

Company Registration Number: 07552498 (United Kingdom)

CAMBRIDGE MERIDIAN ACADEMIES TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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CAMBRIDGE MERIDIAN ACADEMIES TRUST

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CAMBRIDGE MERIDIAN ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 AUGUST 2018

Members

S Jamieson
D Ruddy
L Tranter (appointed 20 November 2017)
M Fox (appointed 1 September 2018)
J Parris (appointed 1 September 2018)

Trustees

S Jamieson, Chair of Trustees
J Hall
M Woods, Chief Executive Officer and Accounting Officer
D Ruddy
M Squires
A Hardy
L Birch
R Moore
N Grimston
J Kennedy (appointed 5 September 2017)
P Phillipson (appointed 20 October 2017)

Company registered number

07552498

Company name

Cambridge Meridian Academies Trust

Principal and registered office

Swavesey Village College, Gibraltar Lane, Swavesey, Cambridgeshire, CB24 4RS

Chief Executive Officer

M Woods

Senior Management Team

M Woods, Chief Executive Officer
A Daly, Executive Principal Swavesey Village College
S Howard, Executive Principal Nene Park Academy
M Campbell, Executive Principal North Cambridge Academy
J Dooley, Executive Principal West Town Primary Academy
A Partington, Executive Principal Stamford Welland Academy, Executive Director for Education
S Wilson, Principal Sawtry Village Academy
R Spencer, Principal Ely College
H Anderson, Finance of Director
M Sampson, IT Director
M Hair, Director of Estates
M Rayner, Executive Director SEND

Independent auditors

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds Bank PLC, Cambridge, CB1 7BH

Barclays Bank PLC, Huntingdon, PE29 3AE

Solicitors

Stone King LLP, Thirty Station Road, Cambridge, CB1 2RE

CAMBRIDGE MERIDIAN ACADEMIES TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

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

Cambridge Meridian Academies Trust operates eleven academies, Swavesey Village College (SVC), Nene Park Academy (NPA), North Cambridge Academy (NCA), West Town Primary Academy (WTPA), Stamford Welland Academy (SWA), Sawtry Village Academy (SVA), Ely College (ECA), Sawtry Junior Academy (SJA), Downham Feoffees Primary Academy (DFPA) (since 1 September 2017), Lantern Community Primary School (LCPS)(since 1 June 2018) and Bar Hill Primary School (BHPS) (since 1 June 2018).

Structure, governance and management

a. Constitution

The trust and the group is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association (amended by special resolution on 15 May 2017) are the primary governing documents of the trust. The trustees of Cambridge Meridian Academies Trust (CMAT) are also the directors of the charitable company for the purposes of company law. The charitable company is known as Cambridge Meridian Academies Trust.

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

b. Members' liability

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

c. Trustees' indemnities

In accordance with normal commercial practice the trust has purchased insurance to protect trustees, councillors and officers from claims arising from negligent acts, errors or omissions occurring while on trust business.

d. Method of recruitment and appointment or election of Trustees

The management of the trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. The number of trustees shall be not less than three but not subject to any maximum. The company shall have the following trustees:

- (a) The chief executive officer of Cambridge Meridian Academies Trust
- (b) Up to eight community trustees
- (c) Up to five education trustees, and
- (d) A minimum of two parent trustees if appointed pursuant to Articles 53 and 55

The trustees may appoint up to two co-opted trustees.

In certain circumstances the Secretary of State for Education has the power to appoint trustees.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

The members may elect:

- the community trustees. The community trustees shall be drawn from the communities served by the academies.
- the education trustees. The education trustees shall have a background in education.
- the community trustees and the education trustees through such process as they may determine.

The total number of trustees (including the chief executive officer) who are employees of the trust shall not exceed one third of the total number of trustees.

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

The training and induction provided for new trustees will depend on their existing experience; an induction pack is given to all trustees. The Governance lead provides two induction training evenings per year (for anyone new to governance with CMAT) and can provide one to one training for new trustee members. Induction therefore tends to be tailored specifically to the individual. CMAT subscribes to GOLD membership of the National Governors Association. All trustees are provided by the clerk to the trustees with copies of policies, procedures, minutes, accounts, budgets, plans and any other documents that they will need to undertake their role as trustees.

f. Organisational structure

A clear management structure exists to effectively manage the trust. The structure now consists of a number of levels, the members, the trustees, trust sub committees, academy councils, policy and scrutiny committees, the trust executive and the academy senior leadership teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The members appoint the trustees and the auditors.

The trustees are responsible for the strategic direction and planning of the trust, approving the academies' and the consolidated trust budgets, monitoring individual academy performance and making major decisions about the direction of the trust. The trustees also approve academic targets, finance policies, executive pay, personnel policies and all estates/IT strategy and policy.

The academy councils' responsibilities are dependent upon the scheme of delegation they operate under. All are responsible for ensuring individual school procedures follow trust policy, approving and monitoring the delivery of the school development plan, monitoring academic standards, ensuring the academy council has the required skills and supporting staff appointments/ performance management. In scheme of delegation 2 academies the academy council also monitor the financial and estates/IT plans.

The trust executive team consists of the Chief Executive Officer, Director of Finance, Director of Estates, HR Manager and IT Director, Executive Director of SEND, Executive Principal for Primary, Executive Director of Education, three Executive Principals (secondary) and two Principals (secondary). The Executive Board oversees a committee structure that establishes trust educational policy.

The senior leadership teams comprise of the (Executive) Principal, Deputy Principals and Assistant Principals. These managers control each academy at an executive level implementing the policies laid down by the trust. As a group, the senior leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

g. Pay policy for key management personnel

Key management personnel include the CEO and those staff to whom the trustees have delegated significant authority and responsibility in the day to day running of the trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the trust size (in terms of pupil numbers, schools and budget), the pay ranges for each role (which are based around the national leadership scales) and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards and the ability to recruit and retain in post, both of which are in accordance with the trust's appointment and pay policies. The personnel committee review the leadership scales operated within the trust annually and benchmark these against similar roles advertised elsewhere and any emerging comparative information from relevant organisations (eg FD or HR Forums).

All amendments to key management's pay and remuneration are approved in the first instance by the relevant governance committee. They are then shared with the Director of Finance to confirm affordability, after which they are then finally ratified by the trustees.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	9
Full-time equivalent employee number	8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	9
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000
Total cost of facility time	4
Total pay bill	30,535
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	34 %
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i. Employees and disabled persons

The trust has a robust Equality and Diversity Policy which is available to view on the CMAT website under Policies. The trust ensures regular and varied communication with staff relating to matters affecting them.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

Objectives and Activities

a. Objects and aims

The trust's objective is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum.

To promote for the benefit of the inhabitants of the areas in which the academies are located and the surrounding areas the provision of facilities for recreation or other leisure occupation of individuals who have need of such facilities by reason of their youth, age infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

It is the belief of the trust that the individual needs of every student should lie at the heart of any education system.

The trust equips, enables and encourages the students to achieve their very best. The trust wants them to be successful learners, confident individuals and responsible citizens.

