

St Stephen's Church of England Multi Academy Trust

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2018**

Company Registration Number
10773530 (England and Wales)

**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**



St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2018

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Reference and Administrative Details

Members	R. Whitehouse (appointed 16 th May 2017) J. Bickley (appointed 16 th May 2017) C. Banks (appointed 16 th May 2017, resigned 11 th July 2018) CECET (appointed 16 th May 2017)
Trustees	R. Whitehouse (appointed 16 th May 2017) J. Bickley (appointed 16 th May 2017) W. Downing (appointed 16 th May 2017) J. Whitehouse (appointed 16 th May 2017) P. Flynn (appointed 16 th May 2017) M. Smith (appointed 16 th May 2017) M. Usman (appointed 12 th December 2017) A. Kelshaw (appointed 20 th March 2018) I. Stockton (appointed 16 th May 2017, resigned 19 th September 2017)
Company secretary	K. Banks
Senior management team	St Stephen's Church of England Primary School W. Downing, Executive Headteacher S. Horton, Deputy Headteacher R. Antonic, Assistant Headteacher N. Pearce, Numeracy Lead Parkfield Primary School W. Downing, Executive Headteacher J. Price, Head of School M. Cross, Assistant Headteacher I. Upstone, EYFS and KS1 Lead K Banks, Trust Business Manager
Company name	St Stephen's Church of England Multi Academy Trust
Principal and registered office	Woden Road Wolverhampton West Midlands WV10 0BB
Company registration number	10773530
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank 3 rd Floor, Queen Square Wolverhampton WV1 1TF
Solicitors	Howes Percival LLP Nene House 4 Rushmills Northampton Northamptonshire NN4 7YB

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

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

- St Stephen's Church of England Primary Academy
- Parkfield Primary Academy

They have a combined pupil capacity of 420 plus 25 in nursery and had a roll of 425 plus 38 in nursey on the school census on 4th October 2018.

Structure, Governance and Management

Constitution

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

Details of the trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £5,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are appointed or elected under the terms of the Trust deed.

Full details are laid out in the Trust Articles of Association. The number of Trustees shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum.

Subject to Articles 45-56, the Academy Trust shall have the following Trustees:

- a) Up to 8 Trustees, appointed under article 50;
- b) At least 2 and up to 3 Trustees, appointed under and subject to Article 50AA;
- c) The Chief Executive Officer; and
- d) Parent Trustees are appointed under Articles 53 – 56 in the event that no provision is made for parent representatives on the LGB's under Articles 101A.

Members may appoint up to 8 Trustees and CECET shall appoint at least 2 and up to 3 Trustees provided that the total number of Trustees appointed would not exceed 25% of the total number of Trustees.

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

Upon appointment, all Trustees attended a training session delivered by the Trust's Solicitors that covered Governance, Trustees Roles and Responsibilities. Trustees also received a pack containing key Trust documents. A Governance Training SLA package is also purchased from Services 4 Schools which is extended to Trustees. This year whole Trust Board training has included 'Analyse School Performance – ASP' and 'The Strategic Role of a Trust Board'. Newly elected trustees attend induction training for new trustees and in addition, select specific training provided by trustee support in accordance with their needs.

Organisational structure

Members of the Trust meet annually and have an overall framework for the Governance of all academies operating within the Trust.

The board of Trustees meet on at least a termly basis and make all major decisions about the strategic direction of the Trust.

The board is supported by the:

- Finance, Audit and General Purposes Committee
- Site, Health and Safety Committee
- Pay Committee
- Head Teacher Performance Management
- Appeals Committee

Each Academy has its own Local Governing Body that meets at least termly with responsibility for local financial decisions, achievement and curriculum related matters.

The Accounting Officer for the Trust is the Executive Headteacher.

Arrangements for setting pay and remuneration of key management personnel

Decisions in relation to all members of the Leadership Team, including the Executive Headteacher are reviewed and implemented in accordance with the Trust's Pay Policy by the Pay Committee.

Related parties and other Connected Charities and Organisations

Connected charities or organisations during the period are described in note 23 related party transactions.

Objectives and activities

Objects and aims

The strategic goal of St Stephen's Church of England Multi Academy is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

Objectives, strategies and activities

St Stephen's Church of England Multi Academy Trust is a newly formed Trust, opened 1st June 2017, which developed from the desire and passion that we have nurtured and established here at St Stephen's Church of England Primary School.

