

Company Registration No. 08248830 (England and Wales)

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



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**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
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ARDEN FOREST C OF E MULTI ACADEMY TRUST **(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)** **REFERENCE AND ADMINISTRATIVE DETAILS**

Directors	Susan Heap	Chair of the Board of Directors	
	Adam Walsh	Chief Executive Officer	
	Caroline Harris	Chair of St Nicholas Governors	
	Andrew Deeks	St Nicholas Governor	
	Vincent Foy	St Nicholas Governor	
	Nicholas Moon	Chair of Coughton Governors	(appointed 01/03/18)
	Stuart Tilsley	Coughton Governor	(appointed 01/03/18)
	Catherine Barron	Chair of Temple Grafton Governors	(appointed 01/03/18)
	Helen Wood	Temple Grafton Governors	(appointed 01/03/18)
	Patricia Bowler	St Nicholas Governor	(resigned 01/03/18)
	David Campbell-Kelly	St Nicholas Governor	(resigned 01/03/18)
	Richard Chapman	St Nicholas Governor	(resigned 01/03/18)
	Susan Godson	St Nicholas Governor	(resigned 01/03/18)
	Alison Howson	St Nicholas Governor	(resigned 01/03/18)
	Richard Hunter	St Nicholas Governor	(resigned 01/03/18)
	Mark Johnston	St Nicholas Governor	(resigned 01/03/18)
	Susan Juned	St Nicholas Governor	(resigned 01/02/18)
	Alexander Kolb	St Nicholas Governor	(resigned 01/03/18)
	Julie Lindsay	St Nicholas Governor	(resigned 01/03/18)
	Karen O'Shea	St Nicholas Governor	(resigned 01/03/18)
Members	Virginia Von Malachowski	St Nicholas Governor	(resigned 01/03/18)
	Laurance Yearley	St Nicholas Governor	(reappointed 01/02/18 and retired 01/03/18)
	Christopher Cocksworth	Bishop of Coventry	(from 01/03/18)
	Linda Wainscot	Diocesan Director of Education	(from 01/03/18)
	Adrian Guthrie	Rector of the Parish of Alcester	(from 01/03/18)
	Susan Heap	Chair of the Board of Directors	
	Virginia Von Malachowski	Member of the local community	(from 01/03/18)
	Vincent Foy	St Nicholas Governor	(to 01/03/18)
	Julie Lindsay	St Nicholas Governor	(to 01/03/18)
	Laurence Yearley	St Nicholas Governor	(to 01/03/18)
Leadership Team	Adam Walsh	Chief Executive Officer	
	Louise Green	Chief Financial Officer	(from 01/03/18)
	Karen O'Shea	Head of School (St Nicholas)	
	Katie Langley	Head of School (Coughton)	(from 01/04/18)
	Sarah Hendry	Head of School (Temple Grafton)	(from 01/04/18)
Company secretary	Susan Heap		
Company no.	08248830 (England and Wales)		
Registered office	St Nicholas Church of England Primary School St. Faiths Road Alcester Warwickshire B49 6AG		

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
REFERENCE AND ADMINISTRATIVE DETAILS**

Academies in MAT	St Nicholas C of E Primary School Coughton C of E Primary School Temple Grafton C of E Primary School	(from 01/04/18) (from 01/04/18)
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY	
Actuary	Hymans Robertson LLP One London Wall London EC2Y 5EA	
Bankers	Lloyds Bank Plc 22 Bridge Street Stratford Upon Avon Warwickshire CV37 6AG	
Solicitors	Anthony Collins Solicitors 134 Edmund Street Birmingham B3 2ES	

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

On 1 March 2018 the Academy converted to a Multi-Academy Trust and changed its name from St Nicholas' CofE School Alcester to Arden Forest C of E Multi-Academy Trust.

On 1 April 2018 Coughton C of E Primary School and Temple Grafton C of E Primary School joined the Multi-Academy Trust, both of which were previously operated by Warwickshire County Council.

The Multi-Academy Trust now operates 3 primary academies in and around Alcester, Warwickshire. Its academies have a combined pupil capacity of 665 and had a roll of 670 pupils.

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 Directors are the Trustees of Arden Forest C of E Multi Academy Trust and are also the directors of the charitable company for the purposes of company law. Details of the Directors 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.

Directors' indemnities

The Multi-Academy Trust's Memorandum and Articles of Association includes a provision for qualifying third party indemnity for the benefit of its Directors and officers. These provisions remain in force at the reporting date.

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect Directors and officers for claims arising from negligent acts, errors or omissions occurring whilst on school business.

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of recruitment and appointment or election of Directors

From 1 March 2018, the Memorandum & Articles requires that at least 5 Directors must be appointed by the members. The Directors can also appoint up to 2 Co-opted Directors, provided that they are not employees of the Multi-Academy Trust and that the number of Co-opted Directors does not exceed one third of the total number of Directors.

The Members have decided to appoint Directors as follows:

- The Chair of the Board of Directors;
- The Chief Executive Officer; and
- Representatives from the Board of Governors of each of the schools operated by the Multi-Academy Trust.

Prior to 1 March 2018, Governors were recruited and appointed as follows:

- Foundation Governors are appointed by the Coventry Diocesan Board of Education and the town parish of Alcester.
- Parent Governors are elected by the parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he/she is elected.
- The Head Teacher is automatically appointed as a Staff Governor.
- Other Staff Governors are elected by the employees of the Academy.
- Co-Opted Governors are appointed by invitation from the existing Governors.

Policies and procedures adopted for the induction and training of Directors

Training and induction for Directors will depend on their prior experience and/or knowledge. Most induction is carried out "in house", but external trainers may be brought in, or Directors may attend external training provision as appropriate. Directors are provided with access to copies of all the documents and policies that they will need to undertake their role.

Organisational structure

The Board of Directors meets formally at least three times per year. Discussions are held and decisions are made or ratified as appropriate.

The day to day running of the Multi-Academy Trust is delegated to the Chief Executive Officer and the Senior Leadership Team who report back to the Directors as appropriate.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel, as with all other employees of the Academy, have their salary set by reference to either the NASUWT teacher pay scales or NJC non-teacher pay scales and their job grading.

The Directors review all proposed changes to employee wages.

Related parties and other connected charities and organisations

During the year the Multi-Academy Trust did not have any connected organisations. Neither were there any related party relationships. Any related party relationships that may arise would be acknowledged at the Directors' meetings through the pecuniary interests forms.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Co-operation with other organisations in pursuit of charitable objectives

The Friends of St Nicholas School Alcester, Coughton School Parent Teacher Association and Temple Grafton Parent Teacher Association undertake fundraising activities as separate organisations, with the proceeds used for the betterment of the pupils who attend the schools operated by the Multi-Academy Trust.

During the year the Multi-Academy Trust provided a caretaker with the Parenting Project, Alcester, a Sure Start Children's Centre that acts as a hub for early learning, child and family health services, family support and links to training and employment advice.

In addition the Multi-Academy Trust continues to have a good working relationship with the Diocese of Coventry who provide support and guidance from both an educational and pastoral perspective.

The Multi-Academy Trust also lets out part of its premises to local organisations.

Objectives and activities

Objects and aims

The objectives of the charitable company are to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum and which shall include:

- Church of England schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Diocesan Board of Education; and
- other Academies whether with or without a designated religious character; but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.

