

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

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<p>THE CONSORTIUM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)</p>
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THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2016**

Members

D Pye (appointed 28 June 2016)
D M Carman-Jones (appointed 28 June 2016)
D W Williams (appointed 28 June 2016)
T Thomas (appointed 26 July 2016)
D Wraight (appointed 26 July 2016)

Trustees

A P Aalders-Dunthorne (appointed 28 June 2016)
M R Aylett (appointed 28 June 2016)
D M Carman-Jones (appointed 28 June 2016)
L Dougherty (appointed 26 July 2016)
L J Holzer (appointed 26 July 2016)
S E Martin (appointed 28 June 2016)
S A Sharlott (appointed 28 June 2016)
M Sillis (appointed 28 June 2016)
A S Williams (appointed 26 July 2016)
D W Williams (appointed 28 June 2016)

Company registered number

10255142

Company name

The Consortium Multi-Academy Trust

Principal and registered office

Mendham Primary School, Mendham, Harleston, Norfolk, IP20 0NJ

Independent auditors

Larking Gowen, King Street House, 15 Upper King Street, Norwich, NR3 1RB

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 28 June 2016 to 31 August 2016. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The trust operates three primary academies in Norfolk and Suffolk. Its academies have a combined pupil capacity of 217 and had a roll of 203 in the school census on January 2016.

Structure, governance and management

a. Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of The Consortium Multi-Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Consortium 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

The trust's members are responsible for appointing the directors of the trust (trustees). When appointing new trustees, the members give consideration to the skills and experience of existing trustees in order to ensure that the board has the necessary skills and expertise to contribute fully to the trust's development, set strategic direction and meet all its statutory obligations as set out in the Academies Financial Handbook.

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

All trustees are experienced in school governance or particular area of expertise. Their induction and training will depend on their experience. New trustees meet with the CEO and the Chair of the Board and are invited to attend an initial meeting as an observer. The Trust has a training and partnership arrangement with the National Governors Association and individual trustees are encouraged to fully engage with this partnership.

e. Arrangements for setting pay and remuneration of key management personnel

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

f. Organisational structure

The trustees make most decisions at full Board meetings, which take place six times a year. Trustees monitor the overall academic progress of both sponsored academies and converter academies and set the trust wide policies to be operated by all the schools.

The Board operates on an distributed leadership model, with many operational decisions being delegated to the different committees with the Trust. (refer to the scheme of delegation) The Trustees sit on two sub-committees:

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

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

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

School level

Each school or partnership has a Local Governing Body operating within the scheme of delegation set by the Trust. Local Governing Bodies manage their individual schools' concerns ensuring compliance with the Trust's requirements and set their local school policies where appropriate. The academy head manages his or her school's operations and is expected to contribute towards the aims of the trust.

Objectives and Activities

a. Objects and aims

The objects of the trust are to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing academies which shall offer a broad and balanced curriculum. All schools in the trust are primary community schools.

b. Objectives, strategies and activities

In this reporting period, the trust has established itself as a trust for primary community schools in Suffolk and Norfolk. It has attracted good schools and sees these as key to building capacity to support sponsored academies. Sponsored academies have an academy improvement plan with key priorities linked to their Ofsted inspections. The trust seeks to grow further and to maintain a good balance of good and better schools with sponsored academies. It has developed a due diligence processes to ensure that trustees have the necessary information about a school prior to its joining. It has approved policies on dealing with parental complaints and Freedom of Information requests and a full suite of HR policies. All policies may be found on the MAT's website at <https://consortiumacademy.co.uk>

c. Public benefit

The trust aims to advance for the public benefit education across the schools and communities within the trust. It operates in a collaborative manner to the mutual benefit of schools, their staff and pupils.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

Achievements and performance

a. Key financial performance indicators

During the accounting period 1st August to the 31st August 2016 – the schools within the trust were not operational and therefore no pupil attainment or performance data is available. The trust's schools are listed below, with details of their pupil number and Ofsted judgements

School	Pupils on role (Oct 2015 census)	Ofsted judgement	Conversion date
Glebeland	89	Good	1st August 2016
Mendham	40	Good	1st August 2016
St Edmund's, Hoxne	74	Good	1st August 2016

Financial review

a. Going concern

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

b. Principal risks and uncertainties

A strategic risk register is maintained and reviewed by the trustees regularly. This covers financial, reputational, strategic, operational and compliance risks. Progress against each risk is evaluated and appropriate action is taken as a result.