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report (continued)

It is our mission to ensure that every child who attends a school within our MAT:

- has the opportunity to grow and develop in a supportive environment;
- has access to provision with excellent standards and outstanding progress that permeates across the school;
- accesses an inspiring, broad and balanced curriculum that is tailored to meet their needs;
- is able to celebrate and develop their talents;
- sees learning as being fun, real and engaging;
- works in harmony with the community;
- is valued in God's eye and as a unique individual;
- develops lifelong friendships, perseveres, is respectful, compassionate, tolerant and trusting.

It is our mission to ensure that every member of staff within our MAT:

- is a valued member of the team, where their successes are celebrated and their aspirations are nurtured;
- accesses high quality professional development tailored to their individual needs and professional aspirations;
- learns from each other and shares outstanding practice to support our pupils on their journey with us.

We are very proud of our achievements at St Stephen's Church of England Primary School and our success has been built on the underpinning promise that,

'We will not make excuses, we will not make false promises, but we will insist that all children have the same life chances and opportunities.'

There is no such thing as failure within our Trust, only exciting, new learning opportunities which we can build on to enable our pupils to become well rounded, resilient individuals who are well prepared for the next stage of their education.

Public benefit

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

St Stephen's Church of England Multi Academy is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

1) Key Performance Indicators

The school continues to use evidence from OFSTED, Analyse School Performance in addition to its own rigorous and extensive monitoring data as Key Performance Indicators to continue to drive school improvement.

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Trustees' report (continued)

2) Review of Outcomes

Outcomes for St Stephen's Church of England Primary School

Reception

Good Level of Development 76%

2018	Reading	Writing	Mathematics
Early Learning Goals 2+	79%	79%	79%

Year 1 Phonics

2018	
Met Standard	87%

Year 2 SATS Results

	Reading	Writing	Mathematics
Percentage at Expected Standard	80%	80%	90%
Percentage at Greater Depth	33%	27%	23%

Year 6 SATS Results

	Reading	Writing	Mathematics	SPAG
Percentage at Expected Standard	90%	87%	84%	90%
Percentage at High Scale Score	29%	19%	26%	55%
Progress, National average 0.0	+5.1	+2.4	+3.8	+7.2

Reading, Writing and Mathematics combined 84%

YEAR 6 DATA IS UNVALIDATED AND INCLUDES TWO CHILDREN WHO WERE NEW TO THE COUNTRY AND CAN BE DISAPPLIED.

Outcomes for Parkfield Primary School

Reception

Good Level of Development 73%

2018	Reading	Writing	Mathematics
Early Learning Goals 2+	73%	73%	77%

Year 1 Phonics

2018	
Met Standard	80%

Year 2 SATS Results

	Reading	Writing	Mathematics
Percentage at Expected Standard	71%	68%	74%
Percentage at Greater Depth	39%	36%	32%

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Trustees' report (continued)

Year 6 SATS Results

	Reading	Writing	Mathematics	SPAG
Percentage at Expected Standard	57%	67%	53%	67%
Percentage at High Scale Score	13%	10%	7%	30%
Progress, National average 0.0	-3.1	-3.5	-3.8	-0.6

Reading, Writing and Mathematics combined 50%

YEAR 6 DATA IS UNVALIDATED AND INCLUDES ONE CHILD WHO WAS NEW TO THE COUNTRY AND CAN BE DISAPPLIED.

- Direct costs as a percentage of total costs were 68.4% (2017 : 70.6%)
- Support costs as a percentage of total costs were 31.6% (2017 : 29.4%)
- Total payroll costs as a percentage of recurring income were 73.0% (2017 : 86.5%)

Going concern

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

Financial Review

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

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

During the year ended 31 August 2018 total resources expended were £2,653,064 and the excess of expenditure over income was £66,843 which included depreciation of £110,432.

Reserves Policy

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

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

The multi academy had total funds at 31 August 2018 of £3,259,822 which included £143,188 restricted funds not available for general purposes of the multi academy trust, £447,751 of free reserves defined as unrestricted funds available for general purposes and £3,867,883 which can only be realised by the disposal of tangible fixed assets.

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report (continued)

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £590,939.

In addition, the deficit on the restricted pension fund of £1,199,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trust aims to retain approximately three months of total salary costs as a reasonable level of reserves. This is monitored and reviewed by trustees throughout the course of the financial year.

Investment Policy

The Trust's investment principles are outlined in its Investment Policy which requires the Trust to:

- Undertake suitable risk assessments against any potential investment
- Gain professional advice
- Review ethical status of potential investments
- Monitor and report upon performance

The Trust does not currently have any active investments.