The trust aims to accomplish this by keeping every single one of the young people at the very core of the trust's work.

As part of the CMAT family, the academies pool expertise and resources, think more strategically and work more confidently and imaginatively; providing collectively a higher quality education than could be achieved individually.

The hard endeavour and outstanding dedication of the staff has been vital to what has been achieved. The students and their families have been hugely supportive of the changes.

The trust is exceptionally proud of the achievements so far, but it is also looking to the future. There are exciting opportunities for the trust at Northstowe, Darwin Green and Corby and the trustees are confident that further opportunities will come that enhance the capacity and expertise of the trust's family of schools.

In the end though, what matters most is the quality of the education the students receive. The trustees are proud that the trust has built an environment which enables the students to learn well, to be receptive to the excellent teaching provided and, most of all, to flourish.

The trust is particularly proud of the following:

- 1) Two out of six secondary academies recording a Progress 8 figure demonstrating they are "above average". The outstanding progress of the small cohort of students at North Cambridge Academy is only prevented from joining this band by the wide range of the confidence measures, and the skewed nature of the Progress 8 calculations. The continued success of this academy is a testament to the creativity and dedication of the management at the school and the wider support of the trust.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

- 2) CMAT academies have continued to take a leading role in key organisations such as Whole Education, the SSAT and in supporting many Local Authority (LA) projects to further school improvement in the areas we serve. The support given to Lincolnshire LA in managing quality assurance for Alternative Provision was of particular note in ensuring the most vulnerable students receive the education they deserve.
- 3) Ely College achieving a much improved Progress 8 and being named Cambridge News "school of the year" after suffering many years of difficulty.
- 4) The strong progress measures recorded particularly at West Town Primary Academy but also at Sawtry Junior Academy and Downham Feoffees Primary Academy further demonstrated the speed of development in our primary academies.
- 5) Sawtry Village Academy being graded "Good" with an "Outstanding Post 16 provision" and Nene Park Academy being graded "Good" for the second time.
- 6) The value for money provided by the skilful management of the extension of the Nene Park Academy and the significant improvements in the estate of Ely College and Sawtry Village Academy.
- 7) The decision of Bar Hill Primary School and Lantern Primary School as strong "Good" schools to join the trust.
- 8) The continued improvement demonstrated in managing our finances in an increasingly challenging environment and with the legacy of unfair funding for Cambridgeshire schools.

c. Activities for achieving objectives

CMAT and SVC maintained an excellent track record in providing support for Local Authorities and schools often through Teaching Schools Alliance initiatives. The Cambridge Partnership was also responsible for successfully training over 90 teachers. Leadership East was successfully re-accredited as providers of the national professional qualifications and also significantly increased the number of people benefitting from these excellent courses. The completion of the excellent community learning facilities with a 4g at Nene Park Academy and community tennis courts at North Cambridge further demonstrate our continued commitment to ensuring all of the community we serve have access to our academies.

d. Public benefit

The charitable company's aims are set out in this report. The trustees have complied with their duty to have due regard to guidance on public benefit published by the Charity Commission in exercising their powers or duties.

e. Related parties and other connected charities and organisation

Cambridge Meridian Academies Trust has a close working relationship with Cambridge Primary Education Trust, for example they share membership of teaching school networks and the CEO of each trust on the board of Trustees of the sibling trust. Cambridge Meridian Academies Trust provides operational services including IT, site and financial services to Cambridge Primary Education Trust at cost. The cost for these services for the financial year ended 31 August 2018 totalled £87,433.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

Achievements and performance

Strategic report

a. Key performance indicators

All primaries that had been with CMAT for a year or more had combined results which were above national

West Town combined 65%
Sawtry Juniors combined 65%
Downham Feoffees combined 65%
National combined 64%

In SPAG West Town was significantly above national 88% (10% higher than national), West Town and Downham Feoffees were both well above national for maths, Sawtry Juniors was significantly above national for reading at the higher standard, 36% (11% higher than national).

For secondary;

Ely College remained consistently strong at GCSE, achieving 62% A*-C including English and Maths (64% in 2017).

At Post 16 Bishop Laney Sixth Form (Ely College) secured an average grade of 'Distinction' across their technical and applied courses this year.

North Cambridge achieved 45% A*-C including English and Maths (58% in 2017) with a weaker cohort making very strong progress.

Nene Park Academy achieved a consistent 51% A*-C including English and Maths (52% in 2017)
At Post 16 Nene Park Academy attained a 96% overall pass rate (A*-E) and an impressive 54% A*-C. Overall progress for A Levels was in-line with the national average.

Swavesey Village College achieved a consistently strong 78% A*-C including English and Maths (81% in 2017).

Sawtry Village Academy also achieved strong consistent results 66% A*-C including English and Maths (68% in 2017).

At Post 16 the overall pass rate remained very high again this year at 99%, with 47% of students achieving the highest A*-B grades. Over three quarters of all grades, 79%, were graded at C and above. These results have once again maintained the outstanding overall progress of last year with the Academy being placed in the Top 10% of Sixth Forms in England for value-added.

Stamford Welland Academy achieved 39% A*-C including English and Maths (51% in 2017).

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the 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.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

Financial review

Summary Financial Position

During the year the trust received income of £62,110k. Of this sum, £16,405k includes assets transferred upon academy conversion. £6,915k for property constructed at Nene Park, £33,500k was received from the Education Funding Agency and Department for Education, mainly for the day to day running costs of the schools and academy conversion costs, infrastructure and school improvement. In addition, £998k was raised through trading and other activities, £9k through investment income, £927k through trips which offset the associated trips expenditure and £1,193k related to other unrestricted income.

£2,163k was received through capital grants in the period for spend on capital projects throughout the trust.

Revenue

The revenue position excluding the pension fund was as follows:

Revenue excl. pension fund	Restricted £'000	Unrestricted £'000	Total £'000
Brought forward from 31 August 2017	69	2,312	2,381
Income	33,500	3,325	36,825
Expenditure	(33,439)	(3,401)	(36,840)
Net expenditure before transfers	61	(75)	(14)
Transfers	-	(95)	(95)
Carried forward to 1 Sep 2018	130	2,141	2,271

The summary of academies' balances may be found towards the end of Note 24.

The Trust spent £142k across its academies on furniture and equipment and IT hardware and £572k on improvements to buildings.

Reserves

The trust's reserves are summarised below:

Reserves	Available £'000	Tangible assets £'000	Total £'000
Revenue cfd	2,271	-	2,271
Capital balances cfd	1,502	117,497	118,999
Total before pension	3,773	117,497	121,270
Pension fund deficit			(5,869)
Loans			(120)
Grand Total			115,281

The purpose of the reserves policy for the trust is to ensure the stability of the academies' operations, to protect it so that it can adjust quickly to financial circumstances, such as large unplanned expenditure, cyclical maintenance and working capital requirements. The trust holds reserves to provide sufficient working capital to cover delays between spending and receipt of grant income, to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long-term sickness where unforeseen costs are incurred and to build up funding for planned future capital projects. The agreed level of fixed reserves per academy is 5% of defined income and this has been achieved.

