

CODSALL MULTI ACADEMY TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr Matthew Jevons Mr Christopher Hughes Church of England Central Education Trust
Trustees	Mr Peter Bowers, CEO / Accounting Officer ¹ Mr Tyrone Field ¹ Mrs Fay Hayward, Chair of Trustees ¹ Miss Jodie Parker, Staff Trustee (resigned 13 November 2019) ¹ Mr Dominic Napier ¹ Ms Sabrina Varicchione, Staff Trustee (resigned 13 November 2019) Mr Paul Bowman, Staff Trustee (appointed 25 September 2019) ¹ Revd S Douglas (appointed 8 October 2019) Mr Peter Hawthorne ¹ Member of the Finance Committee
Company registered number	10204653
Company name	Codsall Multi Academy Trust
Principal and registered office	St. Nicholas Ce (Vc) First School Belvide Gardens Codsall Staffordshire WV8 1AN
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, Deputy CEO / Headteacher St Nicholas First School Miss Sabrina Varricchione, Headteacher Birches First School Mr Anthony Smith, Interim Finance Director (Resigned 31 August 2020) Mr Paul Bowman, Operations Director (Appointed 1 September 2020)

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REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
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Independent auditors WR Partners
Chartered Accountants
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 2020

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2019 to 31 August 2020. 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 987 in the school census on 1st October 2020.

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 ("the Trust" or "CMAT") are also the directors of the charitable company for the purposes of company law.

The charitable company is known as Codsall Multi Academy Trust.

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

CMAT Leadership Model

The Executive, non executive members of the board and senior leadership of schools in the Academy work within a leadership framework. This model supports the performance management of the senior management and personnel 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

CMAT Board Leadership Team

Fay Hayward: Chair of the CMAT Board

Fay joined the school governing body in 2015 as a foundation governor and has served as chair of the Finance, Building and Health and Safety Committee. She is an Estates Manager with a nationwide Multi Academy Trust, responsible for health and safety in the Midlands and South West. Previously she has held senior positions within a Local Authority with responsibility for multiple teams.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

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 18 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 self-improving 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 two-form entry first school where improvements have been demonstrated in a number of key areas also.

b. Members' liability

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

c. Trustees' indemnities

Within the 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.

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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

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 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 undertake 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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Structure, governance and management (continued)

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 Area Committees (LACs) will report to meetings of the board of Trustees throughout the year.

Each Academy within the Multi Academy Trust is governed by a LAC 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 individual's 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

Paul Bowman – Operations Director

Leads the trust business teams and is responsible for finance and returns.

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 and Audit

This committee is 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 Operations Director advise board members and assist them in fulfilling their responsibilities.

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 Operations Director advise board members and assist them in fulfilling their responsibilities.

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TRUSTEES' REPORT (CONTINUED)
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Structure, governance and management (continued)

Stakeholder Engagement

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. Arrangements for setting pay and remuneration of 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. Related parties and other connected charities and organisations

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 made no payments to related parties.

i. Trade union facility time

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

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".

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TRUSTEES' REPORT (CONTINUED)
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Objectives and activities (continued)

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 all 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 co-ordinated approach to data presentation is important, the key issue is to use the data effectively to accurately identify strengths and areas of underperformance.

b. 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/work related 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.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report

Achievements and performance

a. Key performance indicators

Schools have the following OFSTED ratings:

Codsall Middle School	Good (Ofsted Sept 2019)
St Nicholas CE First School	Good (Ofsted Sept 2019)
Birches First School	Outstanding (Ofsted Feb 2012)

All schools continued to perform extremely highly in academic year 2019 – 2020

At St Nicholas CE First School and Birches First School

Attainment at EYFS

Good Level of Development	Local Authority (2019 data)	National (2019 data)	St Nicholas	Birches
	74.4	71.8	78.3	77

Attainment at KS1

Year 1 Phonics Screen	Local Authority	National	St Nicholas	Birches
	83.8	81.9	88.3	77