Principal Risks and Uncertainties

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

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

Plans for Future Periods

1. Future Developments

We aim to grow as a Trust, supporting Primary Schools in Wolverhampton and the neighbouring authorities so that all children have the opportunities to reach their full potential in a supportive environment. All of our schools will be partners, with the same shared vision and values.

2. Our Children

We will ensure that all of our children reach their full potential and continue to out-perform National indicators both in terms of attainment and achievement. We want our children to see learning as fun and to be valued in God's eye as unique individuals.

3. Our Staff

The Trust will continue to value all members of the staff team, celebrating their successes and nurturing their aspirations. We will aim to develop our own staff so that they become Leaders of the future.

Funds Held as Custodian Trustee on Behalf of Others

No monies are being held on behalf of other school organisations as at 31 August 2018.

**St Stephen's Church of England Multi Academy Trust
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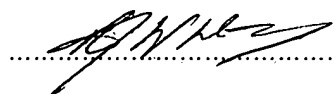
Trustees' report (continued)

Auditors

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on the board's behalf by:



..... Robin Whitehouse - Chair of Trustees

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Governance statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 St Stephen's Church of England Multi Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 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
R Whitehouse (Chair)	5	5
J Bickley (Vice Chair)	5	5
J Whitehouse	5	5
P Flynn	4	5
M Smith	4	5
M Usman (appointed 12 th December 2017)	3	3
A Kelshaw (appointed 15 th March 2018)	1	1
W Downing (Accounting Officer / Executive Headteacher)	5	5
K Banks (in attendance)	5	5

During the year we have successfully recruited two additional Trustees who have provided the Trust Board with the additional expertise to effectively discharge their duties as Trustees. Moving forward if an additional Trustee could be appointed with a Legal background it would strengthen the knowledge and expertise of the Board.

An annual skills audit will be undertaken in September 2018 to ensure continued effectiveness of the Trustee's skills and identify potential training opportunities.

The trust intends to conduct its first self-evaluation/external review at the end of the Summer Term when the Trust will have been open two years.

St Stephen's Church of England Multi Academy Trust (A Company Limited by Guarantee)

Governance statement (continued)

The **finance and general purposes committee** is a sub-committee of the main board of trustees. Its purpose is to maintain strategic oversight of financial planning and the day to day operations of the trusts finances, with due regard to the requirements of the Academies Financial Handbook and the Academy Funding Agreement.

Trustee	Meetings attended	Out of a possible
J Bickley (Chair)	3	3
P Flynn	3	3
M Smith	1	3
M Usman (appointed 12 th December 2017)	0	1
W Downing (Accounting Officer / Executive Headteacher)	3	3
K Banks (in attendance)	3	3

Review of value for money

As accounting officer the Executive Headteacher has responsibility for ensuring that the multi academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Reviewing one of the largest contracts in place at the Trust which is for catering services. A rigorous tender process was completed and a new catering provider has been procured.
- Reviewing service level agreements and contracts to procure goods and services across the Trust where possible, and subsequently changing providers in some instances, which has led to a financial savings and improved services for the Trust.
- Conducting a review of photocopier leases, accessing public sector frameworks to procure more favourable deals.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the multi academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Stephen's Church of England Multi Academy for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the multi academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the multi academy trust's significant risks that has been in place for the year to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

St Stephen's Church of England Multi Academy Trust
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Governance statement (continued)

The Risk and Control Framework

The multi academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and 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 appointed M3 Academy Audit & Consultancy Services to carry out a programme of checks.

The internal audit function role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. An internal review was completed in January 2018 and a level of 'outstanding' assurance was provided to the Board based on testing and areas of good practise that were identified. A review will be completed again in January 2019 and will include:

- testing of purchasing (including petty cash and purchase cards)
- testing of income records
- testing of budgetary control systems

A report will be prepared and presented to the board of trustees, through the finance, audit and general purposes committee 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 Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

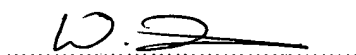
- the work of the internal reviewer
- the work of the external auditor;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:



Robin Whitehouse
Chair of Trustees



Wayne Downing
Accounting Officer

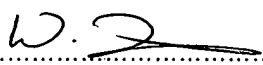
**St Stephen's Church of England Multi Academy Trust
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Statement of regularity, propriety and compliance

As accounting officer of St Stephen's Church of England Multi Academy I have considered my responsibility to notify the multi academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2017.