Reserves are reported as part of budget monitoring to the relevant academy council and to the Finance and Audit Committee.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

Free Reserves

Since most of the trust's income is restricted grant funding received at the beginning of the month, there is no level set for free reserves. In practice, free reserves are mostly used by academies to support their overall financial position and quickly become designated funds for a project or to top up revenue income. The level of free reserves as at 31st August 2018 was £2,141k. This will be mainly used towards academies' budgets in 2018-19 and in the medium term. These reserves are categorised as unrestricted funds in the financial statements.

Restricted Reserves

These are funds which have a restriction on how they are used, comprised mainly of grant balances for Department for Education grants and General Annual Grant. The total of restricted fund reserves to carry forward is £130k (excluding the local government pension deficit of £5,869,000). This relates to the teacher training arm of the trust.

Pension Fund (Local Government Pension Scheme)

Under Accounting Standard FRS 102, it is necessary to charge projected deficits on the Local Government Pension Scheme that is provided for non-teaching staff to a specific restricted reserve. As at 31 August 2018, the deficit on this reserve amounted to £5,869,000. The employer's contributions to the pension scheme were initially expected to increase but decreased slightly from 1 April 2017 following an actuarial review. The pension deficit does not present the Trust with a current liquidity problem and it should be noted that the Government has guaranteed to pay any outstanding pension deficit if an academy Trust is closed to maintain parity of contribution rates between local authority maintained and academy status schools.

Principal Financial Management Policies

The trust operates financial management in relation to the scheme of delegation of each school and recognises the needs for academies to manage their financial affairs within the parameters set by the trust. The trust has a central management role and has adopted PS Financials as its accounting package, providing instant live access to all transactions across the trust and consolidation of budget management. Most purchases are authorised at academy level by the Headteacher and for the central trust, by the CEO.

Principal Funding

On a day to day basis, the trust is funded principally from the following grants:

- General Annual Grant and Education Services Grant received from the Education Funding Agency
- Pupil premium used to support outcomes for disadvantaged children
- Other grants such as universal infant free school meals, PE and Sports grant
- High tariff needs top ups from the local authority

Academies also generate smaller amounts of income from school meals, lettings, uniform and other trading activities. The trust has also received funding from the Department for Education for school improvement costs for sponsored schools and academy conversion costs.

The trust received capital funding in the year 17/18 from the School Condition Allocation totalling £1,080k and a further £104k relating to the Healthy Pupils Capital Fund. This is being used to fund investment in roofing, fire safety and facilities projects.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

a. Investment policy and performance

Due to the persistence of low interest rates, resulting in an erosion of the real value of the trust's cash reserves, the trustees are currently reviewing the trust's investment policy. The trustees' power is governed by the Trustee Act 2000. This confers a general power of investment and requires the trustees to invest in a diversified range of suitable investments.

The objectives of the trust's policy is:

- To ensure that the trust has sufficient cash available to meet its commitments;
- To ensure that sufficient funds are available at short or no notice to meet foreseeable requirements and a contingency for emergency needs;
- To optimise the rate of return on other funds without undue risk;
- To protect the capital value of funds held against inflation;
- To spread risk, where appropriate; and
- To comply with the trust's Articles of Association.

In determining the level of funds available that could be considered for investment, due regard will be taken of the short, medium and long term requirements of the trust. These are defined as follows:

- Short term - funds likely to be expended within the next 12 months;
- Medium term - funds likely to be expended between 1 to 5 years; and
- Long term - funds unlikely to be required in the next 5 years.

Current policy is for all other investments to be held as cash deposits.

b. Principal risks and uncertainties

The trust board has considered and agreed an ongoing risk register. The trust board considers the principal risks and uncertainties are regarding changes in funding levels against a picture of spiralling employment costs, the inherited declining rolls at Sawtry and Stamford and the actions of Cambridgeshire LA and local trusts with regard to places planning in the north of Cambridge. All academies aim to maximise the recruitment and retention of students and the trust board seeks to ensure maximum funding is received.

Fundraising activities and income generation

CMAT academies undertake some in house fundraising activities such as sponsored walks and enrichment days. The trust makes comprehensive endeavours to ensure that such activities are; planned effectively, that the activity organisers are effectively supervised and supported, that there is a clear protection for the trust assets and reputation in the ventures, that there is an understanding and compliance with laws, regulations and standards and that the trust is open and accountable for the fundraising activities.

Most academies within the trust generate additional income through lettings outside operational hours. In addition to this the subsidiary trading company (CMAT Education Services Limited) continued trading, the primary income of which related to the selling of IT support services to schools outside the trust.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

Plans for future periods

a. Future developments

The trust is keen to explore and develop partnership models, including inviting good or outstanding schools to share in its family of schools, to work with the trust to share best practice and increase the individual and collective school improvement capacity.

Funds held as custodian

During the year, the trust, through TCP, acted as custodian for NCTL salary and trainee bursaries. The annual sum devolved was £740k.

Funds were held in a control account within the trust's accounting software and reported on at the regular Executive Committee meetings for TCP and an annual return is agreed by the committee and audited for submission to NCTL.

Disclosure of information to auditors

Insofar as the trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on its behalf by:



S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the chief executive officer, 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 Cambridge Meridian Academies 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 4 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
S Jamieson, Chair of Trustees	4	4
J Hall	4	4
M Woods, Chief Executive Officer and Accounting Officer	4	4
J Kennedy (joined 5 September 2017)	3	3
P Phillipson (joined 20 October 2017)	1	3
D Ruddy	4	4
M Squires	4	4
A Hardy	4	4
L Birch	3	4
R Moore	3	4
N Grimston	4	4

The trustees ensure their own effectiveness is reviewed and continuously improved at the annual January away day. The Chair and National Leader of Governance are developing a new tool to review board effectiveness and that of the academy council and sub committees to introduce in January 2019.

The main challenges the trustees highlight for the coming year are managing the anticipated growth of the trust (especially managing on behalf of Cambridge Meridian Educational Trust the opening of the Northstowe Secondary School), addressing concerns emerging from the outcomes of 2018 at Nene Park Academy, further refining our schemes of delegation, encouraging good or outstanding academies/schools to join the trust and ensuring we retain strong and robust controls in all operations of the trust. There is also the ongoing need to ensure we continue to be robust in our trustee skill set. After undertaking a skills audit process, the trust successfully recruited additional HR and Strategic expertise in two new trustees.

The trust was favourably reported on in a comprehensive review undertaken by a peer, Outwood Grange Academies Trust, in January 2017. The trust intends to conduct such reviews every three years.

The trust regularly engage external peer advisors to review practices within the trust and advise on developments. In addition, we undertake internal audit visits to each of the academies. The trust also engages an accountancy firm on an ad hoc basis to support finance staff and ensure compliance in all financial matters.