KS1 SATS 2019	Expected Standard				Greater Depth Standard			
	Local Authority	National	St Nicholas	Birches	Local Authority	National	St Nicholas	Birches
Reading	77.4	74.9	83.6	84	26.5	25	44.3	27
Writing	72	69.2	82	80	15	14.8	37.7	13
Maths	78.5	75.6	86.9	83	22.3	21.7	42.6	23

Year 4 Exit Data

2019	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	89	46	40	26
Writing	73	53	31	20
Maths	77	56	40	23

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TRUSTEES' REPORT (CONTINUED)
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Strategic report (continued)

Achievements and performance (continued)

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
- 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 and Maths

Attainment on entry in Y5 2019- 20120 (GL Assessments)	Average or above	Above Average
English	79% (77%)	10% (NAv 23%)
Maths	59% (NAv 77%)	12% (NAv 23%)
KS2 SATs 2018 - 2019	N/A	

Due to the COVID pandemic, KS2 assessments are not available. However, our own assessments taken on the pupils' return to school in September 2020 (externally marked and moderated GL Assessments), show that despite the impact of lockdown, nearly all groups of pupils are still achieving above national average. Y7 Maths and pupils eligible for Free School Meals are areas for focus.

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 £5,711,947 (2019: £5,923,942) of which £4,430,412 (2019: £4,195,957) was provided by the Department of Education (DofE) via the Education Skills Funding Agency (ESFA) 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 £5,474,961 (2019: £5,487,720) with the largest element of this expenditure being attributed to staff costs totalling £4,467,242 (2019: £4,127,641) for the period.

The depreciation and amortisation charge on assets of £134,239 (2019: £131,564) has been included. Net movement in funds for the period was £236,986 (2019: £436,222) before the loss on the defined benefit pension scheme of £182,000 (2019: £567,000). The Multi Academy Trust element of the Staffordshire Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2020, showing a net deficit of £3,025,000 (2019: £2,600,000).

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TRUSTEES' REPORT (CONTINUED)
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As at 31 August 2020, the net book value of fixed assets was £7,743,473 (2019: £7,431,797). 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.

During the year the Trust centralised its financial, HR and estates functions. The newly formed central team will deliver financial savings across all schools, improve efficiency within the trust driving best value and create time savings for headteachers.

In March the Trust had to partially close schools due to COVID-19, with Codsall Middle School remaining open for key worker pupils across the Trust. During this period, the trust utilised electronic communications and electronic file storage to ensure that internal controls were not weakened. The centralisation project in January 2020 included school business staff moving to a centralised location in a Local Authority building. This ensured that staff and schools were familiar with remote working prior to March and allowed existing systems and procedures to be adapted.

COVID-19 has had a negative impact on income for all schools due to lost income through nursery, wraparound care and catering. The pandemic also saw increased expenditure on cleaning equipment. 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 are 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 2020 the Multi Academy Trust has reserves of £5,898,624 (2019: £5,843,638). Of these reserves £785,140 (2019: £670,493) were unrestricted and represent the Trust's free reserves.

Some of the revenue reserves are in deficit, measures are being taken by the Trust to improve the position by reviewing the top slice charge which will return balances to a surplus. In addition, the Trust centralised business services in 2020 which will generate savings across the Trust.

b. Investment 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.

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TRUSTEES' REPORT (CONTINUED)
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c. Principal risks and uncertainties

The Finance and Audit Committee have approved a risk management framework. 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

There is a risk register in place, approved by the Board, which provides 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. There has been a net impact on fundraising due to Covid.

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.

To carry out a governance review of Local Academy Boards.

To centralise the Finance function across the Trust, moving to Local Academy Boards (LABs) at individual school level responsible for Safeguarding, Wellbeing and SEN only.

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TRUSTEES' REPORT (CONTINUED)
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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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 28TH JANUARY 2021 and signed on its behalf by:



Mrs Fay Hayward
(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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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
Mr Tyrone Field	3	5
Mrs Fay Hayward, Chair of Trustees	5	5
Miss Jodie Parker, Staff Trustee (resigned)	0	0
Mr Dominic Napier	5	5
Ms Sabrina Varicchione, Staff Trustee (resigned)	0	0
Mr Paul Bowman, Staff Trustee	4	5
Revd S Douglas	3	5
Mr Peter Hawthorne	5	5

The CMAT Board has benefitted from a stable year in governance membership which has allowed constructive relationships to be built between trustees and Trust leaders. Following advice from the DfE Miss Sabrina Varricchione and Miss Jodie Parker stood down from their roles of staff trustees.