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


Wayne Downing – Accounting Officer

6 December 2018

**St Stephen's Church of England Multi Academy Trust
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Statement of Trustees' Responsibilities

The trustees (who 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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:


.....
Robin Whitehouse – Chair of Trustees

St Stephen's Church of England Multi Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of
St Stephen's Church of England Multi Academy Trust

Opinion

We have audited the financial statements of St Stephen's Multi Academy Trust (the 'Multi Academy trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements :

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

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Independent Auditor's Report on the Financial Statements to the Members of St Stephen's Multi Academy Trust
(continued)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Multi Academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

St Stephen's Church of England Multi Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of St Stephen's Multi Academy Trust
(continued)

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 12), the trustees (who are also the directors of the Multi Academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Multi Academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Multi Academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Multi Academy trust to cease to continue as a going concern.

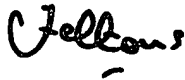
**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of St Stephen's Multi Academy Trust
(continued)**

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

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

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

10 December 2018

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 1 June 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the St Stephen's Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of St Stephen's Multi Academy Trust's funding agreement with the Secretary of State for Education dated 31 May 2017 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes :

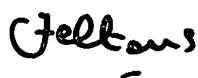
- Consideration of the applicable legislation and the multi academy trust's funding agreement
- Review and evaluation of the Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a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

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to St Stephen's 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

10 December 2018

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/18 £	3 months to 31/08/17 £
Income from :							
Donations and capital grants	2	956	-	-	13,018	13,974	-
Transfer from local authority on conversion		-	-	-	-	-	3,230,469
Funding for the academy trust's educational operations	3	40,010	-	2,531,904	-	2,571,914	543,906
Investments	4	333	-	-	-	333	18
Total		41,299	-	2,531,904	13,018	2,586,221	3,774,393
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	5	44,231	82,000	2,416,401	110,432	2,653,064	629,728
Total		44,231	82,000	2,416,401	110,432	2,653,064	629,728
Net income/(expenditure) before transfers		(2,932)	(82,000)	115,503	(97,414)	(66,843)	3,144,665
Transfers between funds	14	-	-	(14,617)	14,617	-	-
Net income/(expenditure) after transfers		(2,932)	(82,000)	100,886	(82,797)	(66,843)	3,144,665
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14,22	-	224,000	-	-	224,000	(42,000)
Net movement in funds		(2,932)	142,000	100,886	(82,797)	157,157	3,102,665
Reconciliation of funds							
Total funds brought forward	14	450,683	(1,341,000)	42,302	3,950,680	3,102,665	-
Total funds carried forward		447,751	(1,199,000)	143,188	3,867,883	3,259,822	3,102,665

All of the Academy's activities were derived from acquisitions during the comparative year.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Company number : 10773530

Balance sheet as at 31 August 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	11		3,867,883		3,950,680
Current assets					
Debtors	12	112,044		563,235	
Cash at bank and in hand		<u>734,580</u>		<u>135,873</u>	
		846,624		699,108	
Liabilities					
Creditors: amounts falling due within one year	13	<u>255,685</u>		<u>206,123</u>	
Net current assets			590,939		492,985
Net assets excluding pension liability			<u>4,458,822</u>		<u>4,443,665</u>
Defined benefit pension scheme liability	22		(1,199,000)		(1,341,000)
Total net assets			<u><u>3,259,822</u></u>		<u><u>3,102,665</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	3,867,883		3,950,680	
General fund	14	143,188		42,302	
Pension reserve	14	<u>(1,199,000)</u>		<u>(1,341,000)</u>	
Total restricted funds			2,812,071		2,651,982
Unrestricted income funds:	14		447,751		450,683
Total funds			<u><u>3,259,822</u></u>		<u><u>3,102,665</u></u>

The financial statements on pages 20 to 42 were approved by the trustees, and authorised for issue on 6 December 2018 and are signed on their behalf by:



Robin Whitehouse - Chair of Trustees

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2018

	Notes	2017/18 £	2016/17 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	612,991	(394,897)
Cash transferred on conversion to academy trust		-	536,369
Cash flows from investing activities	19	(14,284)	(5,599)
		<u>598,707</u>	<u>135,873</u>
Cash and cash equivalents at 1 September 2017		135,873	-
Cash and cash equivalents at 31 August 2018	20	<u>734,580</u>	<u>135,873</u>

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018

1. Statement of accounting policies

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

Basis of preparation

The financial statements of the multi academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

St Stephen's Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

All incoming resources are recognised when the multi academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

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

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

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

- **Donations**

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

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

1. Statement of accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

1. Statement of accounting policies (continued)

Tangible fixed assets (continued)

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

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

Leasehold land and buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer hardware	- 25% straight line

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

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

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

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

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

1. Statement of accounting policies (continued)

Leased assets

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

Taxation

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

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

Pension benefits

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

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

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

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

**St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)**

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

1. Statement of accounting policies (continued)

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency or Department for Education.

