

CODSALL MULTI ACADEMY TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



Whittingham Riddell

chartered accountants

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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CODSALL MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr Matthew Jevons
Mr Kevin McElduff
Mr Christopher Hughes
Church of England Central Education Trust

Trustees

Mr Peter Bowers, CEO / Accounting Officer^{1,2}
Mrs Gillian Gollins¹
Mrs Jennifer Ferretti (appointed 13 June 2018)
Mrs Fay Hayward²
Mr Andrew Holmes (appointed 13 June 2018)²
Mr Matthew Jevons, Chair of Trustees and Member¹
Mr David Johnson²
Mr Kevin McElduff (resigned 28 February 2018)^{1,2}
Miss Jodie Parker, Staff Trustee^{1,2}
Mr Stephen Phillips (resigned 24 September 2017)²
Mr Stephen Skinner (appointed 6 December 2017)¹

¹ Member of the Finance Committee

² Member of the Audit and Risk Committee

Company registered number

10204653

Company name

Codsall Multi Academy Trust

Principal and registered office

St. Nicholas CE (VC) First School, Wolverhampton, WV81AN

Chief executive officer / Accounting officer

Mr Peter Bowers

Senior management team

Mr Peter Bowers, CEO / Headteacher Codsall Middle School
Mrs Pam Baker, Head of School / Deputy Headteacher Codsall Middle School
Mrs Kirstin Reade, Assistant Headteacher Codsall Middle School
Miss Jodie Parker, Headteacher St Nicholas First School
Miss Sabrina Varricchione, Headteacher Birches First School
Mrs Hayley Dunn, Academy Business Manager (resigned September 2018)
Mr Anthony Smith, Interim Finance Director (appointed September 2018)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors

Whittingham Riddell LLP, Belmont House, Shrewsbury Business Park, Shrewsbury, Shropshire, SY2 6LG

Solicitors

Howes Percival LLP, Nene House, 4 Rushmills, Northampton, Northamptonshire, NN4 7YB

CODSALL MULTI ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements 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.

The Multi Academy Trust operates 1 middle school and 2 first schools in Codsall, Staffordshire. Its academies have a combined pupil capacity of 930 and had a roll of 1001 in the school census on 4th October 2018.

Structure, governance and management

a. Constitution

The Multi Academy Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the Multi Academy Trust. The constituent academies of the Trust are:

- St Nicholas CE First School
- Codsall Middle School
- Birches First School

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

The charitable company is known as Codsall Mutli Academy Trust.

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

CMAT Leadership Model

Executive, non executive member of the board and senior leadership of schools in the Academy work within a leadership framework. This model forms part of performance management of everyone involved in the leadership of the Multi Academy Trust. The requirements are:

- Ethical: we play by the rules, act with integrity and are proud of our actions
- Passionate: we care deeply about what we do and set high expectations
- Accountable: We take ownership of our actions and we do what we say
- Efficient: We value speed, simplicity and value for money
- Transparent: We say what we think and make it okay to disagree
- Learning: we want to learn and share knowledge with each other

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

CMAT Board Leadership Team

Matt Jevons FCCA: Chair of the CMAT Board

Matt joined the school governing body in 2013 as a foundation governor and shortly after was elected as chair of the governing body. He is an associate director with a local firm of accountants, responsible for the corporate finance service and is a member of the Mergers and Acquisitions Experts Group for an international network of audit firms. Matt has served as a Trustee on a number of local charity boards including periods as chair of Trustees.

Andrew Holmes: Deputy Chair of the CMAT Board

Andrew joined Birches First School Governing Board as a Parent Governor in April 2016, became Vice Chair in March 2017 and Chair in May 2018. His background is in computer software development and has held senior and lead roles with responsibility for teams of software engineers. He regularly volunteers at school to assist in class and on trips.

Peter Bowers: CMAT Chief Executive

Peter has 30 years' experience of working in different educational settings, including 4 schools and a Local Authority. He has successfully undertaken a myriad of Middle and Senior Leadership roles and is currently Headteacher of Codsall Middle School and CEO of CMAT. Peter has a Master's degree in Education and has recently completed his training as a Registered Ofsted Inspector..

Jodie Parker: CMAT Deputy Chief Executive

Jodie has 17 years' experience of working in a range of educational settings, within the UK as well as internationally. She has carried out a range of roles and responsibilities within schools, including Assistant Head Teacher and SENCo. Jodie has established and maintained hubs of excellence for Writing within clusters of schools and developed a selfimproving school system approach to improve Teaching and Learning in Maths and English. Previously Head Teacher of an Outstanding small school recognised by OFSTED for their excellence in Maths, she is now Head Teacher in the 2form entry first school where improvements have been demonstrated in a number of key areas also.

b. Members' liability

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

c. Trustees' indemnities

Within Codsall Multi Academy Trust's insurance policy there is a provision for 'Governor Trustee and management liability' and the limit of indemnity is £5,000,000.

d. Method of recruitment and appointment or election of Trustees

Our approach to the recruitment and appointment of Trustees is based on a number of key inputs: guidance from the National Collage for Teaching and Leadership, the UK Corporate Governance Code and the CMAT Memorandum and Articles of Association.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The CMAT Memorandum and Articles of Association set out the framework for the management of the Trust. There are twelve directors appointed by the Members two of which are nominated by the Church of England Central Education Trust. The CMAT Chief Executive is an ex-officio director of the board. The remaining directors are appointed based on their skills, knowledge and experience to ensure that the CMAT board is balanced and capable of fulfilling its responsibilities. The Members, where practical and possible, recognise the need to ensure that the Board reflects the diversity of our community.