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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Audit Committee is a subcommittee 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 subcommittee 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 during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Fay Hayward	2	4
Mr Peter Bowers	4	4
Mr Peter Bowman	2	4
Mr Tyrone Field	1	4
Mr Dominic Napier	4	4

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
- Reviewed contracts and SLAs to make savings across the trust
- Centralising business and finance provision

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (CONTINUED)

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 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

The 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:

- budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Audit 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 opted for a bought-in internal audit service in line with the AFH 2019/2020.

The Board considered the output from external audit interim visits, and other compliance visits, in conjunction with the Trust's assessment of risk in confirming the scope of the internal audit work.

The internal auditor's role included performing a range of checks on areas of the Trust's finance systems and controls which included:

- the operations of the systems of controls;
- then proper use of public funds;
- systems, procedures and policies in place; and
- reporting on their findings.

In addition to the internal audit, the external auditors reported to the Board the results of the interim visits performed during the year, which comprise part of the statutory year end audit; reporting on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

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:

- on discharge of the Board of Trustees financial decisions to help the committee consider actions and assess year on year progress
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the 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 committee and a plan to address any identified weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 28th JANUARY 2021 and signed on their behalf by:



Mrs Fay Hayward
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 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 Trust, under the funding agreement in place between the 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 2019.

During the year under review, the timeliness of Management Account reporting was not sufficient to allow the Board to regularly scrutinise the financial position of the Trust. This was principally as a result of the disruption arising from the Covid-19 pandemic necessitating partial shutdown of our schools. During the pandemic, the central team led on essential tasks related to the partial closures and wider opening of schools including Risk Assessments, Health, Safety and Wellbeing, estates, trips, free school meals etc. The team were required to work virtually whilst ensuring that they implemented robust interim procedures to ensure compliant systems, processes and controls remained in place. This disruption and remote working pattern resulted in delays producing Management Accounts during the period. As at the date of signing these Accounts the Board are satisfied that the accounts are now being prepared with sufficient regularity, albeit further improvements to increase the level of information presented and to reduce the time taken to produce are in action.

Notwithstanding the timeliness 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 all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

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: 28th January 2021

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

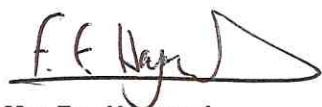
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



Mrs Fay Hayward
(Chair of Trustees)

Date:

28th January 2021

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 'trust') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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 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 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.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees Report (incorporating the Strategic Report and Directors Report), other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other 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 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.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

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 charitable 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 charitable 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 charitable 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

WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

29th January 2021

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 17 September 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2019 to 31 August 2020 has 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, the timeliness and quality of Management Account reporting was not sufficient during the year to allow the Board to regularly scrutinise the financial position of the Trust due to the pressures caused by the Covid-19 pandemic. This is not compliant with the requirements of the ESFA Academies Financial Handbook. Measures are being 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.

WR Partners

Andrew Malpass BA FCA
WR Partners
Chartered Accountants
Statutory Auditors
Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

Date:

29th January 2021

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	28,321	-	463,639	491,960	752,462
Charitable activities	4	217,433	4,915,365	-	5,132,798	5,106,290
Other trading activities	5	86,742	-	-	86,742	64,568
Investments	6	447	-	-	447	622
Total income		332,943	4,915,365	463,639	5,711,947	5,923,942
Expenditure on:						
Charitable activities	7,8	218,296	5,122,425	134,240	5,474,961	5,487,720
Total expenditure		218,296	5,122,425	134,240	5,474,961	5,487,720
Net income/(expenditure)		114,647	(207,060)	329,399	236,986	436,222
Transfers between funds	18	-	(119,483)	119,483	-	-
Net movement in funds before other recognised gains/(losses)		114,647	(326,543)	448,882	236,986	436,222
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	(182,000)	-	(182,000)	(567,000)
Net movement in funds		114,647	(508,543)	448,882	54,986	(130,778)