Objectives, strategies and activities

The main aim of the charitable company over the year has been to continue to provide a stable environment following operating as a Multi-Academy Trust to ensure that the very high standards set by the Multi-Academy Trust (judged outstanding by Ofsted) were maintained. Within this environment, our aim has been to continue to use the freedoms brought by Multi-Academy Trust status to lay down the foundations of new initiatives to further enhance the quality of teaching and learning in the Multi-Academy Trust, thereby maximising the opportunities for all students to realise their potential.

Last year we informed parents that the governors of St Nicholas C of E Primary School, Temple Grafton C of E Primary School and Coughton C of E Primary School were proposing to form a Multi-Academy Trust ("MAT").

Since the consultation period, we conducted due diligence to ensure that none of the schools presented a risk to the MAT. The areas that were considered were: finance, school effectiveness (quality of teaching, learning and leadership), governance, premises and health and safety. After careful consideration of each of the reports the governors of each school agreed to the formation of the MAT.

There are clear benefits of working in this way. The main benefit to collaborative working will be on teaching, learning and leadership. There are highly effective teaching strategies and engaging curriculums that we can share and develop and the MAT will guarantee a shared commitment to working together rather than in isolation. Working in this way will ensure the quality of teaching and learning remains high and children have the best possible primary school experience. Through committing to work together, there are also financial savings to be had in economies of scale and procurement.

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Volunteers

A wide range of visitors are invited into the schools to contribute in a variety of ways. These include health professionals, artists, poets in residence, theatre in education groups, craftspeople, the rector, local historians, careers advisers, police officers, local secondary school students, parents and grandparents and other people with particular expertise, experience or knowledge. These visitors contribute to learning in a variety of settings, such as curriculum extension or enrichment activities, assemblies, extracurricular events and clubs, community projects, theatre in education, insight into industry days, in lessons, at school based conferences, as expert witnesses and accompanying pupils on school trips.

Care is needed when handling sensitive and/or controversial issues that may arise. Staff and pupils will be involved in the establishment of classroom rules which set the climate for the lesson and make clear how all involved in the lesson are expected to behave towards each other during the session, this will then enable everyone involved to feel safe. Part of that discussion will include consideration of what kind of information is for sharing beyond the classroom and how pupils would feel if something they have contributed to the lesson were talked about on the playground or in the staffroom. These rules apply equally to pupils, staff and visitors. Where visitors support the curriculum, they are made aware of and abide by the school's policy regarding disclosures and confidentiality. The boundary between providing individual advice and providing learning opportunities for groups of pupils is made clear to everyone.

A teacher is present during any session with an outside visitor.

Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

In April 2017 St Nicholas C of E Primary School received Outstanding for its SIAMS inspection achieving outstanding in all key areas.

80% of children at end of EYFS were at a Good Level of Development (GLD), well above the national average. Results at Key Stage 1 were also above national for the expected standard for Reading, Writing, Maths and Science both as individual subjects and combined.

Attainment at Key Stage 2 in Reading was well above national with results for Writing, GPS and Reading, Writing and Maths (combined) broadly in line with national.

Disadvantaged children outperformed their peers in Reading, Writing and GPS.

Key performance indicators

As a charitable company the Multi-Academy Trust does not consider it suitable to measure its performance in terms of financial measurements. However the Directors review net incoming/outgoing resources before actuarial pension movements, to ensure that the Multi-Academy Trust achieves a small surplus each financial year. However the Multi-Academy Trust undertakes activities to be funded out of reserves with the agreement of the Directors, to balance the need for the Multi-Academy Trust to have sufficient reserves to continue operations against the desire to maximise the benefit that the pupils receive from the Multi-Academy Trust.

The Directors consider the non-financial key performance indicators of the Multi-Academy Trust to be:

- the academic success of the pupils (as measured by National Statistics published by the Department For Education);
- other statistical analysis compiled by Fisher and Warwickshire County Council;
- the Multi-Academy Trust's latest Ofsted inspection report grade and the Diocesan Board of Education inspections;
- in-house qualitative reports prepared by the Senior Leadership Team.

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Multi-Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Board of Directors continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of the Multi-Academy Trust's income was obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

On 1 April 2018, two additional schools joined the Multi-Academy Trust. The net assets of these two schools at the time they joined the Multi-Academy Trust was valued at £3,323,436. In addition, ongoing income and expenditure from 1 April 2018 significantly increased due to the Multi-Academy Trust operating three schools rather than one.

Total expenditure for the year was £2,472,554 (2017 - £1,827,726), which was more than covered by recurrent grant funding from the ESFA together with other incoming resources.

Total net surplus (before actuarial gains on defined benefit pension scheme) for the year was £3,262,218 (2017 - £38,518). This included:

- net assets of the two schools joining the Multi-Academy Trust of £3,323,436 (2017 - £nil)
- net deficit of other restricted fixed asset fund activities of £135,533 (2017 - net deficit of £58,312)
- expenditure resulting from movements on LGPS provision (excluding actuarial gains on defined benefit pension scheme) of £80,000 (2017 - expenditure of £61,000)
- net surplus on unrestricted and other restricted general funds (excluding effect of the two schools joining the Multi-Academy Trust) of £154,315 (2017 - net surplus of £80,794).

At 31 August 2018 the net book value of fixed assets was £9,674,546 (2017 - £6,261,323), after the addition of tangible fixed assets relating to the 2 schools joining the Multi-Academy Trust at deemed cost of £3,510,013 (2017 - £nil). The movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Multi-Academy Trust.

At the year end the Multi-Academy Trust had total net assets of £9,481,431 (2017 - £6,085,213), split into the following reserves:

- Unrestricted funds of £277,020 (2017 - £219,252)
- Restricted general funds (excluding pension reserve) of £154,561 (2017 - £23,163)
- Restricted general funds - pension reserve of £633,000 in deficit (2017 - £447,000 in deficit)
- Restricted fixed asset funds of £9,682,850 (2017 - £6,289,798)

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Reserves policy

The level of unrestricted funds and GAG restricted funds are being built up out of operating surpluses as to create a reserve to cover the risks and uncertainties of operating the school and thereby ensuring the financial security of the Multi-Academy Trust.

The Directors have evaluated what should be a suitable reserves policy and have concluded that a value of 5% of the budget is an appropriate amount. This is needed to support subsequent years where pupil numbers may fluctuate.

The Multi-Academy Trust also, from time to time, accumulates funding in order to finance specific projects that requires higher than normal expenditure and could not otherwise be funded out of day to day operating income.

The fixed assets of the Multi-Academy Trust held in restricted fixed asset funds are considered necessary for the continued running of the school and such funds are therefore excluded from review. Restricted fixed asset funds held as cash are being accumulated until sufficient funds are available to finance the planned purchase of specific capital items.

The Directors regularly monitor the level of reserves and report to the ESFA any unspent funds expected to be carried forward.

The Directors consider the level of reserves at the period end to be sufficient but not excessive.

The Multi-Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £267,520 (2017 - £219,252).

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the ESFA.

Excluding the Pension Reserve fund, the Academy is not carrying a deficit on any restricted general funds.

Investment policy

The Academy does not hold either any short term or long term investments.

Principal risks and uncertainties

The Directors confirming that the major risks to which the Multi-Academy Trust is exposed, as identified by themselves, have been reviewed, and that systems or procedures have been established to manage those risks.

The principal financial risks facing the Multi-Academy Trust is that funding is dependent upon pupil numbers and upon the Government's policies for education. Pupil numbers have continued to increase in the current financial year. However Directors are aware that pupil numbers would be affected by changes to the reputation of the school or by significant developments within the local area, although the Directors do not consider the risk of such changes occurring to be high. The Directors review for any significant changes in Government funding policies that may affect the funding received by the school.

