

Company Registration Number: 09692191 (England & Wales)

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2017

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VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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Reference and Administrative Details
For the year ended 31 August 2017

Members	Mr Chris Coyston Mr John Utting Mr David Lister
Trustees	Mr Chris Coyston, Chair Mr John Utting (resigned 10 October 2017) Mr Graham Chisnell ¹ Miss Anne-Marie Middleton ¹ Mrs Mandy Price (resigned 10 December 2016) Mr Jeremy King Mr Douglas Price Mr David Lister ¹ ¹ Member of the Finance Group
Company registered number	09692191
Company name	Veritas Multi Academy Trust
Principal and registered office	Warden House Primary School Birdwood Avenue Deal Kent CT14 9SF
Company secretary	Mrs Alison Moon
Senior management team	Mr Graham Chisnell, Principal Miss Anne - Marie Middleton, Deputy Principal Mrs Alison Moon, School Business Manager
Independent auditors	Williams Giles Chartered Accountants Statutory Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank Plc Sandgate Road Folkestone Kent CT20 1RZ
Solicitors	Winkworth Sherwood LLP Minerva House 5 Montahue Close London SE1 9BB
Surveyors	Barker Associates LLP Majesty House, Avenue West Skyline 120 Braintree, Essex CM77 7AA

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Trustees' Report
For the year ended 31 August 2017

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

The trust operates 1 primary academy in Deal, Kent. Its academies have a combined pupil capacity of 450 and had a roll of 435 in the school census on 18 May 2017.

Structure, governance and management

a. Constitution

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

The charitable company's Memorandum and Articles of Association is the primary governing documents of the academy trust.

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

The charitable company is known as Veritas Multi Academy Trust.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

Subject to articles 48-49 and 53, the Academy Trust shall have the following Trustees:

1. Trustees appointed under Article 50; and
2. the Executive Principal; and
3. the Academy Trustee(s) appointed under Article 51; and
4. any Executive Trustees appointed under Article 50AA;
5. a minimum of 2 Parent Trustees if elected or appointed under Articles 53-56

The Academy Trust may also have any co-opted Trustee appointed under Article 58

The Trustees may appoint by ordinary resolution such number of Trustees as they see fit.

The Trustees may appoint Executive Trustees through such process as they may determine.

The total number of Trustees including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

A formal application process takes place when recruiting new trustees and selection is based on skillset. Succession planning is at the forefront of the MAT growth development strategy.

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

A formal application process takes place when recruiting new trustees and selection is based on skillset. Succession planning is at the forefront of the MAT growth development strategy.

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Trustees' Report (continued)
For the year ended 31 August 2017

All new Trustees will be given a tour of the academy(/academies) and the opportunity to meet with staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans, constitutional and departmental guidance and other documents that they will need to undertake their role as trustee. Induction will be tailored specifically to the individual. Where necessary induction will provide training on charity and educational legal and financial matters. Formal induction ensures that all legal and strategic requirements are brought to the attention of the new trustee along with essential safeguarding roles and responsibilities.

e. Pay policy for key management personnel

Pay ranges are set for the CEO/Principal by trustees and pay awards through the appraisal process. Decisions for pay awards for the principal are commended by the Principal Pay Review Group and approved by the Board of Trustees annually. The CEO/Principal undertakes appraisal and pay awards for Key Management personnel including the Deputy Principal, Assistant Principal and School Business Manager. Pay awards for staff on the leadership scale are approved by the Board of Trustees. The CEO/Principal approves the pay awards for the remaining staff and the process is scrutinised by the Chair of Trustees and reported to the Board of Trustees.

f. Organisational structure

The Trust is undergoing a transitional phase where the Trust Board and Governing body is made up of the same individuals and meetings are run together with the first half dedicated to Trust matters and the second half dedicated to LGB matters. Separate minutes and agendas are issued for each to ensure clarity of the separate roles and responsibilities and to better prepare for the planned separation which is anticipated to begin from Sept 2017.

The Trust Board meet to quality assure the key financial and strategic procedures across the trust. In particular during the year of reporting significant attention has been paid to the strategic development of the trust during the planned period of growth.

LGB matters focus on the strategic plan and financial responsibilities at school level – it is planned that this will move to a regional 'hub' style as the trust develops and this group is now referred to as the Regional Governing Body (RGB).

The Trust's Scheme of Delegation has been developed and is now in place outlining the responsibilities of Members, Trustees, Regional Governing Body and the members of the Executive Group. This includes setting policies, monitoring financial health and efficiency, recruitment and appointments, monitoring the quality of teaching and learning and reporting on the safeguarding and health & safety procedures in school.

At Warden House Primary School, for the year of reporting, the leadership team comprised the Principal, Deputy-Principal, Assistant Principal, 3 x Team Leaders and the School Business Manager. Consultation with the Trust Board has supported a trial during term 6 moving to an Executive Group (Principal and SBM) with a Head of School model. The Trust Board has supported this to continue for the 2017-18 academic year.

Spending controls are outlined in the Finance Policy that is monitored by the Finance Group. Internal audits of finances are undertaken by the nominated Responsible Officer and fed back to the Trust Board to assure financial procedures in place are effective.

The Principal/Executive Principal is the Accounting Officer and meets regularly with the Chief Financial Officer/SBM; producing a quarterly monitoring report which is rigorously discussed at Finance Group Meetings and reported to the Trust Board.