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
	Note					
Reconciliation of funds:						
Total funds brought forward	18	670,493	(2,524,517)	7,697,662	5,843,638	<i>5,974,416</i>
Net movement in funds		114,647	(508,543)	448,882	54,986	<i>(130,778)</i>
Total funds carried forward		785,140	(3,033,060)	8,146,544	5,898,624	<i>5,843,638</i>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 59 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2020

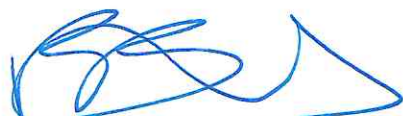
	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	238	1,468
Tangible assets	15	7,743,235	7,430,329
		<u>7,743,473</u>	<u>7,431,797</u>
Current assets			
Debtors	16	631,388	671,423
Cash at bank and in hand		836,008	1,047,805
		<u>1,467,396</u>	<u>1,719,228</u>
Creditors: amounts falling due within one year	17	(287,245)	(707,387)
Net current assets		<u>1,180,151</u>	<u>1,011,841</u>
Total assets less current liabilities		<u>8,923,624</u>	<u>8,443,638</u>
Net assets excluding pension liability		<u>8,923,624</u>	<u>8,443,638</u>
Defined benefit pension scheme liability	25	(3,025,000)	(2,600,000)
Total net assets		<u><u>5,898,624</u></u>	<u><u>5,843,638</u></u>

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

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	8,146,544	7,697,662
Restricted income funds	18	(8,060)	75,483
Restricted funds excluding pension asset	18	8,138,484	7,773,145
Pension reserve	18	(3,025,000)	(2,600,000)
Total restricted funds	18	5,113,484	5,173,145
Unrestricted income funds	18	785,140	670,493
Total funds		5,898,624	5,843,638

The financial statements on pages 25 to 59 were approved by the Trustees, and authorised for issue on
28th JANUARY 2021 and are signed on their behalf, by:



Mr Peter Bowers
(Chair of Trustees)

The notes on pages 30 to 59 form part of these financial statements.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by operating activities	20	234,119	568,426
Cash flows from investing activities	21	(445,916)	(372,575)
Change in cash and cash equivalents in the year		(211,797)	195,851
Cash and cash equivalents at the beginning of the year		1,047,805	851,954
Cash and cash equivalents at the end of the year	22, 23	<u>836,008</u>	<u>1,047,805</u>

The notes on pages 30 to 59 form part of these financial statements

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the 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.

After making enquires, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. The Trust therefore continues to adopt the going concern basis in preparing its financial statements. The Trustees have also assessed the potential impact on the future operations of the Trust with regard to the Covid-19 outbreak. The Trust is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

1.3 Income

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

• **Grants**

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

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

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

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.3 Income (continued)

- **Donations**

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

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

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

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Intangible assets

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 assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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1.8 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long-term leasehold property	- 125 years
Building improvements	- 50 years
Furniture and equipment	- 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.

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 a nil rental charge.

CODSALL MULTI ACADEMY TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

1.10 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.

1.11 Liabilities

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

1.12 Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

1.13 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 16. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. 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.

1.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.15 Pensions

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

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

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

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

1.16 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

Investment income, gains and losses are allocated to the appropriate fund.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. 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 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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 2020, 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
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and capital grants

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	28,321	-	-	28,321	47,904
Capital Grants	-	-	463,639	463,639	704,558
	<u>28,321</u>	<u>-</u>	<u>463,639</u>	<u>491,960</u>	<u>752,462</u>
	<u><u>34,466</u></u>	<u><u>13,438</u></u>	<u><u>704,558</u></u>	<u><u>752,462</u></u>	
<i>Total 2019</i>					

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Funding for the Multi Academy Trust's educational operations