The Multi-Academy Trust is a participating employer of the Warwickshire County Council Local Government Pension scheme, a multi-employer defined benefit pension scheme which is currently in deficit. The ongoing contributions payable to this scheme is considered manageable within the Academy's ongoing budgets.

The principal non-financial risks facing the Multi-Academy Trust are the protection of pupils, staff and assets, as well ensuring that the school continues to obtain favourable Ofsted inspection results. The Multi-Academy Trust has policies in place to manage all these risks.

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

Separately from the matter of charging, the Multi-Academy Trust on occasion seeks voluntary contributions in order to offer a wide variety of experiences to pupils. All requests for voluntary contributions will emphasise their voluntary nature and the fact that pupils of parents who do not make such contributions will be treated no differently to those who have. If we do not receive sufficient voluntary contributions, we may cancel the trip. This will be made clear to parents in the letter advising details of the activity.

If a parent wishes their child to take part in a school trip or event, but is unwilling or unable to make a voluntary contribution, we do allow the child to participate fully in the trip or activity. Sometimes the Multi-Academy Trust pays additional costs in order to support the visit. Parents have a right to know how each trip is funded. The Multi-Academy Trust provides this information on request.

The following is a list of additional activities organised by the Multi-Academy Trust, which require voluntary contributions from parents. These activities are known as "optional extras". This list is not exhaustive:

- visits to museums;
- sporting activities which require transport expenses;
- outdoor adventure activities;
- visits to the theatre;
- school trips; and
- musical events.

The Multi-Academy Trust does not engage in any other fundraising activities.

Plans for future periods

The Multi-Academy Trust will take every opportunity to improve the school environment to enhance the atmosphere for students. However the Directors are aware that funding for significant capital projects has to be applied for through the ESFA.

- The main focus of the Academy for 2018-19 is to make significant progress against the School's Improvement Plan:
 - Ensure all children are working at age related expectations and given opportunities to work at greater depth in all core subjects;
 - To further develop children's spiritual and personal development, behaviour and welfare; and
 - All staff are well informed of 2017-18 initiatives, have strong subject knowledge and successfully meet the needs of individual pupils.
- The needs for staff training (joint staff meetings occur where needs are the same e.g. safeguarding);
- To continue to build and develop an effective leadership structure to allow the school to effectively support and work collaboratively with schools within the geographical area; and
- Further invest in the School's facilities to allow the community to avail themselves of it.

Funds held as custodian trustee on behalf of others

The Multi-Academy Trust does not hold any funds as custodian trustee on behalf of others.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
DIRECTORS' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

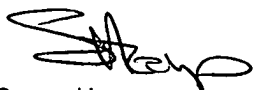
Auditor

In so far as the Directors are aware:

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

A resolution proposing that Ormerod Rutter Limited be reappointed as auditor of the charitable company will be put to the members.

The Directors' report, incorporating a strategic report, was approved by order of the Board of Directors, as the company directors, on 18 December 2018 and signed on its behalf by:



Susan Heap

Chair of the Board of Directors

ARDEN FOREST C OF E MULTI ACADEMY TRUST **(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)** **GOVERNANCE STATEMENT**

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive Office, 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 Arden Forest C of E Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities.

The Board of Governors of St Nicholas C of E Primary School formally met 4 times prior to converting to a Multi-Academy Trust (and a total of 7 times during the year). Attendance at these meetings up to the point of conversion to a Multi-Academy Trust was as follows:

Directors		Meetings attended	Out of possible
Susan Heap	Chair of Governors	3	4
Adam Walsh	Executive Head Teacher	4	4
Patricia Bowler	(resigned 01/03/18)	4	4
David Campbell-Kelly	(resigned 01/03/18)	3	4
Richard Chapman	(resigned 01/03/18)	3	4
Andrew Deeks		3	4
Vincent Foy		3	4
Susan Godson	(resigned 01/03/18)	2	4
Caroline Harris		3	4
Alison Howson	(resigned 01/03/18)	4	4
Richard Hunter	(resigned 01/03/18)	2	4
Mark Johnston	(resigned 01/03/18)	2	4
Susan Juned	(resigned 01/02/18)	3	4
Alexander Kolb	(resigned 01/03/18)	2	4
Julie Lindsay	(resigned 01/03/18)	-	4
Karen O'Shea	(resigned 01/03/18)	2	4
Virginia Von Malachowski	(resigned 01/03/18)	4	4
Laurance Yearley	(reappointed 01/02/18 and retired 01/03/18)	-	-

Laurance Yearley retired as Chair of Governors on 31st August 2017. He was temporarily reappointed on 1st February 2018 but then resigned 1st March 2018 due to ill health.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

The Finance and Resources Committee is a sub-committee of the Board of Governors of St Nicholas C of E Primary School whose purpose is to prepare the budget, monitor expenditure and address financial matters. The Finance and Resources Committee has formally met 2 times prior to converting to a Multi-Academy Trust (and a total of 4 times during the year). Attendance at these meetings up to the point of conversion to a Multi-Academy Trust was as follows:

Directors		Meetings attended	Out of possible
Vincent Foy	Chair of Finance	2	2
Susan Heap	Chair of Governors	2	2
Adam Walsh	Executive Head Teacher	2	2
Richard Chapman		1	2
Andrew Deeks		-	2
Richard Hunter		2	2

Following conversion to a Multi-Academy Trust, the newly formed Board of Directors of the Multi-Academy Trust formally met 4 times during the year. Attendance at these meetings was as follows:

Directors		Meetings attended	Out of possible
Susan Heap	Chair of Directors	3	4
Adam Walsh	Chief Executive Officer	3	4
Catherine Barron	(appointed 01/03/18)	4	4
Andrew Deeks		4	4
Vincent Foy		4	4
Caroline Harris		2	4
Nicholas Moon	(appointed 01/03/18)	4	4
Stuart Tilsley	(appointed 01/03/18)	4	4
Helen Wood	(appointed 01/03/18)	4	4

The Directors of the Multi-Academy Trust have been appointed based on their relevant skills portfolio and ensuring sufficient representation from the Local Governing bodies. A scheme of delegation has been created that covers the new reporting structure from Directors, Executive Head, Local Governing bodies and local school staff. This is monitored and supported by the Chief Financial Officer.

The Chief Financial Officer is responsible for the preparation of the Multi-Academy Trust's budget along with the Resources sub-committee at each school, monitoring expenditure and addressing financial matters.

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

As Accounting Officer, the Chief Executive Office 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 Multi-Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where available.