At a trust level internal sub committees are used to ensure compliance with policies and scrutiny of application. At a local level each academy has an academy council to perform the same function at a more granular level.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

GOVERNANCE STATEMENT (continued)

The sub committees of the trust board are used to scrutinise the application of these.

The finance policy & scrutiny committee is a sub committee of the main trust board. Its purpose is to monitor and review the financial performance of the trust, including budget setting and monitoring.

During the year the committee reviewed

- the budget setting process and proposed budgets set
- financial policies and procedures and any exceptions identified
- financial performance to budget
- effectiveness of the finance function within the trust

Attendance at meetings in the year was as follows:

Finance P&S committee member	Meetings attended	Out of a possible
A Hardy	6	6
D Ruddy	5	6
M Woods	6	6
M Dixon	6	6
A Zeffman	4	6
M Bedlow	6	6

Review of Value for Money

As Accounting Officer, the chief executive officer has responsibility for ensuring that the 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 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 trust is accountable for the way in which resources are allocated to meet the objectives set out in the development plans. Trustees need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the academies achievements and services.

What is Best Value

Trustees will apply the four principles of best value:

- Challenge: Why, how and by whom a service is provided
- Compare: academy performance against available data.
- Consult: With service users, the local community etc.
- Competition: Wherever practicable, to secure efficient and effective services

The trustees' approach

The trustees and academy managers apply the principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of individual academies
- the targeting of resources to best improve standards and the quality of provision
- the use of resources to best support the various educational needs of all pupils

CAMBRIDGE MERIDIAN ACADEMIES TRUST

GOVERNANCE STATEMENT (continued)

The trustees and the academy managers:

- make comparisons with other/similar academies using available data,
- challenge proposals, examining them for effectiveness, efficiency, and cost
- require suppliers to compete on grounds of cost and quality/suitability of services/products
- consult individuals and organisations on quality/suitability of service we provide to parents, pupils, and services we receive from providers

This will apply in particular to:

staffing – deploy staff to provide best value in terms of quality of teaching, quality of learning, adult pupil ratio, and curriculum management with a clear focus on individual student achievement.

use of premises – consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching and learning, for support services, and for communal access to central resources and opportunities to generate income from the premises assets.

use of resources – deploy equipment, materials and services to provide pupils and staff with resources which support high quality teaching and learning.

quality of teaching – review the quality of curriculum provision and quality of teaching, to provide parents and pupils with a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, and the needs of the pupils and teaching which builds on previous learning and has raised expectations of children's achievement.

quality of learning – review the quality of pupil's learning by setting and tracking pupil achievement targets.

purchasing – have clear procedures for assessing need, and obtaining goods and services which provide best value in terms of suitability, efficiency, time and cost.

pupil's welfare – review the quality of the academy environment and the academy ethos, in order to provide a supportive environment conducive to learning and recreation.

health and safety – review the quality of the academy environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

These areas are monitored for best value by:

1. Departmental reviews by the principal & senior leadership team
2. Target setting meetings between principal, senior leadership team and head of departments
3. Annual performance management
4. Annual budget planning
5. Feedback from internal auditor and audit reports
6. Analysis of individual academy pupil performance data
7. Benchmarking across the trust and with comparable schools locally
8. Analysis of DfE pupil performance data
9. Key issues for action identified by OFSTED
10. Trustee committee meetings
11. Trustee annual staff salary review

The trust has engaged with other educational providers over the last year to share delivery and good practice.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

GOVERNANCE STATEMENT (continued)

As a multi academy trust CMAT provides the following shared services across the trust:

- ICT
- HR
- Finance
- Premises
- Audit
- Educational Support Services

The trust is committed to maximising the income from the resources at its disposal, and is currently reviewing the level of income derived from lettings and associated activities.

Review and control

Budget reports are produced on a monthly basis, additional leadership resource has been recruited to further develop the provision of timely, accurate and strategic reports as the trust continues to grow.

Funding in Cambridgeshire is amongst the lowest in the country and spare resources are scarce, however trustees are keen to establish an acceptable level of reserves.

The trust has a risk register which is reviewed to ensure there is a clear focus on the most relevant and appropriate strategic financial risks.

The trust has an internal audit function which is mandated to produce regular reports for the finance committee and this is supported by the external auditor's work.

The main challenges for the coming year are managing the anticipated growth of the trust (especially managing on behalf of Cambridge Meridian Educational Trust the opening of the Northstowe Secondary School), addressing concerns emerging from the outcomes of 2018 at Nene Park Academy and Stamford Welland Academy, further refining our schemes of delegation, encouraging good or outstanding academies/schools to join the trust and ensuring we retain strong and robust controls in all operations of the trust.

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 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 Cambridge Meridian Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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 trust board has considered the need for a specific internal audit function and has used Suzanne Cooper as internal auditor, who is independent of the day to day finance team, to carry out a programme of internal checks. The internal auditor reports to the board of trustees through the finance committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

- payroll
- reimbursements

The internal auditor has delivered their schedule of work as planned, provided details of any material control issues arising as a result of the appointee's work and, if relevant, described what remedial action is being taken to rectify the issues.

Review of Effectiveness


As Accounting Officer, the chief executive officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- 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 finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2018


S Jamieson
Chair of Trustees


M Woods
Accounting Officer

CAMBRIDGE MERIDIAN ACADEMIES TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Cambridge Meridian Academies Trust I have considered my responsibility to notify the 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 2017.

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

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



M Woods
Accounting Officer

Date: 3 December 2018

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

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

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

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group 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 the group 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 and the group 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 group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 3 December 2018 and signed on its behalf by:



S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAMBRIDGE MERIDIAN ACADEMIES TRUST

Opinion

We have audited the financial statements of Cambridge Meridian Academies Trust (the 'parent academy') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise the group Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, the group Consolidated Balance Sheet, the group Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's or the parent academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Group Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Group 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 group and the parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Group 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:

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

Responsibilities of trustees

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

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CAMBRIDGE MERIDIAN ACADEMIES TRUST**

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Julie Grimmer FCA DChA (Senior Statutory Auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich
19 December 2018

CAMBRIDGE MERIDIAN ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE MERIDIAN ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Cambridge Meridian Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Cambridge Meridian Academies Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Cambridge Meridian Academies Trust's funding agreement with the Secretary of State for Education dated 30 March 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO CAMBRIDGE MERIDIAN ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2017 to 2018. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the trust's process for checking its financial systems, controls, transactions and risks.