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	3,867,472	3,867,472	3,841,856
Other DfE / ESFA Grant Income	-	203,192	203,192	35,276
Pupil Premium	-	175,719	175,719	183,727
Universal Infant Free School Meals (UIFSM)	-	118,869	118,869	69,208
PE and Sports Grant	-	54,440	54,440	54,530
Year 7 Catch-up Grant	-	10,720	10,720	11,360
	-	4,430,412	4,430,412	4,195,957
Other Government grants				
Local Authority - SEN	2,626	38,679	41,305	69,157
Local Authority - Early Years	-	322,819	322,819	111,863
Local Authority - Other Grants	-	16,716	16,716	216,118
Government - Other Grants	-	5,246	5,246	12,423
Rates reclaim	-	22,525	22,525	6,309
	2,626	405,985	408,611	415,870
Other income				
Other Income	10,942	61,092	72,034	174,340
Insurance	-	17,876	17,876	41,223
Catering Income	72,629	-	72,629	118,517
Wraparound Care	131,236	-	131,236	160,383
	217,433	4,915,365	5,132,798	5,106,290
Total 2019	296,585	4,809,705	5,106,290	

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Non-Educational Trips	81,156	81,156	42,198
Sale of Learning Materials	-	-	936
Hire of Musical Instruments	395	395	470
Sale of Uniforms	-	-	360
Catering Income	1,067	1,067	3,313
Solar Panel Income	1,315	1,315	3,144
Courses Income	829	829	3,982
Lettings income	1,980	1,980	10,165
	<u>86,742</u>	<u>86,742</u>	<u>64,568</u>
<i>Total 2019</i>	<u>64,568</u>	<u>64,568</u>	

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Investment income	447	447	622
	<u>622</u>	<u>622</u>	
<i>Total 2019</i>	<u>622</u>	<u>622</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
Direct costs	4,067,398	-	329,704	4,397,102	4,119,785
Allocated support costs	399,844	220,194	457,821	1,077,859	1,367,935
	<u>4,467,242</u>	<u>220,194</u>	<u>787,525</u>	<u>5,474,961</u>	<u>5,487,720</u>
<i>Total 2019</i>	<u>4,127,641</u>	<u>191,495</u>	<u>1,168,584</u>	<u>5,487,720</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Direct costs	<u>4,397,102</u>	<u>1,077,859</u>	<u>5,474,961</u>	<u>5,487,720</u>
<i>Total 2019</i>	<u>4,119,785</u>	<u>1,367,935</u>	<u>5,487,720</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Academies Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	4,067,398	4,067,398	3,628,042
Educational Supplies	58,055	58,055	57,115
Examination Fees	117	117	108
Technology Costs	64,984	64,984	112,127
Educational Consultancy	28,394	28,394	23,340
Redundancy Costs	-	-	82,313
Other Costs	178,154	178,154	216,740
	<u>4,397,102</u>	<u>4,397,102</u>	<u>4,119,785</u>
<i>Total 2019</i>	<u>4,119,785</u>	<u>4,119,785</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Academies Educational Operations 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	399,844	399,844	499,599
Depreciation and Amortisation	134,239	134,239	131,564
Technology Costs	2,759	2,759	14
Other Staff Costs	61,421	61,421	105,451
Staff Related Insurance	219	219	-
Other costs	120,413	120,413	218,217
Rates	14,185	14,185	12,860
Energy	59,642	59,642	52,103
Lease of Premises	5,069	5,069	-
Maintenance of Premises	34,397	34,397	57,750
Cleaning and Caretaking	38,434	38,434	30,998
Operating Leases	14,759	14,759	12,735
Security	1,024	1,024	510
Transport	5,817	5,817	5,135
Catering	49,173	49,173	77,102
Other Premises Costs	56,680	56,680	37,784
Legal and Professional	61,784	61,784	100,433
Auditor Costs	18,000	18,000	25,680
	<u>1,077,859</u>	<u>1,077,859</u>	<u>1,367,935</u>
<i>Total 2019</i>	<u>1,367,935</u>	<u>1,367,935</u>	

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9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2020 £	2019 £
Operating lease rentals	16,080	11,737
Depreciation of tangible fixed assets	133,009	131,101
Amortisation of intangible assets	1,230	463
Fees paid to auditors for:		
- audit	9,775	9,775
- other services	3,175	4,700
	<u>9,775</u>	<u>9,775</u>
	<u>3,175</u>	<u>4,700</u>