Areas where the Trust's activities have contributed to achieving value for money:

- The MAT has used Pupil Premium funds to support the needs of children with SEMH and emotional needs. The MAT has a specialist counsellor and an additional member of staff dedicated to supporting these children. The MAT also used these funds in one school to subscribe to "Achievement for All", focusing on the achievement of identified pupils. This initiative involved structured conversation with parents to allow staff to identify and more deeply understand blockers to attendance and learning. The Local Governing bodies monitor the impact of pupil premium support through reviewing attendance, pupil well-being and academic performance. Data at the end of Key Stage 2 shows that the majority of disadvantaged pupils across the MAT performed as well as their peers in Reading, Writing and GPS across both key stages.
- At St. Nicholas, playground screens and software were installed to encourage children to take part in physical activities and increase health and diet awareness at a cost of £7,000. At Coughton a trim trail, costing £17,000 was installed again to promote physical activity and exercise.
- The 2017-18 academic year was the third year of the new leadership structure in partnership with a local maintained school. The Head of School at St Nicholas supports the Executive Head Teacher as the operational leader of the school. The Leadership Team conducted a rigorous schedule of monitoring activities including book trawls, lesson observations and focused pupil discussions. Governors reviewed the impact of the staffing structure through the commissioning of an independent School Improvement Partner to verify the judgements of the Leadership Team and assess the impact against the School's priorities. From 1st April 2018 the new structure was implemented for the MAT with the Executive Head supporting the Heads and local governing bodies.
- St. Nicholas school continues to utilise "Parent Pay" as a means for parents to pay for school meals, trips, etc.. This has significantly reduced workload in the office and the amount of cash on the premises. The facility for parents now includes the payment for residential and day trips as well as after school and breakfast clubs.
- As part of the setup of the Multi academy Trust an application was made for a MAT Development and Improvement Fund to facilitate the implementation of a new Finance and Administration system and to utilise further specialist teachers supporting other schools in the MAT and Henley in Arden C of E primary school. The MAT was awarded a grant of £77,100.
- The internal control was enhanced with the introduction of the HCSS financial system across the 3 schools in the MAT. This enables more effective financial control and comparisons for the MAT Directors and Board.

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 Multi-Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Arden Forest C of E Multi Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to handle risk

The Board of Directors 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 Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi-Academy Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Directors.

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 from the HCSS Finance system, which are reviewed and agreed by the Board of Directors;
- regular reviews by the Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks are reviewed on a regular basis at Board of Directors level.

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Board of Directors has appointed the services of Warwickshire County Council Schools Finance team to conduct regular internal audits of the key processes.

This service provider's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a regular basis, they report to the Directors and local schools' Boards of Governors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The school's system of internal policies and financial controls is subject to periodic review and revision by the Board of Governors.

The service provider has recommended that:

- meeting minutes, budgets and other documents be securely stored on a shared server as to allow increased (controlled) accessibility;
- formal meetings be scheduled between the local schools' Head of School and School Business Managers and the Chief Executive Officer and Chief Financial Officer (rather than occurring on an ad hoc basis); and
- when signing to confirm variation checks have been undertaken, the date of this signature is also recorded.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
GOVERNANCE STATEMENT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

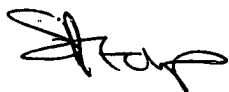
Review of effectiveness

As Accounting Officer the Chief Executive Office 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 Audit team;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the 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 Board of Directors and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board of Directors on 18 December 2018 and signed on its behalf by:



Susan Heap
Chair of the Board of Directors



Adam Walsh
Executive Head Teacher

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2018**

As Accounting Officer of Arden Forest C of E Multi Academy Trust I have considered my responsibility to notify the Multi-Academy Trust's Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the 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's Board of Directors 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 Directors and ESFA.



Adam Walsh
Accounting Officer

18 December 2018

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
STATEMENT OF DIRECTORS' RESPONSIBILITIES**

FOR THE YEAR ENDED 31 AUGUST 2018

The directors (who also act as trustees for Arden Forest C of E Multi Academy Trust) are responsible for preparing the Directors' report and the accounts in accordance with the Annual Accounts Direction issued 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 Directors to prepare accounts for each financial year. Under company law the Directors must not approve the accounts 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 accounts, the Directors 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors 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 accounts 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 Directors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Directors on 18 December 2018 and signed on its behalf by:



Susan Heap
Chair of the Board of Directors

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN FOREST C OF E
MULTI ACADEMY TRUST
FOR THE YEAR ENDED 31 AUGUST 2018**

Opinion

We have audited the accounts of Arden Forest C of E Multi Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and 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 accounts' 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 accounts 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 Directors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Directors have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN FOREST C OF E
MULTI ACADEMY TRUST (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Directors' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the 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 Directors' report, including the incorporated strategic report.

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

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

Responsibilities of Directors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Directors 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 Directors either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN FOREST C OF E
MULTI ACADEMY TRUST (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited**

**Chartered Accountants
Statutory Auditor**

C
19/12/18.

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

ARDEN FOREST C OF E MULTI ACADEMY TRUST (FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ARDEN FOREST C OF E MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement and further to the requirements of the Education & 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 Arden Forest C of E Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Arden Forest C of E Multi Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Arden Forest C of E Multi Academy Trust and 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 Arden Forest C of E Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Arden Forest C of E Multi Academy Trust's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Arden Forest C of E Multi Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO ARDEN FOREST C OF E 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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Ormerod Rutter Ltd

Reporting Accountant

Ormerod Rutter Limited

The Oakley

Kidderminster Road

Droitwich

Worcestershire

WR9 9AY

Dated: *19/12/18*

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	3,117	-	22,039	25,156	76,117
Donations - Transfer of schools into MAT from Local Authority	27	-	(202,037)	3,525,473	3,323,436	-
Charitable activities:						
- Funding for educational operations	4	-	2,238,621	-	2,238,621	1,619,193
Other trading activities	5	108,279	39,050	-	147,329	93,703
Investments	6	230	-	-	230	195
Total		111,626	2,075,634	3,547,512	5,734,772	1,789,208
Expenditure on:						
Charitable activities:						
- Educational operations	8	3,897	2,311,085	157,572	2,472,554	1,827,726
Total	7	3,897	2,311,085	157,572	2,472,554	1,827,726
Net income/(expenditure)		107,729	(235,451)	3,389,940	3,262,218	(38,518)
Transfers between funds	19	(49,961)	46,849	3,112	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	134,000	-	134,000	149,000
Net movement in funds		57,768	(54,602)	3,393,052	3,396,218	110,482
Reconciliation of funds						
Total funds brought forward		219,252	(423,837)	6,289,798	6,085,213	5,974,731
Total funds carried forward		277,020	(478,439)	9,682,850	9,481,431	6,085,213

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	4,110	3,000	69,007	76,117
Charitable activities:					
- Funding for educational operations	4	-	1,619,193	-	1,619,193
Other trading activities	5	83,614	10,089	-	93,703
Investments	6	195	-	-	195
Total		87,919	1,632,282	69,007	1,789,208
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	1,700,407	127,319	1,827,726
Total	7	-	1,700,407	127,319	1,827,726
Net income/(expenditure)		87,919	(68,125)	(58,312)	(38,518)
Transfers between funds	19	(28,576)	5,670	22,906	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	149,000	-	149,000
Net movement in funds		59,343	86,545	(35,406)	110,482
Reconciliation of funds					
Total funds brought forward		159,909	(510,382)	6,325,204	5,974,731
Total funds carried forward		219,252	(423,837)	6,289,798	6,085,213

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
BALANCE SHEET
AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	14		9,674,546		6,261,323
Current assets					
Debtors	16	190,210		74,054	
Cash at bank and in hand		448,039		300,786	
		<u>638,249</u>		<u>374,840</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(198,364)		(103,950)	
Net current assets			439,885		270,890
Net assets excluding pension liability			10,114,431		6,532,213
Defined benefit pension scheme liability	21	(633,000)		(447,000)	
Net assets			<u>9,481,431</u>		<u>6,085,213</u>
Funds of the Multi-Academy Trust:					
Restricted funds	19				
- Fixed asset funds			9,682,850		6,289,798
- Restricted income funds			154,561		23,163
- Pension reserve			(633,000)		(447,000)
Total restricted funds			9,204,411		5,865,961
Unrestricted income funds	19		277,020		219,252
Total funds			<u>9,481,431</u>		<u>6,085,213</u>

The accounts on pages 23 to 52 were approved by the Directors and authorised for issue on 18 December 2018 and are signed on their behalf by:



Susan Heap
Chair of the Board of Directors

Company Number 08248830

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		148,966		112,848
Cash received from schools joining the MAT			27,740		-
			<u>176,706</u>		<u>112,848</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		230		195	
Capital grants from DfE and ESFA		22,039		69,007	
Payments to acquire tangible fixed assets		(51,722)		(63,438)	
		<u></u>	<u>(29,453)</u>	<u></u>	<u>5,764</u>
Change in cash and cash equivalents in the reporting period			<u>147,253</u>		<u>118,612</u>
Cash and cash equivalents at 1 September 2017			<u>300,786</u>		<u>182,174</u>
Cash and cash equivalents at 31 August 2018			<u><u>448,039</u></u>		<u><u>300,786</u></u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

Arden Forest C of E Multi Academy Trust is a charitable company limited by guarantee incorporated in England and Wales.