Conclusion

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



Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

19 December 2018

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

		Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Unrestricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
	Note					
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	3	(975)	17,183	197	16,405	2,920
Other donations and capital grants	3	-	9,077	1	9,078	7,163
Charitable activities:	4					
Teaching schools		1,042	-	-	1,042	854
Trust educational activities		32,458	-	2,120	34,578	32,718
Other trading activities	5	-	-	998	998	971
Investments	6	-	-	9	9	13
Total income		32,525	26,260	3,325	62,110	44,639
Expenditure on:						
Charitable activities:						
Teaching schools		944	-	-	944	865
Trust educational operations		33,965	3,015	3,401	40,381	38,398
Total expenditure	7	34,909	3,015	3,401	41,325	39,263
Net income / (expenditure) before transfers		(2,384)	23,245	(76)	20,785	5,376
Transfers between Funds	24	-	95	(95)	-	-
Net income / (expenditure) before other recognised gains and losses		(2,384)	23,340	(171)	20,785	5,376
Actuarial gains on defined benefit pension schemes	29	2,999	-	-	2,999	6,133
Net movement in funds		615	23,340	(171)	23,784	11,509
Reconciliation of funds:						
Total funds brought forward		(6,354)	95,539	2,312	91,497	79,988
Total funds carried forward		(5,739)	118,879	2,141	115,281	91,497

CAMBRIDGE MERIDIAN ACADEMIES TRUST
REGISTERED NUMBER: 07552498

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
Fixed assets				
Tangible assets	17	117,497	95,115	
Investment property	18	350	350	
Total tangible assets			117,847	95,465
			117,847	95,465
Current assets				
Stocks	20	82	69	
Debtors	21	2,151	1,533	
Cash at bank and in hand		5,570	5,498	
		7,803	7,100	
Creditors: amounts falling due within one year	22	(4,368)	(4,618)	
Net current assets			3,435	2,482
Total assets less current liabilities			121,282	97,947
Creditors: amounts falling due after more than one year	23	(132)		(27)
Net assets excluding pension scheme liabilities			121,150	97,920
Defined benefit pension scheme liability	29	(5,869)		(6,423)
Net assets including pension scheme liabilities			115,281	91,497
Funds of the trust				
Restricted income funds:				
Restricted income funds	24	130	69	
Restricted fixed asset funds	24	118,879	95,539	
Restricted income funds excluding pension liability		119,009	95,608	
Pension reserve		(5,869)	(6,423)	
Total restricted income funds			113,140	89,185
Unrestricted funds	24		2,141	2,312
Shareholders' and Charity's funds			115,281	91,497

CAMBRIDGE MERIDIAN ACADEMIES TRUST

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 25 to 64 were approved by the trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:



S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST
REGISTERED NUMBER: 07552498

ACADEMY TRUST BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
Fixed assets				
Tangible assets	17	117,497	95,115	
Investment property	18	350	350	
Total tangible assets			117,847	95,465
			117,847	95,465
Current assets				
Stocks	20	82	69	
Debtors	21	2,092	1,677	
Cash at bank and in hand		5,556	5,338	
		7,730	7,084	
Creditors: amounts falling due within one year	22	(4,295)	(4,602)	
Net current assets			3,435	2,482
Total assets less current liabilities			121,282	97,947
Creditors: amounts falling due after more than one year	23	(132)		(27)
Net assets excluding pension scheme liabilities			121,150	97,920
Defined benefit pension scheme liability	29	(5,869)		(6,423)
Net assets including pension scheme liabilities			115,281	91,497
Funds of the trust				
Restricted funds:				
Restricted funds		130	69	
Restricted fixed asset funds		118,879	95,539	
Restricted funds excluding pension asset		119,009	95,608	
Pension reserve		(5,869)	(6,423)	
Total restricted funds			113,140	89,185
Unrestricted funds			2,141	2,312
Total funds			115,281	91,497

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**ACADEMY TRUST BALANCE SHEET (continued)
AS AT 31 AUGUST 2018**

The financial statements were approved by the trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:



S Jamieson
Chair of Trustees

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	26	(1,481)	716
Cash flows from investing activities:			
Dividends, interest and rents from investments		9	13
Purchase of tangible fixed assets		(714)	(859)
Capital grants from DfE Group		2,163	1,363
Net cash provided by investing activities		1,458	517
Cash flows from financing activities:			
Repayments of borrowings		(11)	(18)
Cash transferred on conversion to an academy		106	-
Net cash provided by/(used in) financing activities		95	(18)
Change in cash and cash equivalents in the year		72	1,215
Cash and cash equivalents brought forward		5,498	4,283
Cash and cash equivalents carried forward	27	5,570	5,498

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Cambridge Meridian Academies Trust constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the academy trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the academy trust alone as permitted by section 408 of 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 academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Unspent pre opening grant is deferred at the year end.

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

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

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

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

Where assets are received on the transfer of an existing or converter academy into the trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within income and donations and capital grants.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Basis of consolidation

The financial statements consolidate the accounts of Cambridge Meridian Academies Trust and all of its subsidiary undertakings ('subsidiaries').

The academy trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the academy trust was £20,785,000 (2017 - £5,376,000).

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

The land and buildings of Nene Park Academy are occupied under a 125 year lease with the Local Authority. During the period the Local Authority constructed property on the site for the use of the trust. To reflect the future 'right of use', the buildings have been recognised in the financial statements at their fair value, being the cost of the construction to the Local Authority, with a corresponding amount recognised in donations.

Upon joining the trust in the period a 125 year lease for the land and buildings at Downham Feoffees Primary, Bar Hill Primary and Lantern Primary was entered into by the trust with the Local Authority. To reflect the future 'right of use', the buildings have been recognised in the financial statements at their fair value with a corresponding amount recognised in donations.

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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	25 to 50 years straight line
Long-term Leasehold property	-	20 to 50 years straight line
Long-term leasehold land	-	125 years straight line
Furniture and fixtures	-	3 to 10 years straight line
Motor vehicles	-	5 to 8 years straight line
Computer equipment	-	1 to 3 years straight line

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

1.7 Investments in subsidiaries

Investments in subsidiaries are valued at cost less provision for impairment.

1.8 Operating leases

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.10 Debtors

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

1.11 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.

1.12 Liabilities and provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 21. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 22 and 23. 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 instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

1.14 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 29, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

1.16 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Downham Feoffees Primary Academy, Bar Hill Primary School and Lantern Community Primary School to an academy have been valued at their fair value. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

The same treatment was adopted for schools which joined the trust in prior years.

Further details of the transaction are set out in note 28.

1.17 Agency arrangements

The trust acts as an agent distributing initial teacher training funds. Funding received from National College for Teaching and Learning and subsequent distributions are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds.