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	3 months to 31/08/17 £
Capital grants	-	-	13,018	13,018	-
Other donations	956	-	-	956	-
	<u>956</u>	<u>-</u>	<u>13,018</u>	<u>13,974</u>	<u>-</u>
2017 total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/18 £	3 months to 31/08/17 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	2,026,538	-	2,026,538	514,073
Other DfE Group grants	-	332,546	-	332,546	1,481
	<u>-</u>	<u>2,359,084</u>	<u>-</u>	<u>2,359,084</u>	<u>515,554</u>
Other government grants					
Local authority grants	-	172,820	-	172,820	20,840
	<u>-</u>	<u>172,820</u>	<u>-</u>	<u>172,820</u>	<u>20,840</u>
Other income from the academy trust's educational operations	40,010	-	-	40,010	7,512
	<u>40,010</u>	<u>172,820</u>	<u>-</u>	<u>212,830</u>	<u>28,352</u>
	<u>40,010</u>	<u>2,531,904</u>	<u>-</u>	<u>2,571,914</u>	<u>543,906</u>
2017 total	<u>7,512</u>	<u>536,394</u>	<u>-</u>	<u>543,906</u>	

4. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017/18 £	3 months to 31/08/17 £
Short term deposits	333	-	333	18
2017 total	<u>18</u>	<u>-</u>	<u>18</u>	

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

5. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	Total 2017/18 £	3 months to 31/08/17 £
Academy's educational operations					
Direct costs	1,523,176	80,824	210,758	1,814,758	444,677
Allocated support costs	355,726	191,558	291,022	838,306	185,051
	<u>1,878,902</u>	<u>272,382</u>	<u>501,780</u>	<u>2,653,064</u>	<u>629,728</u>
2017 total	<u>470,248</u>	<u>60,957</u>	<u>98,523</u>	<u>629,728</u>	

Net income/(expenditure) for the period includes :

		2017/18 £	31/08/17 £
Operating leases	- plant and machinery	1,462	455
Depreciation		110,432	27,037
Fees payable to auditor	- audit	10,120	7,250
	- other services	75	300
		<u>121,089</u>	<u>34,042</u>

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/18 £	3 months to 31/08/17 £
Educational operations					
Direct costs	25,059	-	1,789,699	1,814,758	444,677
Support costs	19,172	82,000	737,134	838,306	185,051
	<u>44,231</u>	<u>82,000</u>	<u>2,526,833</u>	<u>2,653,064</u>	<u>629,728</u>
2017 total	<u>10,206</u>	<u>21,000</u>	<u>598,522</u>	<u>629,728</u>	
Analysis of support costs					
Support staff costs	-	82,000	273,726	355,726	81,546
Depreciation	-	-	29,608	29,608	8,455
Technology costs	-	-	25,060	25,060	6,528
Premises costs	-	-	154,663	154,663	31,289
Other support costs	19,172	-	240,287	259,459	48,075
Governance costs	-	-	13,790	13,790	9,158
Total support costs	<u>19,172</u>	<u>82,000</u>	<u>737,134</u>	<u>838,306</u>	<u>185,051</u>
2017 total	<u>1,524</u>	<u>21,000</u>	<u>162,527</u>	<u>185,051</u>	

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

7. Staff

a) Staff costs

Staff costs during the year were:

	Total 2017/18 £	Total 31/08/17 £
Wages and salaries	1,360,710	328,618
Social security costs	112,871	30,100
Pension costs	368,617	91,310
	<u>1,842,198</u>	<u>450,028</u>
Agency staff costs	36,704	20,220
	<u>1,878,902</u>	<u>470,248</u>

b) Staff numbers

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

	2017/18 Number	31/08/17 Number
Teachers	18	18
Administration and support	41	44
Management	8	8
	<u>67</u>	<u>70</u>

c) Higher paid staff

	2017/18 Number	31/08/17 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£70,001 - £80,000	<u>1</u>	<u>1</u>

d) Key management personnel

The key management personnel of the multi academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the multi academy trust was £519,678 (2017 : £125,751).

St Stephen's Church of England Multi Academy Trust
(A Company Limited by Guarantee)

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

8. Central services

No central services were provided by the trust to its academies during the year and no central charges arose.