The address of the registered office and its principal place of business is St Nicholas' Church of England Primary School, St. Faiths Road, Alcester, Warwickshire, B49 6AG.

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

1.1 Basis of preparation

The accounts 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.

Arden Forest C of E Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Directors 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 charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Conversion to a multi-academy trust

During the year the charitable company converted from a single Academy to a Multi-Academy Trust.

During the year both Coughton C of E Primary School and Temple Grafton C of E Primary School converted from being state maintained schools to being part of the Multi-Academy Trust. This involved the transfer of identifiable assets and liabilities and the operation of these two schools to the Multi-Academy Trust for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Warwickshire County Council to the Multi-Academy Trust in regard to these two schools have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in income - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The fair value of land and buildings is per valuations supplied by Warwickshire County Council who engaged external valuers. The fair value of other tangible fixed assets is based on calculated depreciated historical cost. The fair value of LGPS provision is per actuarial assessment. Other assets and liabilities are valued at book value.

Further details of the transaction are set out in note 27.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.4 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 receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised 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.

Other income

Other income, including the hire of facilities, is recognised in the period 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. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	- not depreciated
Leasehold buildings	- 2% on cost
Leasehold improvements	- 10% on cost
Computer equipment	- 25% on cost
Fixtures, fittings & equipment	- 20% on cost

Leasehold property includes property held under 125 year lease agreements issued by both Warwickshire County Council and Coventry Diocesan Board of Education.

In accordance with Charities SORP (FRS 102) 2015 this property is recognised in the financial statements, representing the 'right to use' the property. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Leasehold property also includes property held under the terms of the Church Supplemental Agreement to the Funding Agreement whereby the trustees of the Church of England Parish of Alcester have made leasehold property available indefinitely to the Multi-Academy Trust, subject to either the termination of the Funding Agreement or on receipt of no less than two years written notice from the following 31st August from the trustees of the Church of England Parish of Alcester.

In accordance with FRS 102, this property was recognised in the financial statements, on the basis that the Academy has effective control over the future economic benefits relating to the property, is able to restrict the access of others to those benefits and is responsible for the maintenance of the property for the foreseeable future, on the assumption that it is improbable that notice to vacate the property will be issued within the foreseeable future. The property is recognised as a leasehold tangible fixed asset at fair value of the asset (being the right to use the property rather than the freehold) at the date of conversion less accumulated depreciation.

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.

1.7 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 Multi-Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods of services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

The Multi-Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Multi-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.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.10 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions 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 and the assets are held separately from those of the Multi-Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi-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 projected unit method. The 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 are 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 period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

1.12 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Multi-Academy Trust at the discretion of the Directors.

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.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 31st March 2016 has been used by the actuary in valuing the pensions liability at 31st 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.

Critical areas of judgement

The carrying value of tangible fixed assets is dependent on both the annual depreciation charge. The annual depreciation charge for tangible fixed assets is sensitive to changes in useful economic lives. The accounting policies for depreciation of tangible fixed assets can be found in note 1 and the carrying value of tangible fixed assets can be found in note 14.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
ESFA Capital Grants:				
- Devolved Capital Formula	-	19,538	19,538	8,478
- Condition Improvement Fund	-	2,501	2,501	60,529
Other donations	3,117	-	3,117	7,110
	<u>3,117</u>	<u>22,039</u>	<u>25,156</u>	<u>76,117</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the Multi-Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General Annual Grant (GAG)	-	1,873,189	1,873,189	1,416,801
Rates Relief	-	12,428	12,428	12,821
Start up grants	-	50,000	50,000	-
MAT Development & Improvement Fund	-	39,092	39,092	-
Pupil Premium	-	110,015	110,015	114,697
PE & Sports Premium	-	33,732	33,732	9,705
Universal Infant Free School Meals	-	83,776	83,776	58,558
	-	2,202,232	2,202,232	1,612,582
Other government grants				
Special Educational Needs	-	28,674	28,674	6,611
Pupil Premium Looked After Children	-	7,715	7,715	-
	-	36,389	36,389	6,611
Total funding	-	2,238,621	2,238,621	1,619,193

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of premises	7,434	-	7,434	3,062
Catering income	56,621	-	56,621	43,103
Contributions towards music lessons	7,131	-	7,131	6,335
Contributions towards school trips and extra-curricular activities	34,144	-	34,144	23,671
Other income	2,949	39,050	41,999	17,532
	108,279	39,050	147,329	93,703

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Bank interest	230	-	230	195

ARDEN FOREST C OF E MULTI ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	1,495,808	106,807	195,205	1,797,820	1,361,825
- Allocated support costs	243,522	168,018	263,194	674,734	465,901
	<u>1,739,330</u>	<u>274,825</u>	<u>458,399</u>	<u>2,472,554</u>	<u>1,827,726</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Operating lease rentals	10,503	2,552
Depreciation of tangible fixed assets	148,512	127,319
Net interest on defined benefit pension liability	15,000	11,000

Fees payable to the auditor:

	2018 £	2017 £
Audit of financial statements	5,395	5,125
Audit of ESFA annual return	1,300	925
Audit of TPS end of year certificate	515	500
Due diligence on MAT conversion	5,000	-
Preparation of financial statements	1,190	1,150
	<u>13,400</u>	<u>7,700</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs - educational operations	3,897	1,836,923	1,840,820	1,395,825
Support costs - educational operations	-	631,734	631,734	431,901
	<u>3,897</u>	<u>2,468,657</u>	<u>2,472,554</u>	<u>1,827,726</u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
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FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities (Continued)

Analysis of costs	2018	2017
	£	£
Direct costs		
Teaching and educational support staff costs	1,529,813	1,160,638
Staff development	8,995	5,460
Depreciation	106,807	89,844
Computer costs	14,600	488
Educational supplies	59,482	45,095
Educational professional services	76,507	76,249
School trip expenses	44,616	18,051
	<u>1,840,820</u>	<u>1,395,825</u>
Support costs		
Support staff costs	200,522	176,925
Depreciation	41,705	37,475
Computer costs	8,043	5,795
Legal, professional and staff recruitment	102,384	59,488
Maintenance of premises and equipment	39,397	15,985
Cleaning	9,301	7,327
Energy costs	27,526	23,556
Rent and rates	16,458	12,298
Insurance	33,631	28,503
Catering costs	122,168	38,899
LGPS deficit provision net interest charge	15,000	11,000
Office licences, telephone and stationery	7,199	6,950
Auditor's remuneration	8,400	7,700
	<u>631,734</u>	<u>431,901</u>

9 Central services

The Multi-Academy Trust has provided the following central services to its academies during the year time of Chief Executive Officer and Chief Financial Officer, centralised legal and professional costs, Directors' training and maintaining the website of the Multi-Academy Trust.