1.18 Fund accounting

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

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

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

1. Accounting Policies (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2 % could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

No academies within the trust exceeded the limits during the year ended 31 August 2018.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

3. Income from donations and capital grants

	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Unrestricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion (note 28)	(975)	17,183	197	16,405	2,920
Donations	-	-	1	1	24
Gifted assets	-	6,915	-	6,915	5,776
Government grants	-	2,162	-	2,162	1,363
Subtotal	-	9,077	1	9,078	7,163
	(975)	26,260	198	25,483	10,083
<i>Total 2017</i>	(591)	10,587	87	10,083	

The land and buildings of Nene Park Academy are occupied under a 125 year lease with the Local Authority. During the period the Local Authority constructed property on the site for the use of the trust. To reflect the future 'right of use', the buildings have been recognised in the financial statements at their fair value of £6,915,000, being the cost of the construction to the Local Authority, with a corresponding amount recognised in income from donations.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

4. Funding for Academy's educational operations

	Restricted funds 2018 £000	Unrestricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	29,179	-	29,179	28,487
Start-up and conversion grants	169	-	169	95
Pupil premium	1,380	-	1,380	1,248
Other DfE / ESFA revenue grants	547	-	547	381
Cambridge Partnership / Leadership East	1,042	-	1,042	752
	<u>32,317</u>	<u>-</u>	<u>32,317</u>	<u>30,963</u>
Other government grants				
SEN funding	695	-	695	608
EOTAS funding	488	-	488	535
	<u>1,183</u>	<u>-</u>	<u>1,183</u>	<u>1,143</u>
Other funding				
School trips	-	927	927	630
Other income	-	1,193	1,193	836
	<u>-</u>	<u>2,120</u>	<u>2,120</u>	<u>1,466</u>
	<u>33,500</u>	<u>2,120</u>	<u>35,620</u>	<u>33,572</u>
<i>Total 2017</i>	<u>32,141</u>	<u>1,429</u>	<u>33,570</u>	

5. Other trading activities

	Restricted funds 2018 £000	Unrestricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	-	185	185	231
Other income from activities	-	452	452	514
Sports centre income	-	264	264	226
Other income	-	97	97	-
	<u>-</u>	<u>998</u>	<u>998</u>	<u>971</u>
<i>Total 2017</i>	<u>-</u>	<u>971</u>	<u>971</u>	

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

6. Investment income

	Restricted funds 2018 £000	Unrestricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	-	9	9	13
	<u>-</u>	<u>9</u>	<u>9</u>	<u>13</u>
<i>Total 2017</i>	<u>-</u>	<u>13</u>	<u>13</u>	

7. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational operations:					
Direct costs	24,545	2,381	3,687	30,613	28,694
Support costs	5,990	802	3,920	10,712	10,569
	<u>30,535</u>	<u>3,183</u>	<u>7,607</u>	<u>41,325</u>	<u>39,263</u>
<i>Total 2017</i>	<u>28,254</u>	<u>2,036</u>	<u>8,973</u>	<u>39,263</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational operations	30,613	10,712	41,325	39,263
	<u>30,613</u>	<u>10,712</u>	<u>41,325</u>	<u>39,263</u>
<i>Total 2017</i>	<u>28,693</u>	<u>10,570</u>	<u>39,263</u>	

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

9. Support costs

	Educational operations £000	Total 2018 £000	<i>Total 2017 £000</i>
Educational supplies	896	896	947
Staff development and training	16	16	23
Technology costs	575	575	675
Recruitment and support	218	218	234
Maintenance	533	533	480
Cleaning	80	80	96
Rent and rates	269	269	198
Energy	595	595	511
Water and sewage	124	124	112
Insurance	186	186	179
Catering	233	233	225
Bank interest and charges	18	18	16
Other support costs	598	598	846
Legal and professional fees	231	231	323
Other staff costs	150	150	165
Wages and salaries	4,810	4,810	4,368
National insurance	323	323	315
Pension cost	857	857	857
	<u>10,712</u>	<u>10,712</u>	<u>10,570</u>
<i>Total 2017</i>	<u>10,570</u>	<u>10,570</u>	

10. Net income/(expenditure)

This is stated after charging:

	2018 £000	<i>2017 £000</i>
Depreciation of tangible fixed assets:		
-owned by the trust	2,528	1,908
Operating lease rentals	146	111

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

11. Auditors' remuneration

	2018 £000	2017 £000
Fees payable to the trust's auditor and its associates for the audit of the trust's annual accounts	30	30
Fees payable to the academy trust's auditor and its associates in respect of:		
The auditing of accounts of associates of the trust	2	2
All taxation advisory services not included above	5	5
All assurance services not included above	10	2
All other non-audit services not included above	3	2

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

12. Staff costs

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	22,460	20,882
Social security costs	2,127	2,019
Operating costs of defined benefit pension schemes	5,089	4,583
	29,676	27,484
Agency staff costs	722	667
Staff restructuring costs	137	103
	30,535	28,254

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

Included in staff restructuring costs are non-statutory/non-contractual severance payment of £102,150. This includes the following individual amounts: £30,000 (31 August 2018), £8,500 (31 July 2018), £28,000 and £9,650 (31 March 2018), £20,000 (31 December 2017) and £6,000 (31 October 2017).

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	451	442
Administration and support	524	431
Management	8	10
	983	883

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	8	7
In the band £70,001 - £80,000	0	2
In the band £80,001 - £90,000	2	5
In the band £90,001 - £100,000	5	1
In the band £100,001 - £110,000	1	1
In the band £120,001 - £130,000	1	0

All the above employees participated in the Teachers' Pension Scheme or Local Government Pension Scheme.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

12. Staff costs (continued)

e. Key management personnel

Key management personnel of the trust comprise the trustees, the principals of each the academies and other senior trust staff. The total amount of employee benefits (including employer pension and national insurance contributions) paid in respect of key management personnel for their services to the trust was £1,616,000 (2017: £1,081,000).

13. Central services

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

- Cost of leadership teams excluding principals
- Information technology support and licenses
- Finance
- HR services
- Governance

The trust charges for these services on the following basis:

Expected usage by each individual academy at the beginning of the financial year.

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Swavesey Village College	395	551
Nene Park Academy	374	532
North Cambridge Academy	165	300
West Town Primary Academy	83	180
Sawtry Village Academy	291	539
Stamford Welland Academy	137	268
Ely College	333	474
Sawtry Junior Academy	49	41
The Cambridge Partnership / Leadership East	26	23
Downham Feoffees Primary Academy	29	-
Bar Hill Primary School	10	-
Lantern Community Primary School	10	-
Total	<u>1,902</u>	<u>2,908</u>

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

14. Trustees' remuneration and expenses

The Chief Executive Officer is paid remuneration from an employment with the trust. The remuneration is paid only in respect of their contract of employment, and not in respect of their role as trustee. The value of remuneration and other benefits was as follows:

		2018	2017
		£000	£000
M Woods (Chief Executive Officer)	Remuneration	125-130	115-120
	Pension contributions paid	20-25	15-20

During the year ended 31 August 2018, expenses totalling £706 (2017 - £NIL) were reimbursed to 3 trustees (2017 - nil).

15. 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 trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £2,378 (2017 - £2,663).