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Trustees' Report (continued)
For the year ended 31 August 2017

Strategic report

Objectives and Activities

a. Objects and aims

Our mission statement is "irresistible learning for all".

Our ethos is encapsulated in three words:

Innovative

Through strong collaboration across the Trust, our academies and staff uphold an innovative approach to staff development through a deep commitment to being research active. Through a positive and dynamic approach to research based pedagogy, staff across the Trust continuously reflect on their practice to create an environment where innovation leads to irresistible learning for all.

Inclusive

With a firm belief that as a Trust we are stronger together; we create an inclusive environment across our academies where staff and pupils feel emotionally and physically safe. Our academies are outward facing and create an environment where differences in gender, culture, disability and educational needs are embraced and celebrated; leading to irresistible learning for all.

Inspirational

Through inspirational leadership, teaching and learning; our academies create a climate where children, staff and parents strive to achieve and aspire for greatness. With strong collaborations we share practice and challenge one another using the principles of mentor-coaching to celebrate success and support improvement. High standards across a rich and diverse curriculum delivered in each academy leads to irresistible learning for all that is individual to each academy but reflects the shared ethos of the Trust.

The Key Objectives for the Multi Academy Trust are:

1. To ensure high academic standards within the trust academies through high quality teaching, learning and assessment and strong leadership and management.
2. To grow the trust ensuring the trust is future proof and failsafe.
3. To appoint trustees to the Board of Trustees ensuring the skill set of the board is strong, leading to robust governance and strong outcomes for academies within the trust.
4. To build robust financial procedures to ensure academies joining the trust maintain financial regularity.

b. Objectives, strategies and activities

The key objectives for Warden House Primary School for the academic year 2016-17 are:

1. **Build resilience for pupils in reading comprehension, leading to accelerated progress for all.**
Warden House targeted the robust development of reading comprehension and as a result of staff training, mentoring for teachers and teaching assistants and a rigorous focus on the outcomes for pupils standards of reading rose in the academic year. In Key Stage 1 the school saw a rise in attainment of 9% on the previous year with 78% pupils achieving age related expectations. By end of Key Stage 2 the percentage of pupils reaching age related standards rose by 33% on the previous year to 77%.
2. **Strengthen the depth of learning across all subjects to ensure pupils deepen their knowledge, skills and understanding.**
Warden House reviewed their Teaching and Learning Policy and practice, introducing a new curriculum that challenged pupils to deepen their knowledge, skills and understanding across the curriculum. Through effective mentoring, staff were supported to devise a new curriculum and work with colleagues to form subject leadership hubs to robustly improve the provision across all subjects.
3. **Rigorously challenge the progress of pupils not yet on track to achieve combined Age Related**

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Trustees' Report (continued)
For the year ended 31 August 2017

Expectations by end of KS2.

Marshalling meetings were introduced to consider how the school are deepening learning opportunities and rigorously challenging the progress of pupils. This has led to the quality of teaching being robustly good or better for all teaching staff. This has been quality assured by governors, as a result the quality of teaching, learning and assessment at the school has been affirmed as outstanding in the school Self Review.

4. Use research-based practice to impact positively on standards within and across schools.

The school has continued to develop the research based approach to professional development. All staff across the school have a research based appraisal target. Twenty staff presented research outcomes during a whole school event and a range of research projects have been shared beyond the school through support visits and blogs. One research based practice study involved the acceleration of learning in maths through 1-1 online tutoring, this project led to a significant rise of 23% pupils attaining age related expectations in maths by end of Key Stage 2 based on the previous year.

Warden House is also co-leading the first Regional Hub in the South East for the Chartered College of Teaching. The school has continued to build on the research undertaken by its staff and share outcomes both in the locality, across the UK and beyond.

c. Public benefit

The Multi Academy Trust trustees confirm that they have taken due regard to the guidance published by the Charities Commission concerning Public Benefit.

Trustees confirm that the primary objective of the Trust is to provide a good service to the general public. The management of and future planning of the Trust consistently considers how this objective will be met.

Veritas MAT is committed to supporting community projects and embedding its schools in the heart of community activities. During the year pupils at Warden House Primary School have chosen to support the following initiatives:

Donations have been collected in association with the Rotary Club for Deal Food Bank - approx £300. Regular collections of food and grocery items also take place in support of the local food bank. A range of novelties were sold raising £400 and our Bistro raised a further £340, totalling £740 for Red Nose Day. The Ronald McDonald House was supported with over £200 and £1,250 was raised for the Kent Air Ambulance.

In association with Whole School Meals (our school meals provider) we have supported the Holiday Hunger initiative to provide free hot meals to those in the community (not just those attending the school) in receipt of free school meals during the holidays.

Achievements and performance

The key objectives for Warden House Primary School for the academic year 2016-17 are:

1. Build resilience for pupils in reading comprehension, leading to accelerated progress for all.

The outcome of this is a 9% rise in attainment in reading at Key Stage 1 based on the previous year with 78% of pupils achieving age related standards. At Key Stage 2 a rise of 33% of pupils achieving the expected standard compared with the previous year with 77% of pupils at the Age Related Standard. As a result, the progress of pupils in reading rose from below the national standards in 2016 to above the national standards in 2017 with a progress measure of 0.6.

2. Strengthen the depth of learning across all subjects to ensure pupils deepen their knowledge, skills and understanding.