Each Local Governing Body has its own Instrument of Government setting out its operating framework and the membership of each board. In CMAT Local Governing Body members include

- Parent Governors
- Staff Governors
- Headteachers
- Community Governors
- Foundation Governors
- Associate Governors

Trustees are recruited by invitation from the Chair of the Board of Trustees after consultation with the Chief Executive Officer of persons known to the Multi Academy Trust who are able to benefit the Trust by their knowledge, experience and expertise. Recommendations are made to the Members who make the decision to appoint Trustees.

The principles of our appointment process are based on the UK Corporate Governance Code. The CMAT board must have the appropriate balance of skills and knowledge to enable them to discharge their respective duties and responsibilities effectively. The search for board candidates is conducted, and appointments are made, on merit, against objective criteria with due regard for the benefits of diversity on the board, including its gender balance.

The key steps in the appointment process include:

- Invitations to Trustees and local Governing Bodies to nominate prospective directors
- Informal discussions between the Chair of the Board and Chief Executive with prospective Trustees
- Review of curriculum vitae to establish skills, knowledge and experience
- Background checks to ensure safeguarding and due diligence
- Further interviews with the Board
- Recommendations on appointments to the Members

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

The induction and training of Trustees is critical in ensuring strong governance of Trust. The development of Trustees is therefore as important as the development of employees. Trustees who do not understand the strategy of the Multi Academy Trust can lead to a lack of co ordination resulting in poor performance from Trustees which is as great a risk to the Multi Academy Trust. All Trustees undertaken development training and the CMAT governance policy requires three meetings to take place each year focused exclusively on continuous professional development.

Our induction and training process for new Trustees includes:

- Meetings with the board of Trustees and the senior leadership team of the Multi Academy Trust;
- Visits to our schools and meeting with Headteachers and Senior Leadership Teams;
- Ongoing training in legislation and responsibilities;
- An induction pack which includes details of governance policy, Trust strategy and development planning, financial management standards and responsibilities and the Trust Annual Report and accounts.
- A six month review with the Chair of the Board and Chief Executive

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TRUSTEES' REPORT (continued)
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f. Organisational structure

The Board of Trustees are responsible for the overall strategic direction of the Multi Academy Trust. The Trustees have a duty to act in the fulfilment of the Multi Academy Trust objects. They set the strategic direction, and determine the policies and procedures of the Multi Academy Trust whilst holding each Academy within the Multi Academy Trust to account. The Trustees will meet at least three times a year and local governing body committees will report to meetings of the board of Trustees throughout the year.

Each Academy within the Multi Academy Trust is governed by an Academy committee which is appointed by the board of Trustees and elected by staff and parents in a manner similar to the board of Trustees. The Academy committee is responsible for determining the strategic direction of the Academy in accordance with the overall strategic direction of the Multi Academy Trust. The Academy committee should engage with the local community, constructively challenge the leadership team of the Academy and provide evaluative feedback and supporting evidence to the board of Trustees on the impact and effectiveness of the collective and individuals aims, objectives, policies, targets and future plans.

The board of Trustees and each Academy committee do not exercise a managerial role. The leadership and management across the Multi Academy Trust is delegated by the board of Trustees to the Senior Executive Team (SET). The SET is responsible for the delivery of the aims and objectives of CMAT as follows:

Peter Bowers – CEO/Headteacher Codsall Middle School

Overarching responsibility for the performance of CMAT including the staff within it. Strategic role in delivering the CMAT vision and management of the SET

Jodie Parker – Deputy CEO/Headteacher St Nicholas CE First School

Line manages the leaders of each "Education Strategy Group" (ESG)
Pupil Achievement, Teaching and Learning (T&L) and Pupil Engagement

Pam Baker – Head of School Codsall Middle School

Day to day running of CMS
(The Academy Business Manager contributes to the SET as appropriate)

Educational Strategy Groups

- Pupil Achievement (Suzanne Robb Assistant Headteacher St Nicholas First School)
- Pupil Engagement (Michelle Davison – Senior Teacher Codsall Middle School)
- Teaching and Learning (Sarab Thompson – Senior Teacher Codsall Middle School)

The SET is responsible at an executive level for implementing the policies laid down by board of Trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

Finance, Audit and Risk

These committees are responsible for ensuring the sound financial planning, management and control of our resources with the regulatory funding framework. The Chief Executive as Accounting Officer and the Director of Finance advise board members and assist them in fulfilling their responsibilities.

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TRUSTEES' REPORT (continued)
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Sites, Building and Facilities

Two members of the Board have been designated as leaders of this area of work. The objective relates to the management of our facilities to create the conditions for learning and development and to safeguard our students. The Chief Executive and the Director of Finance advise board members and assist them in fulfilling their responsibilities

Stakeholder Engagement

Two members of the Board have been designated as leaders of this area of work. The objective relates to the relationship management of all groups who have a legitimate and value adding relationship with the Trust and our schools. The Chief Executive advises board members and assist them in fulfilling their responsibilities

Each individual Academy has a senior Leadership team which is directly responsible for the strategic leadership and day to day management of the Academy in accordance with CMAT aims and objectives. Each Academy operates under the auspice of "earned autonomy".

The CEO is the Accounting Officer and is responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to designated budget holders within the hierarchy of limits and in accordance with the approved Financial Regulations and Financial Scheme of Delegation.

g. Pay policy for key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the Multi Academy Trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions' and CMAT policies. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range.