16. Other finance income

	2018	2017
	£000	£000
Interest income on pension scheme assets	483	353
Interest on pension scheme liabilities	(667)	(598)
	(184)	(245)

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

17. Tangible fixed assets

Group and Trust	Freehold property £000	Leasehold property £000	Furniture and fixtures £000	Plant and equipment £000	Total £000
Cost					
At 1 September 2017	59,985	38,581	560	1,215	100,341
Additions	572	24,217	23	119	24,931
Disposals	-	-	(26)	(1)	(27)
At 31 August 2018	60,557	62,798	557	1,333	125,245
Depreciation					
At 1 September 2017	2,742	1,114	226	1,144	5,226
Charge for the year	1,266	998	83	181	2,528
On disposals	-	-	(5)	(1)	(6)
At 31 August 2018	4,008	2,112	304	1,324	7,748
Net book value					
At 31 August 2018	56,549	60,686	253	9	117,497
At 31 August 2017	57,243	37,467	334	71	95,115

Additions to long-term leasehold property includes £3,113,000 for Downham Feoffees Primary Academy, £6,444,000 for Bar Hill Primary School and £7,745,000 for Lantern Community Primary School in respect of the recognition of the properties following the schools joining the trust and the trust entering into 125 year leases for the sites. It also includes £6,915,000 in relation to property constructed at Nene Park Academy by the Local Authority. The remaining property additions are improvements to existing sites.

18. Investment property

Group and Trust	Freehold investment property £000
Valuation	
At 1 September 2017 and 31 August 2018	350

The 2018 valuations were made by the trustees after taking professional advice, on an open market value for existing use basis.

19. Fixed asset investments

The trust holds the entire share capital of CMAT Education Services Limited. The cost of the shares at 1 September 2017 and 31 August 2018 is £1.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

20. Stocks

	Group		Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Clothing and uniform	82	69	82	69

21. Debtors

	Group		Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Trade debtors	326	316	277	271
Amounts owed by group undertakings	-	-	-	201
Other debtors	731	246	732	242
Prepayments and accrued income	1,094	971	1,083	963
	2,151	1,533	2,092	1,677

22. Creditors: Amounts falling due within one year

	Group		Trust	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other loans	15	10	15	10
Trade creditors	915	857	907	842
Amounts owed to group undertakings	-	-	5	-
Other taxation and social security	595	501	576	501
Other creditors	630	1,037	629	1,037
Accruals and deferred income	2,213	2,213	2,163	2,212
	4,368	4,618	4,295	4,602

	Group		Trust	
	£000	£000	£000	£000
Deferred income				
Deferred income at 1 September 2017	895	682	895	682
Resources deferred during the year	815	821	767	821
Amounts released from previous years	(1,008)	(608)	(1,008)	(608)
Deferred income at 31 August 2018	702	895	654	895

At the balance sheet date the trust was holding funds received in advance of the 2018/19 financial year in respect of grants and student deposits.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

23. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Trust</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Other loans	132	27	132	27

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Academy trust</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Repayable by instalments	89	-	89	-

Other loans, also including amounts due in less than one year, comprises:

£27k (2017: £37k) 0% interest salix loan. The loan is repayable evenly over eight years by installments paid every six months. The installments commenced March 2015.

£89k (2017: £nil) 2.82% loan from Cambridgeshire County Council inherited upon the conversion of Bar Hill Primary School. The loan is repayable monthly. The final repayment is March 2031.

£31k (2017: £nil) 2.48% loan from Cambridgeshire County Council inherited upon the conversion of Lantern Community Primary School. The loan is repayable monthly. The final repayment is August 2032.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

24. Statement of funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	1,962	3,325	(3,401)	(95)	-	1,791
Investment property fund	350	-	-	-	-	350
	<u>2,312</u>	<u>3,325</u>	<u>(3,401)</u>	<u>(95)</u>	<u>-</u>	<u>2,141</u>
Restricted funds						
General Annual Grant (GAG)	-	29,179	(29,179)	-	-	-
Start-up grants	37	169	(206)	-	-	-
Pupil premium	-	1,380	(1,380)	-	-	-
Other DfE/ESFA revenue grants	-	1,730	(1,730)	-	-	-
Cambridge Partnership / Leadership East	32	1,042	(944)	-	-	130
Pension reserve	(6,423)	(975)	(1,470)	-	2,999	(5,869)
	<u>(6,354)</u>	<u>32,525</u>	<u>(34,909)</u>	<u>-</u>	<u>2,999</u>	<u>(5,739)</u>
Restricted fixed asset funds						
Fixed asset fund	95,114	24,097	(2,547)	714	-	117,378
DfE/ESFA capital fund	51	1,986	(462)	(594)	-	981
Other capital grants	374	177	(6)	(25)	-	520
	<u>95,539</u>	<u>26,260</u>	<u>(3,015)</u>	<u>95</u>	<u>-</u>	<u>118,879</u>
Total restricted funds	<u>89,185</u>	<u>58,785</u>	<u>(37,924)</u>	<u>95</u>	<u>2,999</u>	<u>113,140</u>
Total of funds	<u>91,497</u>	<u>62,110</u>	<u>(41,325)</u>	<u>-</u>	<u>2,999</u>	<u>115,281</u>

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

Unrestricted funds relate to unrestricted income to be used to support the trust's objectives and educational services.

The restricted general funds relate to the trust's development and operational activities.

The restricted pension reserve represents the LGPS obligation to the employees of the trust.

The restricted fixed asset fund represents the tangible fixed assets of the trust. The DfE/ESFA capital fund and other capital grants represent unspent capital funds at the 31 August 2018.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

24. Statement of funds (continued)

The transfer to the restricted fixed asset fund represents capital works funded from revenue income.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Swavesey Village College	107	116
Nene Park Academy	1,054	1,024
West Town Primary Academy	295	249
North Cambridge Academy	(127)	(59)
Sawtry Village Academy	124	152
Stamford Welland Academy	(196)	(46)
Ely College	(298)	17
The Cambridge Partnership / Leadership East	130	32
Sawtry Junior Academy	48	74
Downham Feoffees Primary Academy	54	-
Bar Hill Primary School	69	-
Lantern Community Primary School	82	-
Cambridge Meridian Academies Trust	579	472
Cambridge Meridian Academies Trust investment property	350	350
Total before fixed asset fund and pension reserve	2,271	2,381
Restricted fixed asset fund	118,879	95,539
Pension reserve	(5,869)	(6,423)
Total	115,281	91,497

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £000
North Cambridge Academy	(127)
Stamford Welland Academy	(196)
Ely College	(298)

The academy trust is taking the following action to return the academies to surplus:

North Cambridge Academy

CMAT took over a failing school (The Manor) which had KS4 outcomes (5A*-C inc Eng and Maths) in the bottom 10 of all schools in England.

In the first year we inherited a Year 7 cohort of just 40 students. The school serves a deprived community (in the bottom 20 in the country according to the Centre for Cities report 2017) which is bordered by affluent areas of Cambridge. This places considerable pressure on the school with regard to recruiting students even though the academy's outcomes and Ofsted report are very strong.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

24. Statement of funds (continued)

We have invested in these improved pupil outcomes and have already seen a threefold improvement. We have invested to provide the necessary support for disadvantaged students and the breadth of curriculum required to serve this community. It must be noted that operating a small academy serving a deprived community in an historically and currently underfunded authority is practically impossible. This is compounded by decisions taken by the local schools forum.

The school has been the recipient of a PSBP rebuild. The transfer of considerable costs by the ESFA on to the academy as part of this has placed huge pressures on the academy finances and staff.

Local Authority decisions to expand other local schools continue to place pressure on the long term viability of this school.