10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	3,166,756	2,954,842
Social security costs	280,480	263,884
Pension costs	979,907	777,910
	<u>4,427,143</u>	<u>3,996,636</u>
Agency staff costs	40,099	48,692
Staff restructuring costs	-	82,313
	<u>4,467,242</u>	<u>4,127,641</u>

Staff restructuring costs comprise:

	2020 £	2019 £
Redundancy payments	-	82,313
	<u>-</u>	<u>82,313</u>

b. Non-statutory/non-contractual staff severance payments

During the year no redundancy payments were paid to any staff members (2019: 6 staff members) as part of a staffing restructure.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Staff (continued)

c. Staff numbers

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

	2020 No.	<i>2019 (As Restated) No.</i>
Teachers	54	<i>54</i>
Administration and Support	95	<i>103</i>
Management	9	<i>8</i>
	<hr/> 158 <hr/>	<hr/> <i>165</i> <hr/>

d. Higher paid staff

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

	2020 No.	<i>2019 No.</i>
In the band £60,001 - £70,000	2	<i>1</i>
In the band £80,001 - £90,000	-	<i>1</i>
In the band £90,001 - £100,000	1	<i>-</i>
	<hr/> <hr/>	<hr/> <i></i> <hr/>

e. Key management personnel

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £500,934 (2019 £432,483).

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NOTES TO THE FINANCIAL STATEMENTS
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11. Central services

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

- Trust 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 Trust charges for these services on the following basis:

Central services charges are charged to each school based on 4% of GAG funding.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Codsall Middle School	88,614	65,667
St Nicholas First School	43,098	32,451
Birches First School	22,987	17,137
Total	154,699	115,255

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

12. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2020 £	2019 £
Mr Peter Bowers, CEO / Accounting Officer	Remuneration	90,000 - 95,000	85,000 - 90,000
	Pension contributions paid	20,000 - 25,000	10,000 - 15,000
Miss Jodie Parker, Staff Trustee (resigned as Trustee 13 November 2019)	Remuneration	10,000 - 15,000	50,000 - 55,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000
Ms Sabrina Varicchione, Staff Trustee (resigned as Trustee 13 November 2019)	Remuneration	10,000 - 15,000	50,000 - 55,000
	Pension contributions paid	0 - 5,000	5,000 - 10,000

During the year ended 31 August 2020, expenses totalling £484 were reimbursed or paid directly to 1 Trustee (2019 - £NIL). This was in relation to laptops purchased by a Trustee for Codsall Middle School which was later claimed back.

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust 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 2020 was £23,326 (2019 - £29,697). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

14. Intangible assets

	Computer software £
Cost	
At 1 September 2019	3,725
At 31 August 2020	<u>3,725</u>
Amortisation	
At 1 September 2019	2,257
Charge for the year	1,230
At 31 August 2020	<u>3,487</u>
Net book value	
At 31 August 2020	<u><u>238</u></u>
At 31 August 2019	<u><u>1,468</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Tangible fixed assets

	Long-term leasehold property £	Building improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2019	7,040,772	456,399	89,388	104,351	7,690,910
Additions	-	375,859	47,527	22,530	445,916
At 31 August 2020	7,040,772	832,258	136,915	126,881	8,136,826
Depreciation					
At 1 September 2019	166,898	13,128	29,360	51,195	260,581
Charge for the year	56,326	15,423	23,721	37,540	133,010
At 31 August 2020	223,224	28,551	53,081	88,735	393,591
Net book value					
At 31 August 2020	6,817,548	803,707	83,834	38,146	7,743,235
At 31 August 2019	6,873,874	443,271	60,028	53,156	7,430,329

16. Debtors

	2020 £	2019 £
Due within one year		
Trade debtors	5,771	2,136
Prepayments and accrued income	538,168	486,702
Tax recoverable	87,449	182,585
	631,388	671,423