The Multi-Academy Trust charges for these services on the basis of 3.5% of General Annual Grant income.

The amounts charged during the year were as follows:	2018	2017
	£	£
St Nicholas C of E Primary	20,883	-
Coughton C of E Primary	8,872	-
Temple Grafton C of E Primary	6,569	-
	<u>36,324</u>	<u>-</u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff costs

	2018 £	2017 £
Wages and salaries	1,332,362	1,064,311
Social security costs	96,265	66,500
Operating costs of defined benefit pension schemes	284,420	206,189
	<u>1,713,047</u>	<u>1,337,000</u>
Staff costs	1,713,047	1,337,000
Supply staff costs	17,288	563
	<u>1,730,335</u>	<u>1,337,563</u>
Total staff expenditure	<u>1,730,335</u>	<u>1,337,563</u>

Staff numbers

The average number of persons employed by the Multi-Academy Trust during the year was as follows:

	2018 Number	2017 Number
Teachers	27	22
Teaching assistants	26	20
Midday supervisors	16	12
Caretakers and cleaners	5	4
Catering	-	5
Administration staff	5	3
	<u>79</u>	<u>66</u>
St Nicholas C of E Primary School	64	66
Coughton C of E Primary School	7	-
Temple Grafton C of E Primary School	8	-
	<u>79</u>	<u>66</u>

Note that the staff numbers for Coughton C of E Primary School and Temple Grafton C of E Primary School stated above is the average over a 12 month period. The average staff numbers over the 5 months following these two schools joining the Multi-Academy Trust was 19 for Coughton C of E Primary School and 19 Temple Grafton C of E Primary School.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff costs

(Continued)

Staff numbers (continued)

The annual average number of persons employed, expressed as a full time equivalent ("FTE"), was as follows:

	2018	2017
Teachers	22.9	18.5
Teaching assistants	14.7	12.2
Midday supervisors	3.1	2.4
Caretakers and cleaners	3.1	2.6
Catering	-	2.5
Administration staff	3.4	2.3
	<u>47.2</u>	<u>40.5</u>
St Nicholas C of E Primary School	37.6	40.5
Coughton C of E Primary School	5.8	-
Temple Grafton C of E Primary School	3.8	-
	<u>47.2</u>	<u>40.5</u>

Note that the FTE staff numbers for Coughton C of E Primary School and Temple Grafton C of E Primary School stated above is the average over a 12 month period. The average FTE staff numbers over the 5 months following these two schools joining the Multi-Academy Trust was 14 for Coughton C of E Primary School and 9.2 Temple Grafton C of E Primary School.

Higher paid staff

There were no employees whose annual remuneration was £60,000 or more.

Key management personnel

The key management personnel of the Multi-Academy Trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Multi-Academy Trust was £253,286 (2017 - £164,193).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

11 Directors' remuneration and expenses

One or more of the Directors has been paid remuneration or has received other benefits from an employment with the Multi-Academy Trust. The Chief Executive Office and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Office and staff members under their contracts of employment, and not in respect of their services as Directors.

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

Adam Walsh (Chief Executive Officer)

- Remuneration £55,000 - £60,000 (2017: £50,000 - £55,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Karen O'Shea (Head of School of St Nicholas C of E Primary School) - resigned 1st March 2018

- Remuneration £50,000 - £55,000 (2017: £45,000 - £50,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Alexander Kolb (Assistant Head Teacher of St Nicholas C of E Primary School) - resigned 1st March 2018

- Remuneration £40,000 - £45,000 (2017: £35,000 - £40,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Susan Godson (Staff Governor) - resigned 1st March 2018

- Remuneration £45,000 - £50,000 (2017: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000)

Prior to Arden Forest C of E Multi Academy Trust converting to a Multi-Academy Trust, Adam Walsh shared his time between both St Nicholas C of E Primary School and Coughton C of E Primary School. The amounts shown above is only the element of his salary paid by Arden Forest C of E Multi Academy Trust and excludes the element of his salary paid by Coughton C of E Primary School prior to Coughton C of E Primary School joining Arden Forest C of E Multi Academy Trust.

During the year 4 Staff Governors were reimbursed expenses relating to educational supplies and sundry admin costs totalling £178 (2017 - 4 Staff Governors were reimbursed expenses totalling £327).

12 Transfers

During the year the following transfers between funds were made:

- £17,634 transferred from DFC fund to general fixed asset funds due to tangible fixed asset additions funded out of DFC funds;
- £30,976 transferred from Condition Improvement Fund to general fixed asset funds due to tangible fixed asset additions funded out of Condition Improvement Fund;
- £3,112 transferred from unrestricted funds to general fixed asset funds due to tangible fixed asset additions funded out of Condition unrestricted funds; and
- £46,849 transferred from unrestricted funds to GAG fund to cover GAG fund expenditure in excess of income for the year.

13 Directors and officers insurance

In accordance with normal commercial practice the Multi-Academy Trust has purchased insurance to protect Directors 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. This insurance is included in a schools combined insurance policy which includes cover for multiple other types of insurance and the cost of insurance to protect Directors and officers cannot be easily determined as an individual element of the total cost of this combined insurance policy.

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FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets

	Leasehold land & buildings £	Leasehold improvements £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost					
At 1 September 2017	6,353,315	56,310	162,042	46,886	6,618,553
Transfer on conversion	3,487,485	-	22,528	-	3,510,013
Additions	-	30,975	12,379	8,368	51,722
At 31 August 2018	9,840,800	87,285	196,949	55,254	10,180,288
Depreciation					
At 1 September 2017	241,759	597	89,355	25,519	357,230
Charge for the year	88,941	8,728	41,706	9,137	148,512
At 31 August 2018	330,700	9,325	131,061	34,656	505,742
Net book value					
At 31 August 2018	9,510,100	77,960	65,888	20,598	9,674,546
At 31 August 2017	6,111,556	55,713	72,687	21,367	6,261,323

Included in cost or valuation of land and buildings is leasehold land of £4,809,949 (2017 - £2,324,000)

15 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	32,227	-
Carrying amount of financial liabilities		
Measured at amortised cost	(76,554)	(44,365)

16 Debtors

	2018 £	2017 £
Trade debtors	6,585	-
VAT recoverable	25,951	20,059
Other debtors	25,683	-
Prepayments	53,291	36,517
Accrued income	78,700	17,478
	190,210	74,054

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

17	Creditors: amounts falling due within one year	2018	2017
		£	£
	Trade creditors	47,459	30,202
	Other taxation and social security	38,961	17,659
	Accruals	36,990	14,163
	Deferred income (see note 18)	74,954	41,926
		<u>198,364</u>	<u>103,950</u>
18	Deferred income	2018	2017
		£	£
	Deferred income is included within:		
	Creditors due within one year (see note 17)	74,954	41,926
		<u>74,954</u>	<u>41,926</u>
	Deferred income at 1 September 2017	41,926	34,021
	Released from previous years	(41,926)	(34,021)
	Amounts deferred in the year	74,954	41,926
		<u>74,954</u>	<u>41,926</u>
	Deferred income at 31 August 2018	74,954	41,926

Deferred income relates to UIFSM received early relating to the next financial year and contributions from parents towards future school trips and extracurricular activities.