9. Related Party Transactions - Trustees' remuneration and expenses

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

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

Wayne Downing (principal and trustee appointed 16/5/17)

Remuneration	£75,000 - £80,000 (2017 : £15,000 - £20,000)
Employer's pension contributions paid	£10,000 - £15,000 (2017 : £0 - £5,000)

During the year ended 31 August 2018, there were no travel and subsistence expenses reimbursed or paid directly to any trustees. Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £106 (2017: £27). The cost of this insurance is included in the total insurance cost.

11. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2017	3,822,882	110,575	44,260	3,977,717
Additions	-	7,074	20,561	27,635
At 31 August 2018	<u>3,822,882</u>	<u>117,649</u>	<u>64,821</u>	<u>4,005,352</u>
Depreciation				
At 1 September 2017	19,114	5,514	2,409	27,037
Charge for the year	<u>75,868</u>	<u>20,954</u>	<u>13,610</u>	<u>110,432</u>
At 31 August 2018	<u>94,982</u>	<u>26,468</u>	<u>16,019</u>	<u>137,469</u>
Net book values				
At 31 August 2018	<u>3,727,900</u>	<u>91,181</u>	<u>48,802</u>	<u>3,867,883</u>
At 31 August 2017	<u>3,803,768</u>	<u>105,061</u>	<u>41,851</u>	<u>3,950,680</u>

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

11. Tangible fixed assets (continued)

Leasehold property was valued at 13 September 2017 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued on 1 June 2017 by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August
2018 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2017	3,822,882	110,575	38,643	3,972,100
Cost	-	7,074	26,178	33,252
	<u>3,822,882</u>	<u>117,649</u>	<u>64,821</u>	<u>4,005,352</u>

12. Debtors

	Total 2018 £	Total 2017 £
Debtors from operations	435	-
VAT recoverable	20,908	16,467
Prepayments and accrued income	90,701	16,958
Other debtors	-	529,810
	<u>112,044</u>	<u>563,235</u>

13. Creditors

	Total 2018 £	Total 2017 £
Amounts falling due within one year :		
Creditors from operations	127,572	57,347
Accruals and deferred income	128,113	73,142
Other creditors	-	75,634
	<u>255,685</u>	<u>206,123</u>
Deferred income		
Deferred income at 1 September 2017	73,142	-
Resources deferred in the year	38,456	73,142
Amounts released from previous years	(73,142)	-
Deferred income at 31 August 2018	<u>38,456</u>	<u>73,142</u>

At the balance sheet date the multi academy trust was holding funds received in advance for from universal infant free school meals and early years funding.

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

14. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	42,302	2,026,538	(1,911,035)	(14,617)	143,188
Other DfE Group grants	-	332,546	(332,546)	-	-
Other grants	-	172,820	(172,820)	-	-
	<u>42,302</u>	<u>2,531,904</u>	<u>(2,416,401)</u>	<u>(14,617)</u>	<u>143,188</u>
Restricted fixed asset funds					
Transfer on conversion	3,945,063	-	(105,857)	-	3,839,206
DfE Group capital grants	-	13,018	(1,822)	-	11,196
Capital expenditure from GAG	5,617	-	(2,753)	14,617	17,481
	<u>3,950,680</u>	<u>13,018</u>	<u>(110,432)</u>	<u>14,617</u>	<u>3,867,883</u>
Pension reserve	<u>(1,341,000)</u>	<u>-</u>	<u>(82,000)</u>	<u>224,000</u>	<u>(1,199,000)</u>
Total restricted funds	<u>2,651,982</u>	<u>2,544,922</u>	<u>(2,608,833)</u>	<u>224,000</u>	<u>2,812,071</u>
Unrestricted funds					
Other income	450,683	41,299	(44,231)	-	447,751
Total unrestricted funds	<u>450,683</u>	<u>41,299</u>	<u>(44,231)</u>	<u>-</u>	<u>447,751</u>
Total funds	<u>3,102,665</u>	<u>2,586,221</u>	<u>(2,653,064)</u>	<u>224,000</u>	<u>3,259,822</u>