The main financial risks affecting all academies are as follows:

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

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

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

c. Reserves policy

The purpose of the reserves policy for the trust is to ensure that stability of the schools' operations, to protect it so that it has the ability to adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements. During the accounting period the reserves policy was under development.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

d. Principal funding

The main source of funding is the General Annual Grant from the Education Funding Agency, along with other government grants.

e. Material investments policy

The trust does not have any formal investments. Any formal investments will be managed centrally by the trust but be clearly attributed to each school's contribution and will include considerations of:

- Access and type of investment and term
- Financial position and financial limit for type of investment
- Spreading investments between providers to ensure savings are covered by the Financial Services Authority
- Security of access
- Rate of return and charges
- Business interests
- Ethical, social and environmental considerations
- Review including review of performance

Plans for future periods

a. Future developments

The Consortium Multi-Academy Trust is at the start of a journey that we recognise has the potential to transform our schools, the offer to communities and the outcomes for pupils. We are hugely ambitious for our settings and trust – keen to learn, develop relationships, build and grow.

The key barriers to the implementation of our strategic plan are not new, but focus around resourcing largely financial but also the daily challenges that we face to ensure that we have staff of sufficient ability and capability to deliver on the high expectations that we commonly share.

For our trust to continue to develop in a positive way, growing sustainably and providing an exciting, professional offer we need to be adequately resourced through a combination of funding from the centre and maximising income generation. We are not seeking hand outs but are requesting that our initial needs in our first year are met to allow us to develop the sustainable model. Kick starting now will deliver rewards in the future.

Summary of considerations:

1. Schools to be moved solidly to Good+ within 18 months of joining the trust.
2. Financial support [Glebeland Primary] – significant deficit budget has been inherited.
3. Access to additional resources to facilitate the effective academisation of up to four (RI) schools in 2016/2017.
4. Development of the Executive Leadership Team – appointment of an Education and Learning Manager.
5. Teaching School Alliance bid successfully completed, including partnership and delivery arrangements for the NGA and ILM 2016/2017.
6. Secure adequate office, administration and training space for central functions 2017/2018
7. Strengthen the hub-school model of school-2-school support with four active hubs
8. Welcome a further convert school, Good or Outstanding in 2017/2018.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2016

Funds held as custodian

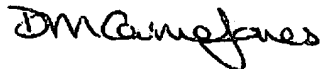
The trust and its trustees do not act as the Custodian Trustees of any other charity.

Disclosure of information to auditors

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

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

This report was approved by order of the board of trustees as the company directors, on 7 February 2017 and signed on its behalf by:



Dawn Carman-Jones
Trustee

<p style="text-align: center;">THE CONSORTIUM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)</p>
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GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive / Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Consortium Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees did not meet during the period 1st August - 31st August 2016.

The finance and resources committee is a sub-committee of the main board of trustees. Its purpose is to take a strategic view on the forward planning of MAT finances and estates management.

The standards and excellence committee is also a sub-committee of the main board of trustees. Its purpose is to take a strategic view on the forward planning of MAT standards and progress for both staff and pupils.

Review of Value for money

As MAT, the Chief Executive / Principal has responsibility for ensuring that the academy delivers good value in the use of public resources. The MAT understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The MAT 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 MAT was operational for one month on 31 August 2016. It is therefore considered not possible to report on value for money for the period.

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 The Consortium Multi-Academy Trust for the period 1 August 2016 to 31 August 2016 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 period 1 August 2016 to 31 August 2016 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 CONSORTIUM MULTI-ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Schools' Choice together with Senior members of the finance team as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

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

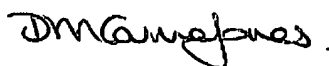
Review of Effectiveness

As MAT, the Chief Executive / Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

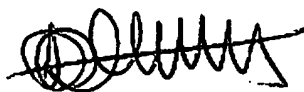
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 7 February 2017 and signed on their behalf, by:



D M Carman-Jones
Trustee



A P Aalders-Dunthorne
Accounting Officer

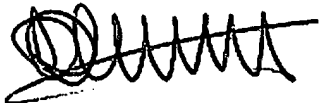
THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Consortium Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.