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FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	Balance at 1 September 2017 £	Schools joining the MAT	Other Income £	Expenses £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds						
General Annual Grant	-	37,963	2,008,443	(1,966,939)	46,849	126,316
Pupil Premium	23,163	-	117,730	(126,646)	-	14,247
Special Educational Needs	-	-	28,674	(28,674)	-	-
PE & Sport Premium	-	-	33,732	(19,734)	-	13,998
MAT Start Up	-	-	50,000	(50,000)	-	-
MAT Development and Improvement Fund	-	-	39,092	(39,092)	-	-
	<u>23,163</u>	<u>37,963</u>	<u>2,277,671</u>	<u>(2,231,085)</u>	<u>46,849</u>	<u>154,561</u>
Funds excluding pensions	(447,000)	(240,000)	-	(80,000)	134,000	(633,000)
	<u>(423,837)</u>	<u>(202,037)</u>	<u>2,277,671</u>	<u>(2,311,085)</u>	<u>180,849</u>	<u>(478,439)</u>
Restricted fixed asset funds						
General fixed asset funds	6,261,323	3,510,013	-	(148,512)	51,722	9,674,546
Devolved Formula Capital	-	15,460	19,538	(9,060)	(17,634)	8,304
Condition Improvement Fund	28,475	-	2,501	-	(30,976)	-
	<u>6,289,798</u>	<u>3,525,473</u>	<u>22,039</u>	<u>(157,572)</u>	<u>3,112</u>	<u>9,682,850</u>
Total restricted funds	<u>5,865,961</u>	<u>3,323,436</u>	<u>2,299,710</u>	<u>(2,468,657)</u>	<u>183,961</u>	<u>9,204,411</u>
Unrestricted funds						
General funds	211,596	-	111,626	-	(49,961)	273,261
Library Fund	7,656	-	-	(3,897)	-	3,759
	<u>219,252</u>	<u>-</u>	<u>111,626</u>	<u>(3,897)</u>	<u>(49,961)</u>	<u>277,020</u>
Total funds	<u>6,085,213</u>	<u>3,323,436</u>	<u>2,411,336</u>	<u>(2,472,554)</u>	<u>134,000</u>	<u>9,481,431</u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

Unrestricted funds

General unrestricted funds relate to funds that are expendable at the discretion of the Directors in furtherance of the charity's aims and objectives.

The Library Fund relates to donations received from the Alcester Trade and Labour Club and the Friends of St Nicholas that have been earmarked to be spent on converting an existing classroom into the new school library.

Restricted Revenue Funds

The General Annual Grant (GAG) fund relates to income received from the ESFA in order to cover the normal running costs of the Academy. It also includes the surplus of funds received on conversion from Local Authority control not relating to capital fixed assets. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

The Pupil Premium fund relates to additional funding from the ESFA to support the disadvantaged pupils of the school and close the attainment gap between them and their peers.

The Special Educational Needs fund relates to income received from Warwickshire County Council to assist pupils with special educational needs.

The PE & Sports Premium fund relates to additional funding from the ESFA to help primary schools improve the quality of the PE and sport activities they offer their pupils.

The MAT Start Up fund relates to ESFA funding to cover the costs of converting to a Multi-Academy Trust.

The MAT Development and Improvement Fund relates to ESFA funding which can be used to cover legal and professional costs associated with improving or expanding the Multi-Academy Trust, wages and training of the leadership team and costs of establishing methods of monitoring pupil performance.

The Forest School Project fund relates to a specific grant received from the Friends of St Nicholas to fund a specific school project.

The Pension Reserve relates to the provision for the Academy's share of the actuarial deficit on the Warwickshire County Council Local Government Pension Scheme and is accounted for in a separate restricted general fund in accordance with Academies Accounts Direction issued by the ESFA.

Restricted Fixed Asset Funds

Restricted fixed asset funds relate to the tangible fixed assets owned by the Academy.

Devolved Formula Capital fund relate to funding received for the purposes of purchasing fixed assets.

Conditional Improvement Fund relates to a specific grant received to fund replacing the windows and doors of the school.

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	-	1,498,269	(1,503,939)	5,670	-
Pupil Premium	24,065	114,697	(115,599)	-	23,163
Special Educational Needs	-	6,611	(6,611)	-	-
PE & Sport Premium	553	9,705	(10,258)	-	-
Forest School Project	-	3,000	(3,000)	-	-
	<u>24,618</u>	<u>1,632,282</u>	<u>(1,639,407)</u>	<u>5,670</u>	<u>23,163</u>
Funds excluding pensions	(535,000)	-	(61,000)	149,000	(447,000)
	<u>(510,382)</u>	<u>1,632,282</u>	<u>(1,700,407)</u>	<u>154,670</u>	<u>(423,837)</u>
Restricted fixed asset funds					
General fixed asset funds	6,325,204	-	(127,319)	63,438	6,261,323
Devolved Formula Capital	-	8,478	-	(8,478)	-
Condition Improvement Fund	-	60,529	-	(32,054)	28,475
	<u>6,325,204</u>	<u>69,007</u>	<u>(127,319)</u>	<u>22,906</u>	<u>6,289,798</u>
Total restricted funds	<u>5,814,822</u>	<u>1,701,289</u>	<u>(1,827,726)</u>	<u>177,576</u>	<u>5,865,961</u>
Unrestricted funds					
General funds	154,253	85,919	-	(28,576)	211,596
Library Fund	5,656	2,000	-	-	7,656
	<u>159,909</u>	<u>87,919</u>	<u>-</u>	<u>(28,576)</u>	<u>219,252</u>
Total funds	<u>5,974,731</u>	<u>1,789,208</u>	<u>(1,827,726)</u>	<u>149,000</u>	<u>6,085,213</u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Total funds analysis by academy

	Total £
Fund balances at 31 August 2018 were allocated as follows:	
St Nicholas C of E Primary	280,316
Coughton C of E Primary	81,745
Temple Grafton C of E Primary	43,916
Central services	25,604
	<hr/>
Total before fixed assets fund and pension reserve	431,581
Restricted fixed asset fund	9,682,850
Pension reserve	(633,000)
	<hr/>
Total funds	9,481,431
	<hr/> <hr/>

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
St Nicholas C of E Primary	1,153,011	134,670	49,461	369,188	1,706,330
Coughton C of E Primary	176,396	18,840	4,469	50,261	249,966
Temple Grafton C of E Primary	133,789	19,503	5,552	29,084	187,928
Central services	23,617	5,508	-	70,693	99,818
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,486,813	178,521	59,482	519,226	2,244,042
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation					148,512
Pension reserve movements					80,000
					<hr/>
Total expenditure					2,472,554
					<hr/> <hr/>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2017 £
Fund balances at 31 August 2017 were allocated as follows:	
St Nicholas C Of E Primary School	242,415
Total before fixed assets fund and pension reserve	242,415
Restricted fixed asset fund	6,289,798
Pension reserve	(447,000)
Total funds	<u>6,085,213</u>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £
St Nicholas C Of E Primary	<u>1,160,638</u>	<u>176,925</u>	<u>45,095</u>	<u>256,749</u>	1,639,407
Depreciation					127,319
Pension reserve movements					61,000
Total expenditure					<u>1,827,726</u>

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	9,674,546	9,674,546
Current assets	277,020	352,925	8,304	638,249
Creditors falling due within one year	-	(198,364)	-	(198,364)
Defined benefit pension liability	-	(633,000)	-	(633,000)
Total net assets	<u>277,020</u>	<u>(478,439)</u>	<u>9,682,850</u>	<u>9,481,431</u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	6,261,323	6,261,323
Current assets	219,252	127,113	28,475	374,840
Creditors falling due within one year	-	(103,950)	-	(103,950)
Defined benefit pension liability	-	(447,000)	-	(447,000)
Total net assets	219,252	(423,837)	6,289,798	6,085,213

21 Pensions 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 Warwickshire Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31st March 2012, and that of the LGPS related to the period ended 31st 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.