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

Restricted general funds

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

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

Unrestricted funds

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

Restricted fixed asset funds

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

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

14. Funds (continued)

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

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds				
General Annual Grant (GAG)	514,073	(549,164)	77,393	42,302
Other DfE Group grants	1,481	(1,481)	-	-
Local authority grants	20,840	(20,840)	-	-
	<u>536,394</u>	<u>(571,485)</u>	<u>77,393</u>	<u>42,302</u>
Restricted fixed asset funds				
Transfer on conversion	3,972,100	(27,037)	-	3,945,063
Capital expenditure from GAG	-	-	5,617	5,617
	<u>3,972,100</u>	<u>(27,037)</u>	<u>5,617</u>	<u>3,950,680</u>
Pension reserve	<u>(1,278,000)</u>	<u>(21,000)</u>	<u>(42,000)</u>	<u>(1,341,000)</u>
Total restricted funds	<u>3,230,494</u>	<u>(619,522)</u>	<u>41,010</u>	<u>2,651,982</u>
Unrestricted funds				
Other income	543,899	(10,206)	(83,010)	450,683
Total unrestricted funds	<u>543,899</u>	<u>(10,206)</u>	<u>(83,010)</u>	<u>450,683</u>
Total funds	<u>3,774,393</u>	<u>(629,728)</u>	<u>(42,000)</u>	<u>3,102,665</u>

A current year 12 months and prior year 3 months combined position is as follows :

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds				
General Annual Grant (GAG)	2,540,611	(2,460,199)	62,776	143,188
Other DfE Group grants	334,027	(334,027)	-	-
Other grants	193,660	(193,660)	-	-
	<u>3,068,298</u>	<u>(2,987,886)</u>	<u>62,776</u>	<u>143,188</u>

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

14. Funds (continued)

Current year 12 months and prior year 3 months combined position (continued)

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted fixed asset funds				
Transfer on conversion	3,972,100	(132,894)	-	3,839,206
DfE Group capital grants	13,018	(1,822)	-	11,196
Capital expenditure from GAG	-	(2,753)	20,234	17,481
	<u>3,985,118</u>	<u>(137,469)</u>	<u>20,234</u>	<u>3,867,883</u>
Pension reserve	<u>(1,278,000)</u>	<u>(103,000)</u>	<u>182,000</u>	<u>(1,199,000)</u>
Total restricted funds	<u>5,775,416</u>	<u>(3,228,355)</u>	<u>265,010</u>	<u>2,812,071</u>
Unrestricted funds				
Other income	585,198	(54,437)	(83,010)	447,751
Total unrestricted funds	<u>585,198</u>	<u>(54,437)</u>	<u>(83,010)</u>	<u>447,751</u>
Total funds	<u>6,360,614</u>	<u>(3,282,792)</u>	<u>182,000</u>	<u>3,259,822</u>

Total funds analysis by academy

Fund balances at 31 August 2018 were allocated as follows :

	Total 2017/18 £	Total 2016/17 £
St Stephen's C of E Primary School	339,226	279,626
Parkfield Primary School	251,713	213,359
Total before fixed assets and pension reserve	<u>590,939</u>	<u>492,985</u>
Restricted fixed asset fund	3,867,883	3,950,680
Pension reserve	<u>(1,199,000)</u>	<u>(1,341,000)</u>
Total funds	<u>3,259,822</u>	<u>3,102,665</u>

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

14. Funds (continued)

Total cost analysis by academy

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

	Teaching & educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total 2017/18
	£	£	£	£	£
St Stephen's C of E Primary School	806,178	189,968	17,733	348,786	1,362,665
Parkfield Primary School	716,998	165,758	13,594	283,617	1,179,967
Academy trust	<u>1,523,176</u>	<u>355,726</u>	<u>31,327</u>	<u>632,403</u>	<u>2,542,632</u>
2017 total	<u>388,702</u>	<u>81,546</u>	<u>2,676</u>	<u>129,767</u>	<u>602,691</u>

15. Analysis of net assets between funds

Fund balances at 31 August 2018
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	3,867,883	3,867,883
Current assets	447,751	-	398,873	-	846,624
Current liabilities	-	-	(255,685)	-	(255,685)
	<u>447,751</u>	<u>-</u>	<u>143,188</u>	<u>3,867,883</u>	<u>4,458,822</u>
Pension scheme liability	-	(1,199,000)	-	-	(1,199,000)
Total net assets	<u>447,751</u>	<u>(1,199,000)</u>	<u>143,188</u>	<u>3,867,883</u>	<u>3,259,822</u>

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

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	3,950,680	3,950,680
Current assets	450,683	-	248,425	-	699,108
Current liabilities	-	-	(206,123)	-	(206,123)
	<u>450,683</u>	<u>-</u>	<u>42,302</u>	<u>3,950,680</u>	<u>4,443,665</u>
Pension scheme liability	-	(1,341,000)	-	-	(1,341,000)
Total net assets	<u>450,683</u>	<u>(1,341,000)</u>	<u>42,302</u>	<u>3,950,680</u>	<u>3,102,665</u>

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

16. Capital commitments

There were no capital commitments as at year ended 31 August 2018 (2017: £nil).