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each school. Senior leader performance appraisal within schools is undertaken by Local Governing Bodies with external advice in accordance with statutory guidance. Performance management of senior CMAT leaders is undertaken by a Remuneration Committee appointed by the Board to undertake the task with the assistance of external advisors.

h. Connected organisations, including related party relationships

Related party transactions:

The members, board of Trustees, Academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the Multi Academy Trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current year, the Multi Academy Trust has the following relationships:

- Has made payments to Brewood Landscapes, a business in which one of the Academy school business managers husband does consultancy work for through his company Pro lands Services Limited

i. Trade union facility time

During the year Codsall Mutli Academy Trust did not have any employees who were relevant union officials.

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TRUSTEES' REPORT (continued)
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Objectives and Activities

a. Objects and aims

The Trust Board has adopted a Balanced Scorecard approach to set out its mission, vision and to develop the objectives to deliver sustained success.

We are clear that CMAT exists "to work together, based on sound finance, to ensure every pupil in our care achieves their full potential: academically and personally".

To achieve this mission we have five key statements that set out our vision for the future

- Resources: to make our money work for the young people we serve
- Facilities management: to develop and maintain our sites and buildings to promote learning and safeguard our pupils
- Stakeholders: to add value with all those that have an interest in our success
- Teaching and learning: to deliver high quality, innovative and leading edge practice in every lesson
- Pupil engagement: to ensure that every pupil engages with and invests in their own learning and development
- Pupil achievement: to ensure that every pupil achieves their full potential

Each Trustee: executive and non executive, is linked to one of the vision themes and is responsible for working with CMAT and school based staff to develop the objectives that will deliver our vision and mission. The CMAT Board receives regular reports on actions, progress and makes decisions to drive continuous improvement across the organisation.

b. Objectives, strategies and activities

The strategic goals of the Multi Academy Trust are:

To provide high quality education provision for all academies within the Multi Academy Trust that improve the outcomes of all of our pupils. This will be achieved by providing appropriate and proportionate support and challenge each Academy within the Multi Academy Trust. There will be a focus on:

a. Pupil Achievement

Pupils in both Academies achieve extremely highly. Our focus will be on agreeing a standardised method of Assessing, Recording and Reporting across CMAT. We will agree changes to our assessment practices which we hope will enable us to more accurately target areas for improvement. Whilst the requirement for a coordinated approach to data presentation is important, the key issue is to use the data effectively to accurately identify strengths and areas of underperformance.

b. Pupil Engagement

Codsall Middle Pupils are now undertaking leadership activities in St Nicholas and birches schools. This provision will be further augmented as the year progresses. Work will now be undertaken across the schools to research and identify levels of pupil engagement in their lessons. This data will be used to impact on practices to improve. Much of the evidence will be derived from the PASS survey, (an attitudinal survey used nationally) as well as other pupil voice opportunities.

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c. Teaching and Learning

Effective strategies are being implemented to share Teaching and Learning practice across the three schools. This will enable us to address CMAT Teaching and Learning issues at classroom level and more effectively utilise the expertise of our teachers to develop their own and others' practice.

To enable us to have the desired positive impact on pupils' achievement, the Directors understand the need to focus on:

Establishing and monitoring a system of governance through effective Academy committees.

- Providing intervention to support school improvement.
- Developing collaborative curriculum activities to support key skill development, increasing independence and vocational/workrelated learning.
- Developing monitoring and evaluating strategies and procedures that will drive school improvement.
- Supporting the procurement of best value central services.
- Collaboratively sharing and supporting best practice in Teaching and Learning
- Developing a systematic marketing strategy and work with local stakeholders, Headteacher forums and the DfE to identify potential schools and academies that wish to join the Multi Academy Trust.
- Build capacity by creating a robust management structure which involves building a central team to support the board of Trustees.
- Develop training based on the expertise within the Multi Academy Trust that can be delivered to other education providers.
- Develop more effective means on collaboration with other education providers to share best practice and encourage greater innovation within the education sector.

c. Public benefit

The Trustees confirm that they have referred to the guidance contained in the Charity Commissioner's general guidance on public benefit when reviewing the Multi Academy Trust objective and aims and in planning future activities for the period. The Trustees consider that the Multi Academy Trust can clearly demonstrate that its aims are to advance education for public benefit.

Achievements and performance

Strategic report

a. Key performance indicators

Schools have the following OFSTED ratings:

Codsall Middle School	-	Good
St Nicholas CE First School	-	Good
Birches First School	-	Outstanding

All schools continued to perform extremely highly in academic year 2017 – 2018

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TRUSTEES' REPORT (continued)
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At St Nicholas CE First School:

Attainment at EYFS

Good Level of Development	Local Authority (2017 data)	National (2017 data)	St Nicholas	Birches
	75%	71%	75%	80%

Attainment at KS1

Year 1 Phonics Screen	Local Authority	National	St Nicholas	Birches
	83%	82%	90%	93%

KS1 SATS 2018	Expected Standard				Greater Depth Standard			
	Local Authority	National	St Nicholas	Birches	Local Authority	National	St Nicholas	Birches
Reading		75%	90%	73%		26%	44%	30%
Writing		70%	77%	70%		Not available	26%	23%
Maths		76%	85%	77%		22%	43%	27%

Year 4 Exit Data

2018	Working at Expected Level (4 Secure or better)	Working at Expected Level (4 Secure or better)	Working above the Expected Level 4 Mastering)	Working above the Expected Level 4 Mastering)
	St Nicholas	Birches	St Nicholas	Birches
Reading	74%	77%	31%	10%
Writing	71%	70%	20%	10%
Maths	71%	77%	20%	10%

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TRUSTEES' REPORT (continued)
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At Codsall Middle School:

From entry to exit (Year 5 to 8)