Through a focus on the breadth of the curriculum, the curriculum has been re-designed to ensure pupils have access to a curriculum that engages and challenges. The school staff have introduced a new model for ensuring pupils work at greater depth in their learning across the curriculum, as a result pupil

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Trustees' Report (continued)
For the year ended 31 August 2017

engagement has increased across the subjects.

3. Rigorously challenge the progress of pupils not yet on track to achieve combined Age Related Expectations by end of KS2.

Through a robust focus on the progress of pupils, a significant rise in attainment across all subjects at Key Stage 1 and Key Stage 2, attainment in reading, writing and maths rose significantly compared with the previous year with a rise in the percentage of combined reading, writing and maths rising by 27% to 68% in Key Stage 2 and rising by 12% to 63% in Key Stage 1..

4. Use research-based practice to impact positively on standards within and across schools.

Research-Based practice was embraced by all staff with another successful Teach Meet shared by the school staff who presented on their research outcomes. The Principal was awarded a national award for research informed practice by the Cambridge Primary Review Trust. School staff have also produced and published a range of educational blogs. Through the role of National Support School the principal and staff have supported several local primary schools and have also supported schools beyond Kent.

a. Key performance indicators

As a measure of progress against the trust's key objectives (copied below) the following performance indicators are highlighted:

1. To ensure high academic standards within the trust academies through high quality teaching, learning and assessment and strong leadership and management.
2. To grow the trust ensuring the trust is future proof and failsafe.
3. To appoint trustees to the Board of Trustees ensuring the skill set of the board is strong, leading to robust governance and strong outcomes for academies within the trust.
4. To build robust financial procedures to ensure academies joining the trust maintain financial regularity.

At Warden House Primary, the academy's 'Outstanding' OFSTED grade continues to impact popularity; resulting in an increase to roll numbers from 400 to 435 year on year. This trend will continue, leaving only a handful of spaces with a roll of 445 anticipated at the start of the next financial year.

Small scale staff restructuring has provided support for the growth development of the trust, moving to an Executive Group and Head of School model allowing a targeted focus on the key objectives set and including the development of our school to school support offer.

Veritas MAT has been accredited as an academy sponsor during the period of reporting and is well placed and actively seeking schools to form partnership.

Warden House is a National Support School and the principal is a National Leader of Education, as such the school actively engages in contract support for system leadership. The school continues to commission paid and unpaid support for schools across the South East region.

Training and development of staff is a high priority and supporting several key objectives our Business Manager has graduated with a MBA Educational Leadership and Management. During the course of study research into MAT leadership and Governance has influenced trust strategic development. As an accredited Fellow of The NASBM she is also regularly requested to engage in DfE/ESFA consultation impacting the wider sector.

Prudent planning and rigorous monitoring procedures have resulted in the year-end financial position concluding very close to that forecast at the budget setting stage. Curriculum Led Financial Planning remains a high priority to ensure that the best possible resourcing is available to pupils.

b. Going concern

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

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Trustees' Report (continued)
For the year ended 31 August 2017

has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

The principal source of funding comes in the form of government grants as set out in the General Annual Grant Statement issued by the EFA. Additional funds are delegated by the Local Authority in order for the Trust to offer a range of provisions for example SEN and Pupil Premium. Other/new sources of funding secured during the period of reporting have come from accreditation as NLE/NSS (National Leader of Education/National Support School), Sponsor Growth Funding and Conditions Improvement Funding. These grants align with the key objectives of trust growth, ensuring future proof and fail safe systems are in place.

The trust invests in the training of staff and there is significant research being undertaken and new practices such as mentor coaching; in pursuit of achieving the key objectives. Staff restructuring, increasing the senior leadership team in particular, is intended to impact directly on introducing new systems for assessment and to enable the development of the School to School support offer impacting education standards in the wider locality.

a. Principal risks and uncertainties

Warden House Primary School as the only school in the Multi-Academy Trust has undertaken a company risk assessment and has in place a Business Disaster Recovery Plan that outlines the procedures to maintain the business in a disaster. Risks include equipment, documents, facilities, security, public relations and data recovery. The Regional Governing Body in each academy within the MAT is responsible for ensuring each academy adheres to the effective financial management and reports any financial risks to the Multi-Academy Trust Board.

Challenges faced by the trust include the financial cost of developing trust wide systems while still operating as a single academy with funding delegated as a single academy. It will be imperative to proceed with the MAT growth development strategy in order to stave off a deficit position by year 3.

b. Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £353,873.

c. Material investments policy

The Finance Group has been delegated the responsibility of allocating reserves to a 32 day deposit account with Lloyds. This is present in the Finance Policy and currently £60,000 is invested.

Plans for future periods

The trustees have continued to develop their experience with MAT governance since the original conversion to academy status and the subsequent setting up of our own MAT. Significant research is now underway in relation to the future development of the trust.

The Trust Business Manager has been accredited as a Fellow of the NASBM (National Association of School Business Management) and the development of central service provision will follow their Professional Standards.

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Trustees' Report (continued)
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As a growing Multi Academy Trust we propose a centralised finance and HR team, in addition we would look to other efficiencies including middle leadership, social/safeguarding, emotional wellbeing and site management. These would be funded through a combination of top-slicing and bought in services from academies. Staffing structures would be reviewed for academies when there is a change in senior leadership to allow for executive headship across groups of schools.