A P Aalders-Dunthorne
Accounting Officer

Date: 7 February 2017

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE PERIOD ENDED 31 AUGUST 2016

The Trustees (who act as governors of The Consortium Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education 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:

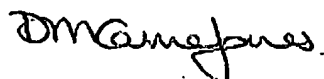
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/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 7 February 2017 and signed on its behalf by:



D M Carman-Jones
Trustee

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CONSORTIUM MULTI-ACADEMY TRUST**

We have audited the financial statements of The Consortium Multi-Academy Trust for the period ended 31 August 2016 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes. 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
CONSORTIUM MULTI-ACADEMY TRUST**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report, incorporating the Strategic Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Larking Gowen

Giles Kerkham FCA DchA (Senior Statutory Auditor)

for and on behalf of

Larking Gowen

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB
10 February 2017

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 18 November 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Consortium Multi-Academy Trust during the period 28 June 2016 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Consortium Multi-Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Consortium Multi-Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Consortium Multi-Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Consortium Multi-Academy Trust's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of The Consortium Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 25 July 2016, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 28 June 2016 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO THE
CONSORTIUM MULTI-ACADEMY TRUST AND THE EDUCATION 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 period 28 June 2016 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Larking Gowen

Chartered Accountants
Statutory Auditors

King Street House
15 Upper King Street
Norwich
NR3 1RB

10 February 2017

THE CONSORTIUM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Income from:					
Donations & capital grants:					
Transfer from local authority					
on conversion	3	40,626	(282,000)	3,768,235	3,526,861
Capital grants	3	-	-	3,334	3,334
Other government grants	4	-	234,993	-	234,993
Other trading activities	5	3,301	-	-	3,301
Investments	6	6	-	-	6
Total income		43,933	(47,007)	3,771,569	3,768,495
Expenditure on:					
Charitable activities		3,304	129,474	7,489	140,267
Total expenditure		3,304	129,474	7,489	140,267
Net income / (expenditure) before transfers					
Transfers between Funds	20	40,629	(176,481)	3,764,080	3,628,228
		-	(21,419)	21,419	-
Net income / (expenditure) before other recognised gains and losses		40,629	(197,900)	3,785,499	3,628,228
Actuarial losses on defined benefit pension schemes	25	-	(73,000)	-	(73,000)
Net movement in funds		40,629	(270,900)	3,785,499	3,555,228
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		40,629	(270,900)	3,785,499	3,555,228

All of the academy's activities derive from schools joining the trust in the current financial period.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 10255142

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £
Fixed assets			
Intangible assets	15		20,830
Tangible assets	16		3,742,267
			<u>3,763,097</u>
Current assets			
Stocks	17	44	
Debtors	18	116,560	
Cash at bank and in hand		170,623	
		<u>287,227</u>	
Creditors: amounts falling due within one year	19	(137,096)	
Net current assets			<u>150,131</u>
Total assets less current liabilities			<u>3,913,228</u>
Defined benefit pension scheme liability	25		(358,000)
Net assets including pension scheme liabilities			<u><u>3,555,228</u></u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	20	87,100	
Restricted fixed asset funds	20	3,785,499	
		<u>3,872,599</u>	
Restricted income funds excluding pension liability			
Pension reserve		(358,000)	
		<u>3,514,599</u>	
Total restricted income funds			<u>3,514,599</u>
Unrestricted income funds	20		40,629
Total funds			<u><u>3,555,228</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 7 February 2017 and are signed on their behalf, by:



D M Carman-Jones
Chair of Trustees

The notes on pages 18 to 40 form part of these financial statements.

<p style="text-align: center;">THE CONSORTIUM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)</p>

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	period ended 31 August 2016 £
Cash flows from operating activities		
Net cash provided by operating activities	22	119,733
Cash flows from investing activities:		
Interest received		6
Purchase of tangible fixed assets		(2,853)
Purchase of intangible fixed assets		(21,419)
Capital grants from DfE/EFA		25,255
Cash transferred on conversion		49,901
Net cash provided by investing activities		50,890
Change in cash and cash equivalents in the period		170,623
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward		170,623

All of the cash flows are derived from acquisitions in the current financial period.

THE CONSORTIUM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

The accounts present the period from the company's incorporation on 28 June 2016 to 31 August 2016, and reflects operations transferred to the Trust on 1 August 2016.

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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.

THE CONSORTIUM MULTI-ACADEMY TRUST (A Company Limited by Guarantee)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

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 there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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

All resources expended are inclusive of irrecoverable VAT.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.5 Going concern

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

1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment

Amortisation is provided at the following rates:

Purchased computer software - 3 years

1.7 Tangible fixed assets and depreciation

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

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

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.