- Pupils make better than expected progress and the trend is improving
- Pupils attainment is higher than pupils nationally and the trend is improving
- Pupils over achieve compared to predictions in the CATs assessments
- The mean standard age score for Year 8 pupils when they leave the school is significantly above national average in English, Maths and Science

Attainment on entry in Y5 2017- 2018 (GL Assessments)	Average or above	Above Average
English	89% (77%)	35% (NAv 23%)
Maths	79% (NAv 77%)	34% (NAv 23%)
KS2 SATs 2017 - 2018	Expected Attainment	Achieving Higher Standard
Reading	72% (NAv 75%)	27% (NAv 28%)
GPVS	81% (NAv 78%)	30% (NAv 34%)
Writing	74% (NAv 78%)	12% (NAv 20%)
Maths	63% (NAv 76%)	15% (NAv 24%)
% Expected attainment or above in Reading, Maths and Writing TA	49% (NAv 53%)	5 % (NAv 10%)
Attainment t end of Y8	Average or above	Above average
English	93% (NAv 77%)	41% (NAv 23%)
Maths	91% (NAv 77%)	49% (NAv 23%)

b. Going concern

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

Financial review

Income for the period was £5,798,122 (2017: £8,381,431) of which £4,204,764 (2017: £3,129,961) was provided by the Department of Education (DfE) via the Education Funding Agency (EFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants and other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining balance.

All expenditure supports the Multi Academy Trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £5,019,724 (2017: £3,579,413) with the largest element of this expenditure being attributed to staff costs totalling £3,808,500 (2017: £2,786,299) for the period. The depreciation charge on assets of £84,474 (2017: £46,241) has been included. Net Income for the period was £778,398 (2017: £4,802,018).

The Multi Academy Trust element of the Staffordshire Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2018, showing a net deficit of £1,817,000 (2017: £1,487,000).

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As at 31 August 2018, the net book value of fixed assets was £7,190,786 (2017: £6,038,782) and the movement in tangible fixed assets are shown in the notes of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the Multi Academy Trust.

The Multi Academy Trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the Multi Academy Trust conforms to the requirements of propriety, regularity and sound financial management.

We are fully aware and committed to improving the areas for improvement identified from the statutory audit and feel confident that we have a leadership structure in place to ensure that this happens.

The Board of Trustees are accountable for the allocation of resources to meet the objectives set out in the School Development Plan. The Accounting Officer together with the Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of Trustees. The intention is for budgets to be monitored on a monthly basis with the Chair of the Board and reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of Trustees on a termly basis.

a. Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education & Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams, the need to match them to commitments, including future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements, especially to buildings repair not covered by insurance. The board of Trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of Trustees will review the level of reserves and reserves policy annually.

As at 31 August 2018 the Multi Academy Trust has reserves of £5,974,415.

b. Material investments policy

The investment policy supports the reserves policy. The Multi Academy Trust seeks to adopt a cautious, prudent and well diversified investment stance taking into account future cash flow projections to balance potential returns with appropriate levels of risk whilst attracting as high an interest returns as possible.

c. Principal risks and uncertainties

The Audit and Risk Committee have approved a risk management framework based on the international standard ISO 31000:2009. The starting point is the development of a statement of context to understand the external and internal position of the Trust and conditions and framework within which risk is identified, assessed and managed. Our principle risks relate to our ability to achieve our strategic and operational objectives. Our risk mitigation and management framework is based on:

- Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk
- Accepting or increasing the risk in order to pursue an opportunity
- Removing the risk source
- Changing the likelihood
- Changing the consequences
- Sharing the risk with another party or parties (including contracts and risk financing)
- Retaining the risk by informed decision

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Risk registers are being developed for approval by the Board and to provide a framework for the monitoring, measuring, analysis and evaluation of risk in a dynamic framework.

Fundraising

The Trust undertakes general fundraising at each academy through fundraising events. All funds are donated voluntarily and the trust does not apply any pressure to donate. Funds are typically generated for equipment or experiences that enhance the learning of students or for donation to charity. All fundraising is carried out in house by academy staff and no individuals or agencies are engaged to fundraise on the trust's behalf.

Plans for future periods

a. Future developments

To ensure individual academies in the Trust build upon their own identities against a background of shared understanding of how strong performance can be achieved.

CMAT will exploit opportunities for collaborative working, recruitment and procurement so that individual academies and the Trust itself continue to provide high quality education.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 11 December 2018 and signed on its behalf by:


Mr Matthew Jevons
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, 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 Codsall Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Peter Bowers, CEO / Accounting Officer	5	5
Mrs Gillian Gollins	5	5
Mrs Jennifer Ferretti	2	2
Mrs Fay Hayward	4	5
Mr Andrew Holmes	2	2
Mr Matthew Jevons, Chair of Trustees and Member	5	5
Mr David Johnson	2	5
Mr Kevin McElduff	3	3
Miss Jodie Parker, Staff Trustee	5	5
Mr Stephen Phillips	0	0
Mr Stephen Skinner	2	4

The CMAT Board has effectively bonded as a team in its first year of work. Relationships have been established and work programmes are being developed with the Chief Executive Officer. The resignation of Mr Stephen Phillips was accepted in October 2017 and after an extensive recruitment process Mr Stephen Skinner was appointed to the Board in November 2017. The performance of the Board will be reviewed with the assistance of an external advisor in October 2018.