Our vision is to support academies to join the trust, enabling an infrastructure where the MAT can build a robust group of academies to support a sponsored academy. Academies will be primary phase as this reflects the skill set and expertise of existing trust staff, members and trustees.

As a National Support School we have been commissioned to support a number of schools in our locality. Initially, as our experience is with primary schools, we would support primary or special schools with primary cohorts.

Our business plan looks to forming a hub of schools either through sponsorship or as academy converters, assisting them to convert into our MAT and growing an infrastructure linked to our role as a National Support School providing rigorous support academies to improve where required. Geographically, we will draw academies across East Kent, with the ability to maintain a geographical connection to the academies across the trust.

Disclosure of information to auditors

In so far as the Trustees are aware:

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

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance Group.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 5 December 2017 and signed on its behalf by:

Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Trustee



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Governance Statement

Scope of Responsibility

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

The board of trustees, has delegated the day-to-day responsibility to the (Principal & chief executive), 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 Veritas Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees, any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees, has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees, was as follows:

Trustee	Meetings attended	Out of a possible
Mr Graham Chisnell	6	6
Mr Chris Coyston, Chair	5	6
Mr Jeremy King	3	6
Mr David Lister	5	6
Miss Anne-Marie Middleton	6	6
Mr Douglas Price	4	6
Mrs Mandy Price (resigned 10/12/2016)	2	2
Mr John Utting	4	6

One trustee resignation took place during the year (Mrs M Price). The Board has decided to assess the need and method of recruitment of vacant positions as part of the MAT Growth Development Strategy. Skills audits are undertaken annually. The board elected during the 15-16 year of reporting to remove the requirement for parent trustees, moving instead to a board elected based on experience and skills. (Parents will be invited to apply but being a parent will not be pre-requisite). Outside the trust board the opportunity for the parent voice to be heard will occur via the Regional Governing Body and community consultation groups.

Planning has taken place to assess the appropriate time for the Trust Board and LGB to separate in line with MAT growth. This will begin from Sept 2017. Vacancies will occur through natural wastage allowing for integration of new trustees/governors from incoming schools.

The Trust Board supports the Executive Group and Senior Leadership Team in their core objectives through consistent monitoring and challenge. They understand their function well and have previously (April 2016) been included in an OFSTED survey seeking best practice in governance.

Roles and responsibilities have been arranged to incorporate the NASBM Professional Standards sectors ensuring that all aspects of business management as well as those of educational standards are thoroughly considered and robustly challenged.

Key impact that the Trust Board has implemented during the year of reporting include:

- Oversight of the academy's marshalling process for ensuring that all teaching is at least 'good'
- Monitoring of standards. Each monitoring visit takes on a different focus and is considered in line with the academy's key objectives and success criteria
- The Finance Group monitor the trust's financial situation against that forecast feeding back to the Trust Board. Rigour is not only placed on meeting a balanced budget but also on ensuring that funds are always spent within best value principles; striving to provide the very best resources (staffing/procurement/learning environment) keeping pupil outcomes as the key priority. There have been a number of successes with external funding streams during the year of reporting
- The Estates Group are charged with the oversight of the academy building stock ensuring that the risk of closure is kept to a minimum. Health and Safety planning and inspection is monitored and the process for

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Governance Statement (continued)

Conditions Improvement Funding applications is planned. This year securing funding for a windows replacement project

- A MAT Strategy Group has been assembled during the growth phase and the strategic direction of the trust has been delegated to this group, focussing on staffing structure, operational structures (central services provision) marketing, collaboration and formal pitches with potential joiner schools.
- The Trust Board maintains focus on its ethos and values and ensures that strategies adhere to this vision
- The next self-evaluation will take place in Term 3 (17-18).

The Finance Group is a sub-committee of the main board of trustees. The Business Manager also sits on this group. Its purpose is to preside over the financial management of the trust, ensuring that adequate controls are in place to protect the public funds awarded to the trust along with privately raised funds. The group carry out monitoring procedures to identify over-spends/anomalies and discuss appropriate action if required.

No changes took place to the trustees/staff sitting on this committee during the year. Mr David Lister with a background in the financial services industry chairs this group.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr David Lister	5	5
Mr Graham Chisnell	4	5
Miss Anne-Marie Middleton	5	5
Mrs Alison Moon (CFO/SBM)	5	5

Audit committee

It has been identified that as a growing trust an audit committee will be required, however at present the internal audit function is carried out by a Responsible Office who carries out a minimum of 3 visits during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Utting	3	3
Mrs Alison Moon (CFO/SBM)	1	1
Mrs D Hunter-Wardle (Finance Asst)	2	2

Review of Value for Money

As Accounting Officer, the (Principal & chief executive) has responsibility for ensuring that the academy delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

Veritas Multi Academy Trust is committed to providing 'irresistible learning for all'. This ethos is centred around the concept of life long learning and the emerging culture is one where our staff actively embrace their own learning journeys as well as pupils. Evidence based practice ensures that we understand why we do what we do and if something does not show impact we will change our practice to something that does.

The introduction of a staff development and appraisal portal has ignited the path for learning for all staff, embracing research in all disciplines. This is ensuring that staff are suitably qualified/trained and supported to provide the best educational outcomes. It also reduces the need to buy in consultants and the element of challenge has encouraged staff to push their boundaries.

Our trustees and senior leaders consistently monitor progress against planning in standards and business sectors, providing support and challenge where required.