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

Long-term leasehold property	-	50 years
Motor vehicles	-	5 years
Computer equipment	-	3 years
IT software	-	3 years

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

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

1.8 Interest receivable

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

1.9 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.10 Stocks

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

1.11 Debtors

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

1.12 Cash at Bank and in hand

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

1.13 Liabilities and provisions

Liabilities 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.

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.14 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.15 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.

1.16 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the academy.

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 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

1. Accounting Policies (continued)

1.17 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Edmund's Primary School, Mendham Primary School and Glebeland Primary School to an academy trust have been valued at their fair value. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities Incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

1.18 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State all academies within the academy trust were not subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next.

No academies within the trust exceeded the limits during the period ended 31 August 2016.

THE CONSORTIUM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

3. Transferred from Local Authority on Conversion

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Transfers on conversion	40,626	(282,000)	3,768,235	3,526,861
Capital Grants	-	-	3,334	3,334
Total donations and capital grants	40,626	(282,000)	3,771,569	3,530,195

4. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
GAG	-	83,808	83,808
Start up Grant	-	60,580	60,580
Other EFA grants	-	86,000	86,000
Pupil Premium	-	2,860	2,860
	-	233,248	233,248
Other government grants			
Education Services Grant	-	1,537	1,537
Rates Relief	-	208	208
	-	1,745	1,745
	-	234,993	234,993

THE CONSORTIUM MULTI-ACADEMY TRUST

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

5. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Holiday Club	3,301	-	3,301

6. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Investment income	6	-	6

7. Direct costs

	Activities £	Total 2016 £
Pension income	1,000	1,000
Educational visits	210	210
Professional Services - Educational	162	162
Wages and salaries	54,334	54,334
Social security costs	1,911	1,911
Pension cost	10,508	10,508
Depreciation and Amortisation	7,489	7,489
	75,614	75,614

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

8. Support costs

	Activities	Total
	£	2016 £
Telephone costs	46	46
Premises costs	784	784
Professional fees	35,649	35,649
Audit costs	7,400	7,400
Accountancy fees	3,600	3,600
Subscriptions	545	545
Wages and salaries including pension contributions	13,149	13,149
Social security costs	358	358
Pension cost	3,122	3,122
	<u>64,653</u>	<u>64,653</u>

9. Net (incoming resources)/resources expended

This is stated after charging:

	period ended 31 August 2016 £
Amortisation of intangible fixed assets	589
Depreciation of tangible fixed assets	6,900
Auditors' remuneration	7,400
Non-audit accountancy services	<u>3,600</u>

THE CONSORTIUM MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

10. Staff costs

Staff costs were as follows:

	period ended 31 August 2016 £
Wages and salaries	67,483
Social security costs	2,269
Employer pension contributions	13,630
	<u>83,382</u>

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

	period ended 31 August 2016 No.
Teachers	11
Administration and support staff	29
Management	4
	<u>44</u>

No employee received remuneration amounting to more than £60,000 in the period.

The key management personnel of the academy trust comprise the CEO, Heads of School, Finance/HR Manager, Operations Manager and Trustees. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £26,039.

THE CONSORTIUM MULTI-ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016

11. Central services

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

- Payroll
- Finance
- Human Resources
- Pension
- Procurement

The academy charges for these services on the following basis:

15% of General Annual Grant.

The actual amounts charged during the year were as follows:

	period ended 31 August 2016 £
St Edmund's Primary School	4,275
Glebeland Primary School	4,851
Mendham Primary School	3,430
	<hr/>
Total	12,556
	<hr/>

12. Trustees' remuneration and expenses

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

		period ended 31 August 2016 £
A Aalders-Dunthorne (CEO and staff trustee)	Remuneration	5,000-10,000
	Pension contributions paid	0-5,000
A Williams (Principal and staff trustee)	Remuneration	0-5,000
	Pension contributions paid	0-5,000

During the period, no Trustees received any reimbursement of expenses.