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17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	53,315	359,717
Other taxation and social security	67,391	55,052
Other creditors	100,453	87,308
Accruals and deferred income	66,086	205,310
	<u>287,245</u>	<u>707,387</u>
	2020 £	2019 £
Deferred income at 1 September 2019	96,618	97,728
Resources deferred during the year	58,764	96,618
Amounts released from previous periods	(96,618)	(97,728)
	<u>58,764</u>	<u>96,618</u>

The income deferred in the year is for Free School Meals and Trip Income received in the year but relates to 2020/2021 activity.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds - all funds	670,493	332,943	(218,296)	-	-	785,140
Restricted general funds						
General Annual Grant (GAG)	-	3,867,472	(3,867,472)	-	-	-
Pupil Premium	-	175,719	(175,719)	-	-	-
Year 7 Catch-up grant	-	10,720	(10,720)	-	-	-
Other Income	75,483	861,454	(825,514)	(119,483)	-	(8,060)
Pension reserve	(2,600,000)	-	(243,000)	-	(182,000)	(3,025,000)
	<u>(2,524,517)</u>	<u>4,915,365</u>	<u>(5,122,425)</u>	<u>(119,483)</u>	<u>(182,000)</u>	<u>(3,033,060)</u>
Restricted fixed asset funds						
Tangible Fixed Assets	7,430,329	-	(133,010)	445,916	-	7,743,235
Intangible fixed assets	1,468	-	(1,230)	-	-	238
CIF capital grant monies	265,865	403,071	-	(265,865)	-	403,071
DFC capital grant monies	-	60,568	-	(60,568)	-	-
	<u>7,697,662</u>	<u>463,639</u>	<u>(134,240)</u>	<u>119,483</u>	<u>-</u>	<u>8,146,544</u>
Total Restricted funds	<u>5,173,145</u>	<u>5,379,004</u>	<u>(5,256,665)</u>	<u>-</u>	<u>(182,000)</u>	<u>5,113,484</u>
Total funds	<u>5,843,638</u>	<u>5,711,947</u>	<u>(5,474,961)</u>	<u>-</u>	<u>(182,000)</u>	<u>5,898,624</u>

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18. Statement of funds (continued)

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

Unrestricted funds

The unrestricted funds includes the 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 restricted funds of the Trust are marginally in deficit, if required these could be cleared by the unrestricted funds held by the Trust..

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

Restricted fixed asset funds

The restricted fixed asset funds includes any additions purchased by the Trust during the year from restricted monies.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2020.

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2020.

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Codsall Middle School	309,107	269,578
St Nicholas First School	386,066	336,771
Birches First School	114,812	167,628
MAT	(32,905)	(28,001)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	777,080	745,976
Restricted fixed asset fund	8,146,544	7,697,662
Pension reserve	(3,025,000)	(2,600,000)
	<hr/>	<hr/>
Total	5,898,624	5,843,638
	<hr/> <hr/>	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £	Total 2019 £
Codsall Middle School	1,921,134	257,191	25,122	347,095	2,550,542	2,508,969
St Nicholas First School	1,038,213	187,284	22,904	273,866	1,522,267	1,456,938
Birches First School	602,641	157,261	10,146	94,814	864,862	973,076
MAT	27,410	33,108	-	99,533	160,051	161,173
Pension Cost	478,000	(235,000)	-	-	243,000	256,000
Trust	4,067,398	399,844	58,172	815,308	5,340,722	5,356,156

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
General Funds - all funds	600,630	396,241	(326,378)	-	670,493
Restricted general funds					
General Annual Grant (GAG)	-	3,842,055	(3,842,055)	-	-
Pupil Premium	-	171,557	(171,557)	-	-
Year 7 Catch-up grant	-	11,360	(11,360)	-	-
Other Income	-	798,171	(722,688)	-	75,483
Repairs and Renewals	-	-	(66,118)	-	-
Pension reserve	(1,817,000)	-	(216,000)	(567,000)	(2,600,000)
	(1,817,000)	4,823,143	(5,029,778)	(567,000)	(2,524,517)
Restricted fixed asset funds					
Tangible Fixed Assets	7,188,855	438,693	(131,101)	-	7,430,329
Intangible fixed assets	1,931	-	(463)	-	1,468
CIF capital grant monies	-	265,865	-	-	265,865
	7,190,786	704,558	(131,564)	-	7,697,662
Total Restricted funds	5,373,786	5,527,701	(5,161,342)	(567,000)	5,173,145
Total funds	5,974,416	5,923,942	(5,487,720)	(567,000)	5,843,638