Procurement contracts are always considered in line with the Finance Policy ensuring best value principles are

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Governance Statement (continued)

applied.

Forecasting is carried out, taking into account anticipated changes to pupil roll numbers in order to maintain continuity in staffing and resources. Integrated curriculum led financial planning aims to support the best provision for all students.

Income generation planning is also effectively nurturing partnerships; during the year of reporting funding has been secured for a windows replacement project.

Trust Growth Funding has also been awarded following a rigorous application process. This will ensure the future financial sustainability of the trust protecting future pupil outcomes.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Veritas Multi Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees, has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees, is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

The board of trustees, has considered the need for a specific internal audit function and has decided to appoint Mr John Utting as internal auditor.

The responsible officer's role includes performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems – New starter, Leaver and contract changes are checked at random ensuring payroll is correct and that statutory employment functions (such as 'Right to work in the UK' checks) are undertaken.
- testing of purchase systems – random checks are carried out following through purchases right through to payment and bank reconciliation
- testing of control account/ bank reconciliations – checks are made choosing bank (and purchase card) transactions on a random basis, checking authorisations and compliance with Finance Policy.

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Governance Statement (continued)

On a three times per year basis, the responsible officer reports to the board of trustees, through the finance group on the operation of the systems of control and on the discharge of the board of trustees, ' financial responsibilities.

Review of Effectiveness

As Accounting Officer, the (Principal & chief executive) 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 responsible officer;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees, on 5 December 2017 and signed on their behalf, by:

Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Accounting Officer



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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Veritas Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



Mr Graham Chisnell
Accounting Officer

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the year ended 31 August 2017

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

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

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

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

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

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

Approved by order of the members of the board of trustees, on 5 December 2017 and signed on its behalf by:

Mr Chris Coyston
Chair of Trustees



VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Veritas Multi Academy Trust

Opinion

We have audited the financial statements of Veritas Multi Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of 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 academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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 Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Veritas Multi Academy Trust

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

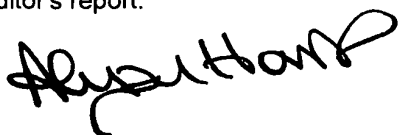
VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Veritas Multi Academy Trust

Auditor's responsibilities for the audit of the financial statements

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

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



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

Williams Giles

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: 13 December 2017

VERITAS MULTI ACADEMY TRUST

(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Veritas Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated _____ and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Veritas Multi Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Veritas 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 Veritas 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 Veritas Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Veritas Multi Academy Trust's funding agreement with the Secretary of State for Education dated 12th August 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to Veritas Multi Academy Trust
and the Education and Skills Funding Agency (continued)**

Conclusion

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

Williams Giles

Reporting Accountant

Williams Giles

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: *13 December 2017*

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the year ended 31 August 2017

		Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
	Note					
Income from:						
Donations and capital grants	2	17,869	-	8,433	26,302	2,602,020
Charitable activities	3	-	1,897,046	-	1,897,046	1,674,241
Other trading activities	4	90,678	-	-	90,678	96,061
Investments	5	449	-	-	449	698
Total income		108,996	1,897,046	8,433	2,014,475	4,373,020
Expenditure on:						
Raising funds	6	30,415	-	-	30,415	30,473
Charitable activities		-	2,061,161	166,833	2,227,994	1,946,720
Total expenditure	9	30,415	2,061,161	166,833	2,258,409	1,977,193
Net income / (expenditure) before transfers		78,581	(164,115)	(158,400)	(243,934)	2,395,827
Transfers between Funds	19	(61,535)	40,377	21,158	-	-
Net income / (expenditure) before other recognised gains and losses		17,046	(123,738)	(137,242)	(243,934)	2,395,827
Actuarial gains/(losses) on defined benefit pension schemes	23	-	472,000	-	472,000	(540,000)
Net movement in funds		17,046	348,262	(137,242)	228,066	1,855,827
Reconciliation of funds:						
Total funds brought forward		336,827	(1,207,262)	2,726,262	1,855,827	-
Total funds carried forward		353,873	(859,000)	2,589,020	2,083,893	1,855,827

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)
Registered number: 09692191

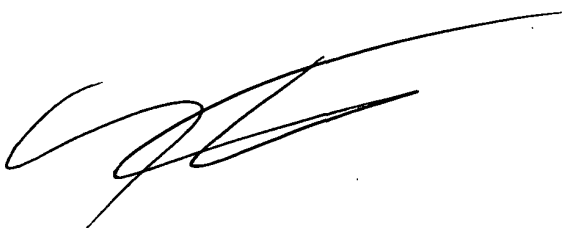
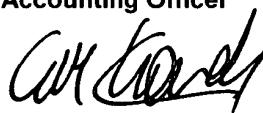
Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Tangible assets	16		2,589,020		2,726,262
Current assets					
Debtors	17	124,430		232,510	
Cash at bank and in hand		311,099		244,055	
		<u>435,529</u>		<u>476,565</u>	
Creditors: amounts falling due within one year	18	<u>(81,656)</u>		<u>(138,000)</u>	
Net current assets			<u>353,873</u>		<u>338,565</u>
Total assets less current liabilities			<u>2,942,893</u>		<u>3,064,827</u>
Defined benefit pension scheme liability	23	<u>(859,000)</u>		<u>(1,209,000)</u>	
Net assets including pension scheme liabilities			<u><u>2,083,893</u></u>		<u><u>1,855,827</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	-		1,738	
Restricted fixed asset funds	19	<u>2,589,020</u>		<u>2,726,262</u>	
Restricted income funds excluding pension liability		<u>2,589,020</u>		<u>2,728,000</u>	
Pension reserve		<u>(859,000)</u>		<u>(1,209,000)</u>	
Total restricted income funds			<u>1,730,020</u>		<u>1,519,000</u>
Unrestricted income funds	19		<u>353,873</u>		<u>336,827</u>
Total funds			<u><u>2,083,893</u></u>		<u><u>1,855,827</u></u>