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

13. Trustees' and Officers' Insurance

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

14. Other finance income

	period ended 31 August 2016 £
Interest on pension scheme liabilities	(1,000)

15. Intangible fixed assets

	Software £
Cost	
Additions	21,419
At 31 August 2016	21,419
Amortisation	
Charge for the period	589
At 31 August 2016	589
Carrying amount	
At 31 August 2016	20,830

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

16. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
Transfers on conversion	3,723,381	11,583	-	11,350	3,746,314
Additions	-	-	2,853	-	2,853
At 31 August 2016	<u>3,723,381</u>	<u>11,583</u>	<u>2,853</u>	<u>11,350</u>	<u>3,749,167</u>
Depreciation					
Charge for the period	6,206	341	9	344	6,900
At 31 August 2016	<u>6,206</u>	<u>341</u>	<u>9</u>	<u>344</u>	<u>6,900</u>
Net book value					
At 31 August 2016	<u>3,717,175</u>	<u>11,242</u>	<u>2,844</u>	<u>11,006</u>	<u>3,742,267</u>

Terms of occupation of premises

Academy name	Buildings and land
St Edmund's Primary School	125 year lease SCC
Mendham Primary School	125 year lease SCC
Glebeland Primary School	125 year lease NCC

SCC = Suffolk County Council
NCC = Norfolk County Council

17. Stocks

	2016 £
Finished goods and goods for resale	<u>44</u>

18. Debtors

	2016 £
Other debtors	108,846
Prepayments and accrued income	7,659
Tax recoverable	55
	<u>116,560</u>

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

19. Creditors: Amounts falling due within one year

	2016 £
Trade creditors	654
Other taxation and social security	29,508
Other creditors	37,324
Accruals and deferred income	69,610
	<u>137,096</u>
	£
Deferred income	
Deferred income at 1 August 2016	<u>16,189</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals Grants.

20. Statement of funds

	Brought Forward £	Income £	Expenditur e £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Total unrestricted funds	-	43,933	(3,304)	-	-	40,629
Restricted funds						
General Annual Grant (GAG)	-	83,808	(78,159)	-	-	5,649
Pupil Premium	-	2,860	-	-	-	2,860
Start Up Grants	-	60,580	(35,570)	(21,419)	-	3,591
Primary Academy Dev Grant	-	75,000	-	-	-	75,000
Audit Grant	-	11,000	(11,000)	-	-	-
Educational Services Grant	-	1,537	(1,537)	-	-	-
Rates Relief	-	208	(208)	-	-	-
Pension reserve	-	(282,000)	(3,000)	-	(73,000)	(358,000)
	-	(47,007)	(129,474)	(21,419)	(73,000)	(270,900)

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

20. Statement of funds (continued)

Restricted fixed asset funds

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

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

The General Annual Grant (GAG) and other restricted funds are for the operational activities of the schools.

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

The restricted fixed asset funds represents the net book value of the fixed assets held by the academy and unspent capital funding received to carry out works of a capital nature.

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 2016.

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
St Edmund's Primary School	45,191
Glebeland Primary School	(38,048)
Mendham Primary School	41,991
Consortium MAT	78,595
Total before fixed asset fund and pension reserve	127,729
Restricted fixed asset fund	3,785,499
Pension reserve	(358,000)
Total	3,555,228

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

20. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy (excluding depreciation and amortisation of fixed assets) during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Other costs excluding depreciat- ion £	Total 2016 £
St Edmund's Primary School	17,616	3,048	372	21,036
Glebeland Primary School	22,487	5,129	670	28,286
Mendham Primary School	18,296	5,648	386	24,330
Consortium MAT	6,726	5,804	46,596	59,126
	<u>65,125</u>	<u>19,629</u>	<u>48,024</u>	<u>132,778</u>
Add depreciation charge for tangible fixed assets				6,900
Add amortisation charge for intangible fixed assets				589
Gives total expenditure as per the Statement of Financial Activities				<u>140,267</u>

21. Analysis of net assets between funds

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

THE CONSORTIUM MULTI-ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2016**

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

	period ended 31 August 2016 £
Net income for the year (as per Statement of financial activities)	3,628,228
Adjustment for:	
Depreciation charges and amortisation charges	7,489
Interest received	(6)
Increase in stocks	(44)
Increase in debtors	(116,560)
Increase in creditors	137,096
Capital grants from DfE and other capital income	(3,334)
Defined benefit pension scheme obligation inherited	282,000
Defined benefit pension scheme cost less contributions payable	2,000
Defined benefit pension scheme finance cost	1,000
Fixed assets inherited on conversion	(3,768,235)
Cash transferred on conversion to an academy trust	(49,901)
Net cash provided by operating activities	119,733

23. Analysis of cash and cash equivalents

	period ended 31 August 2016 £
Cash in hand	170,623
Total	170,623

24. Conversion to an academy trust

On 1st August 2016 St Edmund's Primary School and Mendham Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Consortium Multi-Academy Trust from Suffolk County Council for £NIL consideration.

