors

	Total 2018 £	Total 2017 £
Amounts falling due within one year :		
Creditors from operations	964	-
Accruals and deferred income	73,909	224,385
Other creditors	11	182,559
	74,884	406,944
Deferred income		
Deferred income at 1 September 2017	55,317	54,553
Resources deferred in the year	57,102	55,317
Amounts released from previous years	(55,317)	(54,553)
Deferred income at 31 August 2018	57,102	55,317

At the balance sheet date the multi academy trust was holding funds received in advance for free school meals.

15. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	702,102	4,042,597	(4,130,309)	(103,322)	511,068
Other DfE Group grants	-	601,993	(601,993)	-	-
Other grants	-	141,694	(141,694)	-	-
	702,102	4,786,284	(4,873,996)	(103,322)	511,068
Restricted fixed asset funds					
Transfer on conversion	7,533,341	-	(202,198)	-	7,331,143
DfE Group capital grants	271,707	264,122	(20,241)	(2,940)	512,648
Capital expenditure from GAG	397,811	-	(33,156)	106,262	470,917
Local authority funding	41,053	-	(3,750)	-	37,303
	8,243,912	264,122	(259,345)	103,322	8,352,011
Pension reserve	(3,506,000)	-	(222,000)	491,000	(3,237,000)
Total restricted funds	5,440,014	5,050,406	(5,355,341)	491,000	5,626,079
Unrestricted funds					
Other income	734,708	302,385	(119,415)	-	917,678
Total unrestricted funds	734,708	302,385	(119,415)	-	917,678
Total funds	6,174,722	5,352,791	(5,474,756)	491,000	6,543,757

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

Restricted general funds
These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Unrestricted funds
These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds
These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

15. Funds (continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	392,556	3,961,627	(3,519,121)	(132,960)	702,102
Other DfE Group grants	-	556,419	(556,419)	-	-
Other grants	-	192,000	(192,000)	-	-
	392,556	4,710,046	(4,267,540)	(132,960)	702,102
Restricted fixed asset funds					
Transfer on conversion	3,382,476	4,356,360	(205,495)	-	7,533,341
DfE Group capital grants	194,428	92,182	(14,903)	-	271,707
Capital expenditure from GAG	288,991	-	(24,140)	132,960	397,811
Local authority Funding	-	44,405	(3,352)	-	41,053
	3,865,895	4,492,947	(247,890)	132,960	8,243,912
Pension reserve	(2,142,000)	(867,000)	(178,000)	(319,000)	(3,506,000)
Total restricted funds	2,116,451	8,335,993	(4,693,430)	(319,000)	5,440,014
Unrestricted funds					
Other income	546,205	582,144	(393,641)	-	734,708
Total unrestricted funds	546,205	582,144	(393,641)	-	734,708
Total funds	2,662,656	8,918,137	(5,087,071)	(319,000)	6,174,722

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	392,556	8,004,224	(7,649,430)	(236,282)	511,068
Other DfE Group grants	-	1,158,412	(1,158,412)	-	-
Other grants	-	333,694	(333,694)	-	-
	392,556	9,496,330	(9,141,536)	(236,282)	511,068

15. Funds (continued)

Current year 12 months and prior year 12 months combined position (continued)

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted fixed asset funds					
Transfer on conversion	3,382,476	4,356,360	(407,693)	-	7,331,143
DfE Group capital grants	194,428	356,304	(35,144)	(2,940)	512,648
Capital expenditure from GAG	288,991	-	(57,296)	239,222	470,917
Local authority Funding	-	44,405	(7,102)	-	37,303
	3,865,895	4,757,069	(507,235)	236,282	8,352,011
Pension reserve	(2,142,000)	(867,000)	(400,000)	172,000	(3,237,000)
Total restricted funds	2,116,451	13,386,399	(10,048,771)	172,000	5,626,079
Unrestricted funds					
Other income	546,205	884,529	(513,056)	-	917,678
Total unrestricted funds	546,205	884,529	(513,056)	-	917,678
Total funds	2,662,656	14,270,928	(10,561,827)	172,000	6,543,757

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows :

	Total 2017/18 £	Total 2016/17 £
Robin Hood Academy	947,059	1,078,427
Cedars Academy	303,541	213,179
Central services	178,146	145,204
Total before fixed assets and pension reserve	1,428,746	1,436,810
Restricted fixed asset fund	8,352,011	8,243,912
Pension reserve	(3,237,000)	(3,506,000)
Total funds	6,543,757	6,174,722

15. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total 2017/18
	£	£	£	£	£
Robin Hood Academy	2,137,097	403,291	27,581	732,267	3,300,236
Cedars Academy	964,976	477,500	20,195	317,791	1,780,462
Central services	-	101,310	-	33,403	134,713
Academy trust	3,102,073	982,101	47,776	1,083,461	5,215,411
2017 total	3,020,944	704,439	135,858	977,940	4,839,181

16. Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,110,451	8,110,451
Current assets	917,678	-	585,952	241,560	1,745,190
Current liabilities	-	-	(74,884)	-	(74,884)
	917,678	-	511,068	8,352,011	9,780,757
Pension scheme liability	-	(3,237,000)	-	-	(3,237,000)
Total net assets	917,678	(3,237,000)	511,068	8,352,011	6,543,757

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

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	8,218,601	8,218,601
Current assets	734,708	-	1,109,046	25,311	1,869,065
Current liabilities	-	-	(406,944)	-	(406,944)
	734,708	-	702,102	8,243,912	9,680,722
Pension scheme liability	-	(3,506,000)	-	-	(3,506,000)
Total net assets	734,708	(3,506,000)	702,102	8,243,912	6,174,722

17. Capital commitments

	2018	2017
	£	£
Contracted for but not provided in the financial statements	173,719	-

18. Commitments under operating leases

At 31 August 2018 the total of the multi academy trust's future minimum lease payments under non-cancellable operating leases was:	Other	
	Total 2018	Total 2017
	£	£
Amounts due within one year	9,323	9,609
Amounts due between one and five years	1,908	11,231
	11,231	20,840

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

	Total 2017/18	Total 2016/17
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(121,965)	3,831,066
Adjusted for :		
Depreciation (note 12)	255,546	247,890
Loss on disposal of fixed assets	3,799	-
Capital grants from DfE and other capital income	(264,122)	(136,587)
Interest receivable (note 5)	(1,016)	(1,061)
Cash transferred on conversion to multi academy trust	-	(217,226)
Assets transferred on conversion to multi academy trust	-	(4,356,360)
Defined benefit pension scheme obligation inherited	-	867,000
Defined benefit pension scheme cost less contributions payable	122,000	195,000
Defined benefit pension scheme finance cost/(income) (note 23)	100,000	(17,000)
Decrease / (increase) in debtors	(218,115)	(74,605)
Increase / (decrease) in creditors	(332,060)	(133,647)
Net cash provided by / (used in) operating activities	(455,933)	204,470

20. Cash flows from investing activities

	Total 2017/18	Total 2016/17
	£	£
Interest received	1,016	1,061
Purchase of tangible fixed assets	(188,195)	(322,204)
Adjustment to tangible fixed assets	37,000	-
Capital grants from DfE Group	264,122	136,587
Net cash provided by / (used in) investing activities	113,943	(184,556)

21. Analysis of cash and cash equivalents

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	1,378,181	1,720,171
	1,378,181	1,720,171

22. Members' liability

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

23. Pension and similar obligations

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

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

Contributions amounting to £40,969 (2017 : £51,636) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

23. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The 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 April 2019.

The employer's pension costs paid to TPS in the year amounted to £295,642 (2017 : £290,661).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £327,000 (2017 : £184,000), of which employer's contributions totalled £267,000 (2017 : £141,000) and employees' contributions totalled £60,000 (2017 : £43,000). The agreed contribution rates for future years are between 18.5% and 19.7% for employers and between 5.5% and 8.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 27 years.

23. Pension and similar obligations (continued)

Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.65%	2.60%
Inflation assumption (CPI)	1.50%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	4,242	4,319	4,329	4,378
Projected service cost	353	344	362	365
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	4,242	4,348	4,158	4,111
Projected service cost	353	362	344	343

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
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	635,000	427,000
Government bonds	73,000	50,000
Other bonds	37,000	26,000
Property	82,000	50,000
Cash/liquidity	37,000	33,000
Other	141,000	90,000
Total market value of assets	1,005,000	676,000

The actual return on scheme assets was £9,000 (2017 : £96,000).

	2017/18 £	2016/17 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	402,000	252,000
Net interest cost	87,000	67,000
Total amount recognised in the SOFA	489,000	319,000

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

	2017/18 £	2016/17 £
At 1 September 2017	4,182,000	2,619,000
Conversion of academy trusts	-	867,000
Current service cost	402,000	252,000
Interest cost	109,000	79,000
Changes in financial assumptions	(504,000)	229,000
Change in demographic assumptions	-	(32,000)
Experience (gain) on defined benefit obligation	-	130,000
Benefits paid net of transfers in	(7,000)	(5,000)
Contributions by participants	60,000	43,000
At 31 August 2018	4,242,000	4,182,000

23. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017/18	2016/17
	£	£
At 1 September 2017	676,000	477,000
Interest income	22,000	12,000
Return on assets less interest	(13,000)	84,000
Other actuarial (losses)	-	(76,000)
Employer contributions	267,000	141,000
Contributions by participants	60,000	43,000
Benefits paid net of transfers in	(7,000)	(5,000)
At 31 August 2018	1,005,000	676,000
Net pension scheme liability	(3,237,000)	(3,506,000)

24. Related party transactions

Owing to the nature of the academy 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 relating to connected and related party transactions.

No related party transactions took place in the year of account other than certain trustees' remuneration and expenses already disclosed in note 10.