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.

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

21 Pensions and similar obligations

(Continued)

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 the TPS in the period amounted to £138,639 (2017 - £95,167).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below.

The agreed contribution rates for future years are 20.6% for employers, as well as additional lump sum payments of £4,500 remaining for the year ended 31st March 2018, £8,000 for the year ended 31st March 2019 and £11,000 for the year ended 31st March 2020, and between 5.5% and 12.5% depending on the level of salary earned for employees.

The LGPS obligation relates to the employees of the Multi-Academy Trust who were employees transferred as part of the conversion from the maintained school (as described in note 27) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Multi-Academy Trust at the balance sheet date.

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

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

Valuation of LGPS provision

The amounts recognised in the balance sheet are as follows:

	2018	2017
	£	£
Present value of defined benefit obligations	(1,530,000)	(1,022,000)
Fair value of the Academy's share of scheme assets	897,000	575,000
Academy's share of LGPS net deficit	<u>(633,000)</u>	<u>(447,000)</u>

Total contributions made

	2018	2017
	£	£
Employer's contributions	79,000	51,000
Employees' contributions	21,000	13,000
Total contributions	<u>100,000</u>	<u>64,000</u>

Principal actuarial assumptions

	2018	2017
	%	%
Rate of increases in salaries	3.0	3.0
Rate of increase for pensions in payment	2.4	2.4
Discount rate	<u>2.8</u>	<u>2.5</u>

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

	2018	2017
	Years	Years
Retiring today		
- Males	22.5	22.5
- Females	24.7	24.7
Retiring in 20 years		
- Males	24.3	24.3
- Females	<u>26.7</u>	<u>26.7</u>

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
	£	£
Discount rate - 0.5%	189,000	128,000
Mortality assumption + 1 year	61,000	31,000
Pension rate + 0.5%	155,000	81,000
Salary rate + 0.5%	<u>31,000</u>	<u>43,000</u>

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

The Multi-Academy Trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	565,000	374,000
Bonds	197,000	127,000
Cash	27,000	11,000
Property	108,000	63,000
Total market value of assets	897,000	575,000
Actual return on scheme assets - gain/(loss)	40,000	3,000
Amounts recognised in the statement of financial activities	2018 £	2017 £
Current service cost	22,000	16,000
Interest cost	15,000	11,000
Benefit changes, curtailments and settlements gains or losses	43,000	34,000
Total operating charge	80,000	61,000
Changes in the present value of defined benefit obligations	2018 £	2017 £
Obligations at 1 September 2017	1,022,000	1,047,000
Obligations acquired with schools joining the MAT (see note 27)	427,000	-
Current service cost	144,000	101,000
Interest cost	32,000	22,000
Employee contributions	21,000	13,000
Actuarial (gains)/losses:		
- changes in financial assumptions	(111,000)	(115,000)
- changes in demographic assumptions	-	(11,000)
- other experience adjustments	-	(31,000)
Benefits paid	(5,000)	(4,000)
At 31 August 2018	1,530,000	1,022,000

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

The Multi-Academy Trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	565,000	374,000
Bonds	197,000	127,000
Cash	27,000	11,000
Property	108,000	63,000
Total market value of assets	897,000	575,000
Actual return on scheme assets - gain/(loss)	40,000	3,000
Amounts recognised in the statement of financial activities	2018 £	2017 £
Current service cost	22,000	16,000
Interest cost	15,000	11,000
Benefit changes, curtailments and settlements gains or losses	43,000	34,000
Total operating charge	80,000	61,000
Changes in the present value of defined benefit obligations	2018 £	2017 £
Obligations at 1 September 2017	1,022,000	1,047,000
Obligations acquired with schools joining the MAT (see note 27)	427,000	-
Current service cost	144,000	101,000
Interest cost	32,000	22,000
Employee contributions	21,000	13,000
Actuarial (gains)/losses:		
- changes in financial assumptions	(111,000)	(115,000)
- changes in demographic assumptions	-	(11,000)
- other experience adjustments	-	(31,000)
Benefits paid	(5,000)	(4,000)
At 31 August 2018	1,530,000	1,022,000

ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

21 Pensions and similar obligations

(Continued)

Changes in the fair value of the Multi-Academy Trust's share of scheme assets

	2018	2017
	£	£
Assets at 1 September 2017	575,000	512,000
Share of scheme assets acquired with schools joining the MAT (see note 27)	187,000	-
Interest income	17,000	11,000
Actuarial gains/(losses):		
- return on assets excluding amounts included in net interest	23,000	(8,000)
Employer contributions	79,000	51,000
Employee contributions	21,000	13,000
Benefits paid	(5,000)	(4,000)
At 31 August 2018	<u>897,000</u>	<u>575,000</u>

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	3,262,218	(38,518)
Adjusted for:		
Net surplus in regard to schools joining the MAT	(3,323,436)	-
Capital grants from DfE/ESFA and other capital income	(22,039)	(69,007)
Investment income receivable	(230)	(195)
Defined benefit pension costs less contributions payable	65,000	50,000
Defined benefit pension net finance cost	15,000	11,000
Depreciation of tangible fixed assets	148,512	127,319
(Increase)/decrease in debtors	(116,156)	10,087
Increase in creditors	94,414	22,162
Debtors received from schools joining the MAT	25,683	-
Net cash provided by operating activities	<u>148,966</u>	<u>112,848</u>

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

23 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:

	2018 £	2017 £
Amounts due within one year	3,915	564
Amounts due in two and five years	4,968	-
	<u>8,883</u>	<u>564</u>

24 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	<u>17,837</u>	<u>18,643</u>

25 Related party transactions

No related party transactions took place in the period of account other than certain Directors' remuneration and expenses already disclosed in note 11.

26 Members' liability

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

27 Transfer of schools into the Multi-Academy Trust from Local Authority

On 1 April 2018 Coughton C of E Primary School and Temple Grafton C of E Primary School joined the Multi-Academy Trust and all the operations and assets and liabilities were transferred to Arden Forest C of E Multi Academy Trust from the Warwickshire County Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as Income – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities:

**ARDEN FOREST C OF E MULTI ACADEMY TRUST
(FORMERLY ST NICHOLAS' COFE SCHOOL ALCESTER)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

27 Transfer of schools into the Multi-Academy Trust from Local Authority (Continued)

	Coughton C of E Primary School £	Temple Grafton C of E Primary School £	Total £
Net assets transferred:			
Leasehold land and buildings	2,326,784	1,160,701	3,487,485
Other tangible fixed assets	9,302	13,226	22,528
Other debtors	25,683	-	25,683
Cash	15,000	12,740	27,740
LGPS pension deficit	(152,000)	(88,000)	(240,000)
	<u>2,224,769</u>	<u>1,098,667</u>	<u>3,323,436</u>
	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2018 £
Funds surplus/(deficit) transferred:			
Fixed assets funds	-	- 3,525,473	3,525,473
LA budget funds	-	37,963 -	37,963
LGPS pension funds	-	(240,000) -	(240,000)
	<u>-</u>	<u>(202,037) 3,525,473</u>	<u>3,323,436</u>

Included in cash received was £15,460 deemed unspent funding for capital expenditure.

Contribution by these two schools included in the statement of financial activities after central service charges (see note 9) for the year since joining the MAT:

	Coughton C of E Primary School £	Temple Grafton C of E Primary School £	Total £
Income	300,083	227,408	527,491
Net surplus	<u>37,649</u>	<u>32,818</u>	<u>70,467</u>