On 1st August 2016 Glebeland Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Consortium Multi-Academy Trust from Norfolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities Incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

The following tables sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities Incorporating Income and Expenditure Account.

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24. Conversion to an academy trust (continued)

St Edmund's Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	2,643,000	2,643,000
Computer Equipment	-	-	5,675	5,675
Budget surplus/(deficit) on LA funds	40,022	-	-	40,022
LGPS pension surplus/(deficit)	-	(16,000)	-	(16,000)
Net assets/(liabilities)	<u>40,022</u>	<u>(16,000)</u>	<u>2,648,675</u>	<u>2,672,697</u>

Mendham Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total Funds £
Freehold/leasehold land and buildings	-	-	561,000	561,000
Computer Equipment	-	-	5,675	5,675
Budget surplus on LA funds	44,108	-	-	44,108
LGPS pension (deficit)	-	(93,000)	-	(93,000)
Total	<u>44,108</u>	<u>(93,000)</u>	<u>566,675</u>	<u>517,783</u>

Glebeland Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total Funds £
Freehold/leasehold land and buildings	-	-	519,381	519,381
Budget surplus on LA funds	(43,505)	-	-	(43,505)
LGPS pension (deficit)	-	(173,000)	-	(173,000)
Total	<u>(43,505)</u>	<u>(173,000)</u>	<u>519,381</u>	<u>302,876</u>

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Consortium MAT

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total Funds £
Motor Vehicles	-	-	11,583	11,583
Capital grant	-	-	21,921	21,921
	<hr/>	<hr/>	<hr/>	<hr/>
Total	-	-	33,504	33,504
	<hr/>	<hr/>	<hr/>	<hr/>

25. 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 Norfolk and Suffolk County Councils. Both are Multi-Employer Defined Benefit Pension Schemes.

As described in note 24 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

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

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

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25. Pension commitments (continued)

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 the TPS will be as at March 2016, 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 £6,203.

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 period ended 31 August 2016 was £6,674, of which employer's contributions totalled £1,248, and employees' contributions totalled £5,426. The agreed contribution rates for future years are 28% for employers and tiered % for employees, starting at 5.5% for annual salary between £0 and £13,600, and up to 10.5% for annual salary between £86,001 and £101,200.

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.

Suffolk County Council assumptions (Mendham and St Edmunds Primary Schools)

Principal actuarial assumptions:

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

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25. Pension commitments (continued)

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

	2016
Retiring today:	
Males	22.4 years
Females	24.4 years
Retiring in 20 years:	
Males	24.3 years
Females	26.9 years

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

Rate of increase in salaries	3.10%
Assumed life expectations on retirement age 65:	
Retiring today	
Males	22.1 years
Retiring in 20 years:	
Males	24.1 years
Females	26.4 years

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

	Fair value at 31 August 2016 £
Equities	128,000
Debt instruments	47,000
Property	23,000
Other - user input	3,000
Total market value of assets	201,000

The actual return on scheme assets was £6,000.

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25. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities Incorporating Income and Expenditure Account are as follows:

	period ended 31 August 2016 £
Current service cost (net of employee contributions)	(7,000)
Net interest cost	(1,000)
Total	<u>(8,000)</u>

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

	period ended 31 August 2016 £
Upon conversion	471,000
Current service cost	7,000
Interest cost	1,000
Contributions by employees	1,000
Actuarial losses	79,000
Closing defined benefit obligation	<u>559,000</u>

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

	period ended 31 August 2016 £
Upon conversion	189,000
Actuarial gains and (losses)	6,000
Contributions by employer	5,000
Contributions by employees	1,000
Closing fair value of scheme assets	<u>201,000</u>

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26. Operating lease commitments

At 31 August 2016 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2016
	£
Amounts payable:	
Within 1 year	860
Between 1 and 5 years	1,727
Total	2,587

27. 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 £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

28. Related party transactions

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

29. Post balance sheet events

Middleton Primary School, a school of approximately 40 pupils, joined the academy trust on 1 December 2016.

Yoxford and Peasenhall Primary School, a school of approximately 80 pupils, joined the academy trust on 1 December 2016.