The Finance Committee is a sub committee of the main Board of Trustees. Its main purpose is to lead the development of strategic plans and provide leadership on financial issues. In addition, the sub committee will consider the Academies' annual indicative funding and assess the implications for CMAT; to agree and make recommendations to the Board on the broad budget headings and areas of expenditure; and to review the financial procedures policy.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Peter Bowers, CEO / Accounting Officer	2	2
Mrs Gillian Gollins	2	2
Mr Matthew Jevons, Member	2	2
Mr Kevin McElduff	1	1
Miss Jodie Parker, Staff Trustee	1	1
Mr Stephen Skinner	1	1

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GOVERNANCE STATEMENT (continued)

The Audit and Risk Committee has not functioned effectively in this reporting period. Following the resignation of Mr Phillips, Kevin McElduff Chair of the Board took over responsibility for its functions and its first meeting took place in October 2017. Mr McElduff resigned in February 2018 the committee is now chaired by Mrs F Hayward. A risk management framework has been adopted and risk management planning is taking place.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Peter Bowers, CEO / Accounting Officer	0	2
Mr Kevin McElduff	1	2
Mr David Johnson	1	2
Miss Jodie Parker, Staff Trustee	1	1
Mrs Fay Hayward	1	1
Mr Andrew Holmes	1	1

Review of Value for Money

As Accounting Officer, the CEO 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 Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi Academy Trust has delivered improved value for money during the year by:

- Sharing staff resources at middle leader and subject teacher level
- Sharing ICT software costs and technician provision
- Joint procurement of insurances
- Sharing teacher training provision across schools.

These measures have significantly reduced cost as well as impacting positively on the quality of provision across the MAT.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Codsall Multi Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Audit and Risk Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Whittingham Riddell LLP, the external auditors, to perform additional checks.

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

- Reviewing and testing the operations of the systems of controls;
- Review of financial procedures in place;
- Detailed transactional testing; and
- Reporting on their findings.

On a termly basis, the external auditors report to the Board of Trustees through the Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external auditors have performed this additional testing during the year as planned and have reported to the Board appropriately.

Review of Effectiveness

As Accounting Officer, the CEO 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 external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 5 December 2018 and signed on their behalf, by:


Mr Matthew Jevons
Chair of Trustees


Mr Peter Bowers
Accounting Officer

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Codsall Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees 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 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.

During the year under review there has been a lack of appropriate reporting of management information to the Board for their scrutiny. The Board has strengthened their financial accounting resource and further measures have been taken to address this area. Going forward appropriate financial information will be reported on a regular basis for the Board's review.

Notwithstanding the lack of management information reporting during the year as noted above, I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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



Mr Peter Bowers
Accounting Officer

Date: 11/12/2018

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on its behalf by:



Mr Matthew Jevons
Chair of Trustees

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Codsall Multi Academy Trust (the 'Multi Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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

Conclusions relating to going concern

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

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

Other information

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

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the 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 our knowledge and understanding of the Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

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

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Malpass BA FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG
17 December 2018

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CODSALL
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 September 2018 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 Codsall Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Codsall Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 September 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

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

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

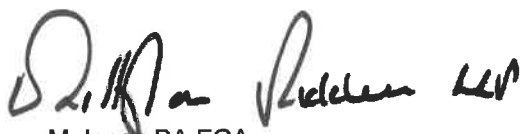
CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CODSALL
MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As reported in the Accounting Officer's Statement in Regularity, Propriety and Compliance there has been a lack of appropriate reporting of management information during the year which has prevented the Board from properly understanding and scrutinising the financial position of the Trust. This is not compliant with the requirements of the ESFA Academy Financial Handbook. Measures have been taken by the Trust to address this issue going forward and appropriate information will be provided to the Board on a regular basis for their scrutiny and review.



Andrew Malpass BA FCA

Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

17 December 2018

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Balances transferred on conversion	2	276,938	(388,000)	1,180,065	1,069,003	4,723,257
Other donations and capital grants	2	49,517	-	25,214	74,731	214,745
Charitable activities	3	249,524	4,356,168	-	4,605,692	3,387,418
Other trading activities	4	43,904	4,475	-	48,379	55,779
Investments	5	317	-	-	317	232
TOTAL INCOME		620,200	3,972,643	1,205,279	5,798,122	8,381,431
EXPENDITURE ON:						
Charitable activities		235,916	4,699,334	84,474	5,019,724	3,579,413
TOTAL EXPENDITURE	6	235,916	4,699,334	84,474	5,019,724	3,579,413
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	384,284 (128,363)	(726,691) 97,164	1,120,805 31,199	778,398 -	4,802,018 -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		255,921	(629,527)	1,152,004	778,398	4,802,018
Actuarial gains on defined benefit pension schemes	23	-	281,000	-	281,000	113,000
NET MOVEMENT IN FUNDS		255,921	(348,527)	1,152,004	1,059,398	4,915,018
RECONCILIATION OF FUNDS:						
Total funds brought forward		344,709	(1,468,473)	6,038,782	4,915,018	-
TOTAL FUNDS CARRIED FORWARD		600,630	(1,817,000)	7,190,786	5,974,416	4,915,018

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 10204653

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	15		1,931		3,166
Tangible assets	16		7,188,855		6,035,616
			<u>7,190,786</u>		<u>6,038,782</u>
CURRENT ASSETS					
Debtors	17	132,432		255,523	
Cash at bank and in hand		851,954		523,245	
		<u>984,386</u>		<u>778,768</u>	
CREDITORS: amounts falling due within one year	18	(383,756)		(415,532)	
NET CURRENT ASSETS			<u>600,630</u>		<u>363,236</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,791,416</u>		<u>6,402,018</u>
Defined benefit pension scheme liability	23		(1,817,000)		(1,487,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>5,974,416</u></u>		<u><u>4,915,018</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	-		18,527	
Restricted fixed asset funds	19	7,190,786		6,038,782	
		<u>7,190,786</u>		<u>6,057,309</u>	
Restricted income funds excluding pension liability		(1,817,000)		(1,487,000)	
Pension reserve					
Total restricted income funds			<u>5,373,786</u>		<u>4,570,309</u>
Unrestricted income funds	19		600,630		344,709
TOTAL FUNDS			<u><u>5,974,416</u></u>		<u><u>4,915,018</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:


Mr Matthew Jevons
Chair of Trustees

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>384,890</u>	<u>769,821</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		232	317
Purchase of intangible fixed assets		-	(3,166)
Purchase of tangible fixed assets		<u>(56,413)</u>	<u>(243,727)</u>
Net cash used in investing activities		<u>(56,181)</u>	<u>(246,576)</u>
Change in cash and cash equivalents in the year		328,709	523,245
Cash and cash equivalents brought forward		<u>523,245</u>	<u>-</u>
Cash and cash equivalents carried forward	22	<u><u>851,954</u></u>	<u><u>523,245</u></u>

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

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

There are no material uncertainties that exist over the going concern basis.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Computer Software	-	5 years
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1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold property	-	125 years
Building improvements	-	50 years
Furniture and fixtures	-	5 years
Computer equipment	-	3 years

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

upon conversion to academy status the Trust entered into a long term lease agreement with the Local Authority to occupy the schools site over 125 years at nil rental charge.

1.7 Debtors

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

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.8 Cash at Bank and in hand

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

1.9 Liabilities and provisions

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

1.10 Financial instruments

The 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 as detailed in note 17. 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 costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 Fund accounting

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Land and Buildings introduced on conversion

These are valued by reference to the ESFA valuation report. In the absence of this valuation for the period ended 31 August 2018, the values introduced have been determined by reference to the net book value the assets were held by the Local Authority.

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**NOTES TO THE FINANCIAL STATEMENTS
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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
School fund surplus received on conversion	17,971	-	-	17,971	55,515
LA surplus / deficit received on conversion	258,967	-	-	258,967	278,613
Pension liability received on conversion	-	(388,000)	-	(388,000)	(1,449,000)
Land and buildings received on conversion	-	-	1,180,065	1,180,065	5,838,129
	<u>276,938</u>	<u>(388,000)</u>	<u>1,180,065</u>	<u>1,069,003</u>	<u>4,723,257</u>
Donations	49,517	-	-	49,517	81,056
Capital Grants	-	-	25,214	25,214	133,689
	<u>49,517</u>	<u>-</u>	<u>25,214</u>	<u>74,731</u>	<u>214,745</u>
Subtotal	<u>326,455</u>	<u>(388,000)</u>	<u>1,205,279</u>	<u>1,143,734</u>	<u>4,938,002</u>
<i>Total 2017</i>	<u>392,684</u>	<u>(1,343,261)</u>	<u>5,888,579</u>	<u>4,938,002</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,521,296	3,521,296	2,736,311
Other DfE / ESFA grants	-	415,976	415,976	249,660
Local authority grants	-	242,492	242,492	93,990
Start Up Grants	-	25,000	25,000	50,000
	-	4,204,764	4,204,764	3,129,961
Other funding				
Extended School	138,899	-	138,899	68,048
Educational Visits	-	102,687	102,687	93,925
Other income	1,759	48,717	50,476	935
School Meal Income	108,866	-	108,866	94,549
	249,524	151,404	400,928	257,457
	249,524	4,356,168	4,605,692	3,387,418
<i>Total 2017</i>	163,333	3,224,085	3,387,418	

4. TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Charity trading income				
Non Educational Trips	35,993	-	35,993	41,982
Lettings Income	7,392	-	7,392	6,805
General Sales	-	-	-	2,727
Sale of Learning Materials	-	3,610	3,610	2,787
Hire of Musical Instruments	-	865	865	1,030
Sale of Uniforms	519	-	519	448
	43,904	4,475	48,379	55,779
Net income from trading activities	43,904	4,475	48,379	55,779

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**NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	317	-	317	232
<i>Total 2017</i>	232	-	232	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Academies Educational Operations					
Direct costs	3,158,075	-	659,221	3,817,296	2,841,326
Support costs	650,425	332,386	219,617	1,202,428	738,087
	3,808,500	332,386	878,838	5,019,724	3,579,413
<i>Total 2017</i>	2,786,299	149,600	643,514	3,579,413	

7. DIRECT COSTS

	Academies Educational Operations £	Total 2018 £	Total 2017 £
Pension income	45,000	45,000	31,000
Educational supplies and services	286,447	286,447	225,758
Staff development	37,688	37,688	10,925
Security and transport	17,871	17,871	5,374
Catering	44,215	44,215	30,551
Wages and salaries	2,345,798	2,345,798	1,818,789
National insurance	214,996	214,996	169,478
Pension cost	825,281	825,281	549,451
	3,817,296	3,817,296	2,841,326
<i>Total 2017</i>	2,841,326	2,841,326	

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**NOTES TO THE FINANCIAL STATEMENTS
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8. SUPPORT COSTS