The financial statements on pages 20 to 42 were approved by the Trustees, and authorised for issue, on 5 December 2017 and are signed on their behalf, by:

Mr Chris Coyston
Chair of Trustees

Mr Graham Chisnell
Accounting Officer

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	87,753	(25,816)
Cash flows from investing activities:			
Dividends, interest and rents from investments		449	698
Purchase of tangible fixed assets		(29,591)	(139,728)
Capital grants from DfE/ESFA		8,433	98,353
Cash introduced on transfer to multi academy trust		-	310,548
Net cash (used in)/provided by investing activities		(20,709)	269,871
Change in cash and cash equivalents in the year		67,044	244,055
Cash and cash equivalents brought forward		244,055	-
Cash and cash equivalents carried forward	22	311,099	244,055

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Veritas Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Long-term leasehold property transferred to the academy trust is held at cost of the buildings, as per the ESFA valuation on the original conversion, less depreciation to date, calculated on a straight line basis over the term of the lease. No land element has been included in the financial statements.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	4% Straight line
Motor vehicles	-	10% Straight line
Fixtures and fittings	-	10% Straight line
Computer equipment	-	20% Straight line

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

1.6 Operating leases

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

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

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

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

1.13 Fund accounting

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

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

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2017

1. Accounting Policies (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 August 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the property, plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations transferred from previous multi academy trust	-	-	-	-	2,482,415
Donations	17,869	-	-	17,869	21,252
Devolved formula funding	-	-	8,433	8,433	98,353
	<u>17,869</u>	<u>-</u>	<u>8,433</u>	<u>26,302</u>	<u>2,602,020</u>
Total 2016	<u>270,541</u>	<u>(517,251)</u>	<u>2,848,730</u>	<u>2,602,020</u>	

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3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	1,442,952	1,442,952	1,401,203
Pupil premium	-	170,543	170,543	176,551
Other DfE/EFA grants	-	70,959	70,959	55,615
Growth Funding	-	50,000	50,000	-
	-	1,734,454	1,734,454	1,633,369
Other government grants				
Other government grants	-	162,592	162,592	40,872
	-	162,592	162,592	40,872
	-	1,897,046	1,897,046	1,674,241
<i>Total 2016</i>	-	1,674,241	1,674,241	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	2,106	-	2,106	10,541
School trip income	37,784	-	37,784	38,376
Departmental income	50,788	-	50,788	47,144
	90,678	-	90,678	96,061
<i>Total 2016</i>	96,061	-	96,061	

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Interest received	449	-	449	698
<i>Total 2016</i>	698	-	698	

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6. Costs of raising funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
School trip expenditure	30,415	-	30,415	30,473
	<u>30,415</u>	<u>-</u>	<u>30,415</u>	<u>30,473</u>
<i>Total 2016</i>	<u>30,473</u>	<u>-</u>	<u>30,473</u>	

7. Direct costs

	Educational operations £	Total 2017 £	Total 2016 £
Educational supplies	80,391	80,391	66,409
Staff development	3,891	3,891	2,662
Educational consultancy	13,132	13,132	14,277
Agency supply	11,870	11,870	3,838
Staff restructuring	3,457	3,457	-
Wages and salaries	1,035,899	1,035,899	929,166
National insurance	93,010	93,010	72,369
Pension cost	172,831	172,831	158,290
	<u>1,414,481</u>	<u>1,414,481</u>	<u>1,247,011</u>
<i>At 31 August 2016</i>	<u>1,247,011</u>	<u>1,247,011</u>	

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8. Support costs

	Educational operations	Total 2017	<i>Total 2016</i>
LGPS costs	26,000	26,000	23,000
Recruitment and support costs	6,057	6,057	3,832
Maintenance of premises and equipment	29,067	29,067	31,565
Cleaning	7,666	7,666	7,343
Rent and rates	10,151	10,151	8,574
Energy costs	26,909	26,909	21,625
Insurance	10,011	10,011	9,250
Security and transport	6,500	6,500	2,681
Catering costs	81,949	81,949	76,115
Printing, postage and stationary	20,906	20,906	9,288
Other support costs	71,881	71,881	56,339
Legal and professional	22,190	22,190	21,143
Governance costs	4,950	4,950	9,625
Wages and salaries	182,827	182,827	182,396
National insurance	11,072	11,072	8,532
Pension cost	128,544	128,544	67,315
Depreciation	166,833	166,833	161,086
	813,513	813,513	699,709
<i>At 31 August 2016</i>	699,709	699,709	

During the year ended 31 August 2017, the academy incurred the following Governance costs:

£4,950 (2016 - £9,625) included within the table above in respect of Educational operations.

£NIL (2016 - £NIL) included within the table above in respect of .

9. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	<i>Total 2016 £</i>
Expenditure on raising voluntary income	-	-	30,415	30,415	30,473
Educational operations:					
Direct costs	1,317,067	-	97,414	1,414,481	1,247,011
Support costs	322,443	174,798	316,272	813,513	699,709
	1,639,510	174,798	444,101	2,258,409	1,977,193
<i>Total 2016</i>	1,421,906	169,884	385,403	1,977,193	

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10. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	166,833	161,086
Auditors remuneration	9,625	8,850
	<u><u> </u></u>	<u><u> </u></u>

11. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	6,750	6,750
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	250	250
All other non-audit services not included above	2,525	1,850
	<u><u> </u></u>	<u><u> </u></u>

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12. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,218,726	1,111,562
Social security costs	104,082	80,901
Operating costs of defined benefit pension schemes	301,375	225,605
	<u>1,624,183</u>	<u>1,418,068</u>
Supply teacher costs	11,870	3,838
Staff restructuring costs	3,457	-
	<u><u>1,639,510</u></u>	<u><u>1,421,906</u></u>

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

	2017 No.	2016 No.
Teachers	18	18
Support	49	43
Management	4	3
	<u>71</u>	<u>64</u>

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

	2017 No.	2016 No.
In the band £70,001 - £80,000	1	1

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £214,196 (2016: £207,364)

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13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
Mr Graham Chisnell	Remuneration	75,000-80,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Miss Anne-Marie Middleton	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2017, expenses totalling £1,679 (2016 - £1,202) were reimbursed to 2 Trustees (2016 - 2).

14. 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 an unlimited level of cover. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

15. Other finance income

	2017 £	2016 £
Interest income on pension scheme assets	22,000	32,000
Interest on pension scheme liabilities	(48,000)	(55,000)
	<u>(26,000)</u>	<u>(23,000)</u>

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16. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Assets under construction £	Total £
Cost					
At 1 September 2016	2,504,074	232,384	60,447	90,100	2,887,005
Additions	22,408	3,018	4,165	-	29,591
Transfer between classes	90,100	-	-	(90,100)	-
At 31 August 2017	<u>2,616,582</u>	<u>235,402</u>	<u>64,612</u>	<u>-</u>	<u>2,916,596</u>
Depreciation					
At 1 September 2016	110,894	29,870	19,979	-	160,743
Charge for the year	115,506	30,225	21,102	-	166,833
At 31 August 2017	<u>226,400</u>	<u>60,095</u>	<u>41,081</u>	<u>-</u>	<u>327,576</u>
Net book value					
At 31 August 2017	<u>2,390,182</u>	<u>175,307</u>	<u>23,531</u>	<u>-</u>	<u>2,589,020</u>
At 31 August 2016	<u>2,393,180</u>	<u>202,514</u>	<u>40,468</u>	<u>90,100</u>	<u>2,726,262</u>

The above transfer was the leasehold property at Warden Primary School to the trust at a residual value of £2,486,877, as originally valued by The EFA, over a remaining term of 122 years.

17. Debtors

	2017 £	2016 £
Trade debtors	-	4,197
Other debtors	75,915	94,436
Prepayments and accrued income	48,515	133,877
	<u>124,430</u>	<u>232,510</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,025	46,429
Other taxation and social security	23,747	23,104
Other creditors	21,831	22,611
Accruals and deferred income	32,053	45,856
	<u>81,656</u>	<u>138,000</u>

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18. Creditors: Amounts falling due within one year (continued)

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	25,212	30,299
Resources deferred during the year	26,937	25,212
Amounts released from previous years	(25,212)	(30,299)
	<u>26,937</u>	<u>25,212</u>
Deferred income at 31 August 2017	<u>26,937</u>	<u>25,212</u>

19. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted funds	336,827	108,996	(30,415)	(61,535)	-	353,873
	<u>336,827</u>	<u>108,996</u>	<u>(30,415)</u>	<u>(61,535)</u>	<u>-</u>	<u>353,873</u>
Restricted funds						
General Annual Grant (GAG)	1,738	1,442,952	(1,485,067)	40,377	-	-
Pupil Premium	-	170,543	(170,543)	-	-	-
Other DfE/EFA Grants	-	70,959	(70,959)	-	-	-
Other Government Grants	-	162,592	(162,592)	-	-	-
Growth funding	-	50,000	(50,000)	-	-	-
Pension reserve	(1,209,000)	-	(122,000)	-	472,000	(859,000)
	<u>(1,207,262)</u>	<u>1,897,046</u>	<u>(2,061,161)</u>	<u>40,377</u>	<u>472,000</u>	<u>(859,000)</u>
Restricted fixed asset funds						
Assets held for depreciation	2,726,262	-	(166,833)	29,591	-	2,589,020
Devolved formula funding	-	8,433	-	(8,433)	-	-
	<u>2,726,262</u>	<u>8,433</u>	<u>(166,833)</u>	<u>21,158</u>	<u>-</u>	<u>2,589,020</u>
Total restricted funds	<u>1,519,000</u>	<u>1,905,479</u>	<u>(2,227,994)</u>	<u>61,535</u>	<u>472,000</u>	<u>1,730,020</u>
Total of funds	<u>1,855,827</u>	<u>2,014,475</u>	<u>(2,258,409)</u>	<u>-</u>	<u>472,000</u>	<u>2,083,893</u>