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	7,743,235	7,743,235
Intangible fixed assets	-	-	238	238
Current assets	1,064,325	-	403,071	1,467,396
Creditors due within one year	(279,185)	(8,060)	-	(287,245)
Provisions for liabilities and charges	-	(3,025,000)	-	(3,025,000)
Total	785,140	(3,033,060)	8,146,544	5,898,624

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	7,430,329	7,430,329
Intangible fixed assets	-	-	1,468	1,468
Current assets	1,377,880	75,483	265,865	1,719,228
Creditors due within one year	(707,387)	-	-	(707,387)
Provisions for liabilities and charges	-	(2,600,000)	-	(2,600,000)
Total	670,493	(2,524,517)	7,697,662	5,843,638

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20. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the period (as per Statement of financial activities)	236,986	436,222
Adjustments for:		
Amortisation	1,230	463
Depreciation	133,010	131,101
Decrease/(increase) in debtors	40,035	(538,991)
(Decrease)/increase in creditors	(420,142)	323,631
Defined benefit pension scheme cost less contrinutions payable	243,000	216,000
Net cash provided by operating activities	234,119	568,426

21. Cash flows from investing activities

	2020 £	2019 £
Purchase of tangible fixed assets	(445,916)	(372,575)
Net cash used in investing activities	(445,916)	(372,575)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	836,008	1,047,805
Total cash and cash equivalents	836,008	1,047,805

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23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,047,805	(211,797)	836,008
	<u>1,047,805</u>	<u>(211,797)</u>	<u>836,008</u>

24. Capital commitments

	2020 £	2019 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>403,073</u>	<u>200,294</u>

25. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £58,187 were payable to the schemes at 31 August 2020 (2019 - £51,874) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. 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 2019. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £481,786 (2019 - £319,626).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £291,000 (2019 - £305,000), of which employer's contributions totalled £235,000 (2019 - £245,000) and employees' contributions totalled £ 56,000 (2019 - £60,000). The agreed contribution rates for future years are 25.2 per cent for employers and 5.5 - 12.5 per cent for employees.

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

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

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25. Pension commitments (continued)

Principal actuarial assumptions

	2020	2019
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.8

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	21.2	21.1
Females	23.6	23.5
<i>Retiring in 20 years</i>		
Males	22.1	22.2
Females	25.0	24.8

Sensitivity analysis

	2020 £000	2019 £000
Discount rate -0.5%	683	543
Salary rate +0.5%	84	86
Pension rate +0.5%	586	446

Share of scheme assets

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

	2020 £	2019 £
Equities	1,619,800	1,231,500
Corporate bonds	476,400	398,400
Property	190,600	144,900
Cash and other liquid assets	95,200	36,200
Total market value of assets	2,382,000	1,811,000

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25. Pension commitments (continued)

The actual return on scheme assets was £298,000 (2019 - £55,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	(430,000)	(382,000)
Interest cost	(48,000)	(53,000)
Total amount recognised in the Statement of Financial Activities	(478,000)	(435,000)

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

	2020 £	2019 £
At 1 September	4,411,000	3,247,000
Current service cost	430,000	382,000
Interest cost	83,000	97,000
Employee contributions	56,000	60,000
Actuarial losses	480,000	622,000
Benefits paid	(53,000)	(23,000)
Past service costs	-	26,000
At 31 August	5,407,000	4,411,000

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

	2020 £	2019 £
At 1 September	1,811,000	1,430,000
Interest income	35,000	44,000
Actuarial gains	298,000	55,000
Employer contributions	235,000	245,000
Employee contributions	56,000	60,000
Benefits paid	(53,000)	(23,000)
At 31 August	2,382,000	1,811,000

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26. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	12,692	13,592
Later than 1 year and not later than 5 years	16,156	16,914
	<u>28,848</u>	<u>30,506</u>

27. Members' liability

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

28. Related party transactions

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