	Academies Educational Operations £	Total 2018 £	Total 2017 £
Telephone, printing and postage	43,084	43,084	20,376
Educational supplies and services	751	751	1,241
Examination fees	698	698	1,563
Staff development	11,423	11,423	2,548
Educational consultancy	43,447	43,447	36,940
Professional services	29,285	29,285	32,089
Technology costs	99,071	99,071	51,890
Maintenance of premises and equipment	101,896	101,896	38,771
Energy costs	63,177	63,177	44,768
Rent and rates	77,788	77,788	17,569
Insurance	79,663	79,663	49,669
Security and transport	3,070	3,070	2,718
Catering	6,535	6,535	10,922
Other support costs	69,672	69,672	38,222
Cleaning	36,413	36,413	24,688
Governance	20,884	20,884	46,420
Non educational trips	3,820	3,820	22,676
Licenses and subscriptions	4,852	4,852	3,623
Amortisation	-	-	559
Wages and salaries	517,138	517,138	302,649
National insurance	29,141	29,141	17,772
Pension cost	(123,854)	(123,854)	(71,840)
Depreciation and amortisation	84,474	84,474	42,254
	<u>1,202,428</u>	<u>1,202,428</u>	<u>738,087</u>
<i>Total 2017</i>	<u>738,087</u>	<u>738,087</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	83,239	46,241
Amortisation of intangible fixed assets	1,235	559
Auditors' remuneration - audit	7,725	6,500
Auditors' remuneration - other services	5,375	5,225
Operating lease rentals	9,539	9,139
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,844,153	2,116,112
Social security costs	244,137	187,250
Operating costs of defined benefit pension schemes	701,427	477,611
	<u>3,789,717</u>	<u>2,780,973</u>
Agency staff costs	18,783	5,326
	<u><u>3,808,500</u></u>	<u><u>2,786,299</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	55	58
Administration and Support	121	82
Management	8	6
	<u>184</u>	<u>146</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	2
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the Multi Academy Trust as highlighted on page 1 received total employee benefits (including employer pension contributions) of £359,993 (2017: £250,501).

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NOTES TO THE FINANCIAL STATEMENTS
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11. CENTRAL SERVICES

The Multi Academy Trust has provided the following central services to its academies during the year:

- MAT wide CPD for all staff
- Support and expertise from the CEO and Accounting Officer
- Support and expertise from the ABM/FD
- Contribution towards the audit costs

The Multi Academy Trust charges for these services on the following basis:

Central services charges are charged to each school based on 5% of GAG funding.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Codsall Middle School	83,437	-
St Nicholas First School	42,578	-
Birches First School	21,539	-
	<u>147,554</u>	<u>-</u>
Total		

12. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018 £	2017 £
Mr Peter Bowers, CEO / Accounting Officer	Remuneration	80,000-85,000	90,000-95,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Miss Jodie Parker, Staff Trustee	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL to nil Trustees).

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £21,387 (2017 - £18,370).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. OTHER FINANCE INCOME

	2018 £	2017 £
Interest on pension scheme liabilities	<u>(45,000)</u>	<u>(31,000)</u>

15. INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 September 2017 and 31 August 2018	<u>3,725</u>
Amortisation	
At 1 September 2017	559
Charge for the year	<u>1,235</u>
At 31 August 2018	<u>1,794</u>
Carrying amount	
At 31 August 2018	<u>1,931</u>
At 31 August 2017	<u>3,166</u>

16. TANGIBLE FIXED ASSETS

	Leasehold property £	Buildings Improvements £	Furniture & Equipment £	Computer equipment £	Total £
Cost					
At 1 September 2017	5,838,129	134,446	46,921	62,361	6,081,857
Additions	1,202,643	-	19,087	14,748	1,236,478
At 31 August 2018	<u>7,040,772</u>	<u>134,446</u>	<u>66,008</u>	<u>77,109</u>	<u>7,318,335</u>
Depreciation					
At 1 September 2017	42,813	-	2,659	769	46,241
Charge for the year	47,492	2,462	10,896	22,389	83,239
At 31 August 2018	<u>90,305</u>	<u>2,462</u>	<u>13,555</u>	<u>23,158</u>	<u>129,480</u>
Net book value					
At 31 August 2018	<u>6,950,467</u>	<u>131,984</u>	<u>52,453</u>	<u>53,951</u>	<u>7,188,855</u>
At 31 August 2017	<u>5,795,316</u>	<u>134,446</u>	<u>44,262</u>	<u>61,592</u>	<u>6,035,616</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. DEBTORS

	2018 £	2017 £
Trade debtors	218	4,187
Other debtors	5,497	-
Prepayments and accrued income	104,491	116,340
Tax recoverable	22,226	134,996
	<u>132,432</u>	<u>255,523</u>

18. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	59,040	262,768
Other taxation and social security	130,671	43,332
Other creditors	5,766	3,399
Accruals and deferred income	188,279	106,033
	<u>383,756</u>	<u>415,532</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	63,931	-
Resources deferred during the year	43,438	63,931
Amounts released from previous years	(63,391)	-
Deferred income at 31 August 2018	<u>43,978</u>	<u>63,931</u>

the income deferred in the year is for Free School Meals and Trip Income received in the year but relates to 2018/2019 activity.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	344,709	620,200	(235,916)	(128,363)	-	600,630
Restricted funds						
General Annual Grant (GAG)	18,527	4,360,643	(4,476,334)	97,164	-	-
Pension reserve	(1,487,000)	(388,000)	(223,000)	-	281,000	(1,817,000)
	(1,468,473)	3,972,643	(4,699,334)	97,164	281,000	(1,817,000)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	6,038,782	1,205,279	(84,474)	31,199	-	7,190,786
Total restricted funds	4,570,309	5,177,922	(4,783,808)	128,363	281,000	5,373,786
Total of funds	4,915,018	5,798,122	(5,019,724)	-	281,000	5,974,416

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

Unrestricted funds

The unrestricted funds includes the Local Authority Surplus balance on conversion as well as parental contributions and adult and pupil paid meals, non educational visits and donations to the Trust.

Restricted funds

The restricted funds of the Trust comprise of GAG and other grants received during the year from the ESFA and Local Authority. These funds have been provided for the Trust's educational activities therefore are appropriately treated as restricted.