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19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted funds	-	367,300	(30,473)	-	-	336,827
	<u>-</u>	<u>367,300</u>	<u>(30,473)</u>	<u>-</u>	<u>-</u>	<u>336,827</u>
Restricted funds						
General Annual Grant (GAG)	-	1,441,188	(1,398,075)	(41,375)	-	1,738
Pupil Premium	-	176,551	(176,551)	-	-	-
Other DfE/EFA Grants	-	15,630	(15,630)	-	-	-
Other Government Grants	-	40,872	(40,872)	-	-	-
Donations on transfer	-	89,749	(89,749)	-	-	-
Pension reserve	-	(607,000)	(62,000)	-	(540,000)	(1,209,000)
	<u>-</u>	<u>1,156,990</u>	<u>(1,782,877)</u>	<u>(41,375)</u>	<u>(540,000)</u>	<u>(1,207,262)</u>
Restricted fixed asset funds						
Assets held for depreciation	-	-	(163,843)	2,890,105	-	2,726,262
Assets transferred	-	2,750,377	-	(2,750,377)	-	-
Devolved formula funding	-	8,253	-	(8,253)	-	-
KCC Capital grant	-	90,100	-	(90,100)	-	-
	<u>-</u>	<u>2,848,730</u>	<u>(163,843)</u>	<u>41,375</u>	<u>-</u>	<u>2,726,262</u>
Total restricted funds	-	4,005,720	(1,946,720)	-	(540,000)	1,519,000
Total of funds	-	4,373,020	(1,977,193)	-	(540,000)	1,855,827

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

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

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19. Statement of funds (continued)

20. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,589,020	2,589,020
Current assets	353,873	81,656	-	435,529
Creditors due within one year	-	(81,656)	-	(81,656)
Provisions for liabilities and charges	-	(859,000)	-	(859,000)
	<u>353,873</u>	<u>(859,000)</u>	<u>2,589,020</u>	<u>2,083,893</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	2,726,262	2,726,262
Current assets	336,827	139,738	-	476,565
Creditors due within one year	-	(138,000)	-	(138,000)
Provisions for liabilities and charges	-	(1,209,000)	-	(1,209,000)
	<u>336,827</u>	<u>(1,207,262)</u>	<u>2,726,262</u>	<u>1,855,827</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(243,934)	2,395,827
Adjustment for:		
Depreciation charges	166,833	161,086
Dividends, interest and rents from investments	(449)	(698)
Loss on the sale of fixed assets	-	2,757
Decrease/(increase) in debtors	108,080	(66,988)
(Decrease)/increase in creditors	(56,344)	968
Capital grants from DfE and other capital income	(8,433)	(98,353)
Defined benefit pension scheme finance cost	122,000	62,000
Net (loss) on assets and liabilities from local authority on conversion	-	(2,482,415)
Net cash provided by/(used in) operating activities	<u>87,753</u>	<u>(25,816)</u>

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22. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	311,099	244,055
Total	<u>311,099</u>	<u>244,055</u>

23. Pension commitments

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

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

Contributions amounting to £21,831 were payable to the schemes at 31 August 2017 (2016 - £22,611 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of

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23. Pension commitments (continued)

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 period amounted to £112,443 (2016 - £100,517).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £118,000 (2016 - £95,000), of which employer's contributions totalled £92,000 (2016 - £74,000) and employees' contributions totalled £26,000 (2016 - £21,000). The agreed contribution rates for future years are 20% for employers and var% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Expected return on scheme assets at 31 August	16.00 %	14.00 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
RPI Increases	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	23.0	22.9
Females	25.1	25.3
Retiring in 20 years		
Males	25.2	25.2
Females	27.4	27.7

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	1,980,000	2,118,000
Discount rate -0.1%	2,065,000	2,215,000
Mortality assumption - 1 year increase	2,090,000	2,223,000
Mortality assumption - 1 year decrease	1,957,000	2,111,000
CPI rate +0.1%	2,058,000	2,209,000
CPI rate -0.1%	1,987,000	2,124,000

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23. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	<i>Fair value at 31 August 2016 £</i>
Equities	818,000	647,000
Gilts	8,000	9,000
Corporate bonds	112,000	102,000
Property	143,000	134,000
Cash and other liquid assets	37,000	23,000
Absolute return fund	45,000	42,000
Total market value of assets	1,163,000	957,000

The actual return on scheme assets was £168,000 (2016 - £115,000).

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

	2017 £	<i>2016 £</i>
Current service cost	(187,000)	(112,000)
Interest income	22,000	32,000
Administration expenses	(48,000)	(55,000)
Total	(213,000)	(135,000)
Actual return on scheme assets	168,000	115,000

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

	2017 £	<i>2016 £</i>
Opening defined benefit obligation	2,166,000	-
Upon transfer	-	1,361,000
Current service cost	187,000	112,000
Interest cost	48,000	55,000
Employee contributions	26,000	21,000
Actuarial (gains)/losses	(398,000)	623,000
Effect of non-routine settlements	(7,000)	(6,000)
Closing defined benefit obligation	2,022,000	2,166,000

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23. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	957,000	-
Upon transfer	-	754,000
Interest income	22,000	32,000
Actuarial losses	74,000	83,000
Employer contributions	91,000	73,000
Employee contributions	26,000	21,000
Benefits paid	(7,000)	(6,000)
Closing fair value of scheme assets	<u>1,163,000</u>	<u>957,000</u>

24. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	<u>2,006</u>	<u>2,006</u>

25. Members' liability

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

26. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.