17. Commitments under operating leases

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

Amounts due within one year
Amounts due between one and five years

	Total	Other
	2018	Total
	£	2017
	£	£
Amounts due within one year	1,975	948
Amounts due between one and five years	5,491	2,844
	<u>7,466</u>	<u>3,792</u>

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

Net income/(expenditure) for reporting year (as per the SoFA)

Adjusted for :

Depreciation (note 11)

Capital grants from DfE and other capital income

Cash transferred on conversion to multi academy trust

Assets transferred on conversion to multi academy trust

Interest receivable (note 4)

Defined benefit pension scheme obligation inherited

Defined benefit pension scheme cost less contributions payable (note 22)

Defined benefit pension scheme finance cost/(income) (note 22)

Decrease / (increase) in debtors

Increase / (decrease) in creditors

Net cash provided by / (used in) operating activities

	Total	Total
	2017/18	2016/17
	£	£
Net income/(expenditure) for reporting year (as per the SoFA)	(66,843)	3,144,665
Adjusted for :		
Depreciation (note 11)	110,432	27,037
Capital grants from DfE and other capital income	(13,018)	-
Cash transferred on conversion to multi academy trust	-	(536,369)
Assets transferred on conversion to multi academy trust	-	(3,972,100)
Interest receivable (note 4)	(333)	(18)
Defined benefit pension scheme obligation inherited	-	1,278,000
Defined benefit pension scheme cost less contributions payable (note 22)	49,000	13,000
Defined benefit pension scheme finance cost/(income) (note 22)	33,000	8,000
Decrease / (increase) in debtors	451,191	(563,235)
Increase / (decrease) in creditors	49,562	206,123
Net cash provided by / (used in) operating activities	<u>612,991</u>	<u>(394,897)</u>

19. Cash flows from investing activities

Interest received

Purchase of tangible fixed assets

Capital grants from DfE Group

Net cash provided by / (used in) investing activities

	Total	Total
	2017/18	2016/17
	£	£
Interest received	333	18
Purchase of tangible fixed assets	(27,635)	(5,617)
Capital grants from DfE Group	13,018	-
Net cash provided by / (used in) investing activities	<u>(14,284)</u>	<u>(5,599)</u>

St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

20. Analysis of cash and cash equivalents

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	734,580	135,873
	<u>734,580</u>	<u>135,873</u>

21. Member's liability

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

22. Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

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

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

**St Stephen's Church of England Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2018 (continued)

22. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £145,833 (2017 : £34,729).

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

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

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

22. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £168,000 (2017 : £41,000), of which employer's contributions totalled £143,000 (2017 : £35,000) and employees' contributions totalled £25,000 (2017 : £6,000). The agreed contribution rates for future years are between 20.4% and 20.7% for employers and between 5.5% and 8.5% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 31 years.

Principal actuarial assumptions

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

Sensitivity analysis

	As disclosed	Discount rate	CPI rate	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	1,439	1,398	1,476	1,485
Projected service cost	163	158	165	168
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	1,439	1,482	1,404	1,394
Projected service cost	163	168	161	158

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

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

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	150,000	45,000
Government bonds	18,000	5,000
Other bonds	9,000	3,000
Property	20,000	5,000
Cash/liquidity	9,000	3,000
Other	34,000	10,000
Total market value of assets	240,000	71,000

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

	2017/18 £	2016/17 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	192,000	48,000
Net interest cost	33,000	8,000
Total amount recognised in the SOFA	225,000	56,000

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

	2017/18 £	2016/17 £
At 1 September 2017	1,412,000	-
Conversion of academy trusts	-	1,307,000
Current service cost	192,000	48,000
Interest cost	37,000	8,000
Changes in financial assumptions	(227,000)	43,000
Contributions by participants	25,000	6,000
At 31 August 2018	1,439,000	1,412,000

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

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017/18	2016/17
	£	£
At 1 September 2017	71,000	-
Conversion of academy trusts	-	29,000
Interest on assets	4,000	-
Return on assets less interest	(3,000)	1,000
Employer contributions	143,000	35,000
Contributions by participants	25,000	6,000
At 31 August 2018	240,000	71,000
Net pension scheme liability	(1,199,000)	(1,341,000)

23. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The following related party transaction took place during the year:

Expenditure related party transaction

Services 4 Schools

	2018	2017
	£	£
Profitable company in which C Banks, a former member of the multi academy trust (resigned 11/7/18), is an employee		
Services recharged by related company during the period	33,023	3,049
Amount due to related company at period end	7,030	-

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.