The Pension Reserve is the Trust's share of the deficit of the Local Government Pension Scheme overseen by the Local Authority.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

The restricted fixed assets funds includes tangible assets that were received from the Local Authority on conversion. It also includes any further additions purchased by the Trust during the year from restricted monies.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Codsall Middle School	10,127	112,636
St Nicholas First School	212,774	250,308
Birches First School	360,818	-
MAT	16,911	292
Total before fixed asset fund and pension reserve	600,630	363,236
Restricted fixed asset fund	7,190,786	6,038,782
Pension reserve	(1,817,000)	(1,487,000)
Total	5,974,416	4,915,018

ANALYSIS OF ACADEMIES BY COST

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 2018 £	<i>Total 2017 £</i>
Codsall Middle School	1,604,769	336,594	161,726	403,247	2,506,336	2,100,014
St Nicholas First School	944,441	212,561	60,832	320,806	1,538,640	1,285,585
Birches First School	341,814	94,121	17,419	75,121	528,475	-
MAT	63,609	32,588	1,041	28,128	125,366	-
	2,954,633	675,864	241,018	827,302	4,698,817	3,385,599

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 27 May 2016</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2017</i>
	£	£	£	£	£	£
General funds						
General Funds - all funds	-	611,044	(266,335)	-	-	344,709
Restricted funds						
General Annual Grant (GAG)	-	3,225,069	(3,115,278)	(91,264)	-	18,527
Pension reserve	-	(1,449,000)	(151,000)	-	113,000	(1,487,000)
	-	1,776,069	(3,266,278)	(91,264)	113,000	(1,468,473)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	-	5,994,318	(46,800)	91,264	-	6,038,782
Total of funds	-	8,381,431	(3,579,413)	-	113,000	4,915,018

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018	Restricted funds 2018	Restricted fixed asset funds 2018	Total funds 2018
	£	£	£	£
Intangible fixed assets	-	-	1,931	1,931
Tangible fixed assets	-	-	7,188,855	7,188,855
Current assets	600,630	383,756	-	984,386
Creditors due within one year	-	(383,756)	-	(383,756)
Provisions for liabilities and charges	-	(1,817,000)	-	(1,817,000)
	600,630	(1,817,000)	7,190,786	5,974,416

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Intangible fixed assets	-	-	3,166	3,166
Tangible fixed assets	-	-	6,035,616	6,035,616
Current assets	344,709	434,059	-	778,768
Creditors due within one year	-	(415,532)	-	(415,532)
Provisions for liabilities and charges	-	(1,487,000)	-	(1,487,000)
	<u>344,709</u>	<u>(1,468,473)</u>	<u>6,038,782</u>	<u>4,915,018</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018	2017
	£	£
Net income for the year (as per Statement of Financial Activities)	778,398	4,802,018
Adjustment for:		
Depreciation and amortisation charges	84,474	46,241
Dividends, interest and rents from investments	(232)	(317)
Decrease/(increase) in debtors	128,588	(255,524)
(Decrease)/increase in creditors	(37,273)	2,135,532
Defined benefit pension scheme cost less contributions payable	611,000	(120,000)
Net (loss) on assets and liabilities from local authority on conversion	(1,180,065)	(5,838,129)
Net cash provided by operating activities	<u>384,890</u>	<u>769,821</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash in hand	851,954	523,245
Total	<u>851,954</u>	<u>523,245</u>

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23. PENSION COMMITMENTS

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

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

Contributions amounting to £39,222 were payable to the schemes at 31 August 2018 (2017 - 29,335) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £298,535 (2017 - £214,866).

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23. PENSION COMMITMENTS (continued)

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £286,000 (2017 - £168,000), of which employer's contributions totalled £228,000 (2017 - £132,000) and employees' contributions totalled £58,000 (2017 - £36,000). The agreed contribution rates for future years are 22.2% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.80 %	2.80 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.1

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate -0.5%	395,000	266,000
Salary rate +0.5%	74,000	61,000
Pension rate +0.5%	315,000	200,000

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23. PENSION COMMITMENTS (continued)

The Multi Academy Trust's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	<i>Fair value at 31 August 2017 £</i>
Equities	1,001,000	565,000
Corporate bonds	271,700	89,000
Property	114,400	60,000
Cash and other liquid assets	42,900	30,000
	<u>1,430,000</u>	<u>744,000</u>

The actual return on scheme assets was £48,000 (2017 - £62,000).

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

	2018 £	<i>2017 £</i>
Current service cost	(406,000)	(252,000)
Interest cost	(45,000)	(31,000)
	<u>(451,000)</u>	<u>(283,000)</u>

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

	2018 £	<i>2017 £</i>
Opening defined benefit obligation	2,231,000	-
Upon conversion	733,000	1,996,000
Current service cost	406,000	252,000
Interest cost	73,000	44,000
Employee contributions	58,000	36,000
Actuarial gains	(233,000)	(51,000)
Benefits paid	(21,000)	(46,000)
	<u>3,247,000</u>	<u>2,231,000</u>

CODSALL MULTI ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

23. PENSION COMMITMENTS (continued)

Movements in the fair value of the Multi Academy Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	744,000	-
Upon conversion	345,000	547,000
Interest income	28,000	13,000
Actuarial gains	48,000	62,000
Employer contributions	228,000	132,000
Employee contributions	58,000	36,000
Benefits paid	(21,000)	(46,000)
	<u>1,430,000</u>	<u>744,000</u>
Closing fair value of scheme assets	<u>1,430,000</u>	<u>744,000</u>

24. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	11,737	9,539
Between 1 and 5 years	22,068	18,984
Total	<u>33,805</u>	<u>28,523</u>

25. MEMBERS' LIABILITY

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

26. RELATED PARTY TRANSACTIONS

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