CMAT is committed to continuing to provide an excellent education for this community. To return to a balanced budget, the academy has taken a creative approach to driving up incomes and reducing costs where possible. Local demographics suggest that there should be an increase in local pupil numbers that will ultimately enable us to both provide the required quality and breadth of education and balance the budget. The October 18 census numbers show our recent year 7 intake figures have now risen to 118 pupils, almost three times the numbers we inherited.

Stamford Welland Academy

CMAT were clear on taking over Stamford Welland Academy that this would be a three year project to break even, the inherited surplus funds being allocated as start up funds to address this failing school. Student numbers, which were falling and were less than 40 for year 7 are now over 100 for first choices for 2017/18 and the recent good ofsted rating confirms the positive steps CMAT have taken.

Ely College

Ely College joined the trust as a failing school in special measures from CFBT in July 2016 with a current year deficit forecast of £680k and a deficit budget forecast for 2016/17 of over £600k along with static pupil numbers in KS3 and KS4 and falling figures in post 16. There has been considerable work done in the trust aiming to move to a surplus position in 2-3 years. This is hindered significantly by inefficient, historically poor quality KS5 provision which, as the only KS5 provider in this deprived Opportunity Area, we are passionate to retain.

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

24. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Swavesey Village College	4,804	969	695	616	7,084	6,469
Nene Park Academy	4,422	709	397	845	6,373	5,973
West Town Primary Academy	1,288	98	65	162	1,613	1,530
North Cambridge Academy	1,786	479	297	387	2,949	2,833
Sawtry Village Academy	3,775	806	586	292	5,459	5,495
Stamford Welland Academy	1,631	309	196	265	2,401	2,395
Ely College	4,165	1,433	508	536	6,642	6,063
The Cambridge Partnership / Leadership East Cambridge Meridian Academies Trust	1,268	719	570	489	3,046	5,034
Sawtry Junior Academy	633	83	40	70	826	722
Downham Feoffees Primary Academy	527	61	31	81	700	-
Bar Hill Primary School	240	40	6	49	335	-
Lantern Community Primary School	345	69	22	43	479	-
	24,951	5,948	3,423	4,475	38,797	37,354

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

24. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General funds						
General funds	2,377	2,398	(1,961)	(852)	-	1,962
Investment property fund	350	-	-	-	-	350
	<u>2,727</u>	<u>2,398</u>	<u>(1,961)</u>	<u>(852)</u>	<u>-</u>	<u>2,312</u>
Restricted funds						
General Annual Grant (GAG)	-	28,487	(28,487)	-	-	-
Start-up grants	267	95	(325)	-	-	37
Pupil premium	-	1,248	(1,248)	-	-	-
Other DfE/ESFA revenue grants	-	1,561	(1,561)	-	-	-
Cambridge Partnership / Leadership East	43	854	(865)	-	-	32
Pension reserve	(10,739)	(591)	(1,226)	-	6,133	(6,423)
	<u>(10,429)</u>	<u>31,654</u>	<u>(33,712)</u>	<u>-</u>	<u>6,133</u>	<u>(6,354)</u>
Restricted fixed asset funds						
Fixed asset fund	86,953	9,224	(1,909)	846	-	95,114
DfE/ESFA capital fund	335	1,363	(1,653)	6	-	51
Other capital grants	402	-	(28)	-	-	374
	<u>87,690</u>	<u>10,587</u>	<u>(3,590)</u>	<u>852</u>	<u>-</u>	<u>95,539</u>
Total restricted funds	<u>77,261</u>	<u>42,241</u>	<u>(37,302)</u>	<u>852</u>	<u>6,133</u>	<u>89,185</u>
Total of funds	<u>79,988</u>	<u>44,639</u>	<u>(39,263)</u>	<u>-</u>	<u>6,133</u>	<u>91,497</u>

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

25. Analysis of net assets between funds

	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Unrestricted funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	117,497	-	117,497
Investment property	-	-	350	350
Current assets	130	1,528	6,145	7,803
Creditors due within one year	-	(14)	(4,354)	(4,368)
Creditors due in more than one year	-	(132)	-	(132)
Provisions for liabilities and charges	(5,869)	-	-	(5,869)
Total	<u>(5,739)</u>	<u>118,879</u>	<u>2,141</u>	<u>115,281</u>

Analysis of net assets between funds - prior year

	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Unrestricted funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	95,115	-	95,115
Investment property	-	-	350	350
Current assets	296	461	6,343	7,100
Creditors due within one year	(227)	(10)	(4,381)	(4,618)
Creditors due in more than one year	-	(27)	-	(27)
Provisions for liabilities and charges	(6,423)	-	-	(6,423)
Total	<u>(6,354)</u>	<u>95,539</u>	<u>2,312</u>	<u>91,497</u>

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

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

	Group	
	2018	2017
	£000	£000
Net income for the year (as per Statement of Financial Activities)	20,785	5,376
Adjustment for:		
Depreciation charges	2,528	1,909
Dividends, interest and rents from investments	(9)	(13)
Loss on the disposal of fixed assets	21	12
(Increase)/decrease in stocks	(13)	4
(Increase)/decrease in debtors	(617)	929
(Decrease)/increase in creditors	(254)	1,269
Capital grants from DfE and other capital income	(2,163)	(1,363)
Defined benefit pension scheme obligation inherited	975	591
Defined benefit pension scheme cost less contributions payable	1,286	981
Defined benefit pension scheme finance cost	184	245
Net (loss) on assets and liabilities from local authority on conversion	(17,183)	(9,224)
Donated property	(6,915)	-
Cash transferred on conversion to an academy	(106)	-
Net cash (used in)/provided by operating activities	(1,481)	716

27. Analysis of cash and cash equivalents

	Group	
	2018	2017
	£000	£000
Cash in hand	5,570	5,498
Total	5,570	5,498

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

28. Conversion to an academy

On 1 September 2017 Downham Feoffees Primary Academy and on 1 June 2018 Bar Hill Primary School and Lantern Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Cambridge Meridian Academies Trust from Cambridgeshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as net assets gifted to trust

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

Downham Feoffees Primary Academy

	Restricted funds £000	Restricted fixed asset funds £000	Unrestricted funds £000	Total funds £000
Leasehold land and buildings	-	3,114	-	3,114
Budget surplus on LA funds	-	-	53	53
LGPS pension surplus/(deficit)	(126)	-	-	(126)
	<u>(126)</u>	<u>3,114</u>	<u>53</u>	<u>3,041</u>
Net assets/(liabilities)	<u>(126)</u>	<u>3,114</u>	<u>53</u>	<u>3,041</u>

Bar Hill Primary School

	Restricted funds £000	Restricted fixed asset funds £000	Unrestricted funds £000	Total funds £000
Leasehold land and buildings	-	6,444	-	6,444
Budget surplus on LA funds	-	-	50	50
Loans	-	(89)	-	(89)
LGPS pension deficit	(473)	-	-	(473)
	<u>(473)</u>	<u>6,355</u>	<u>50</u>	<u>5,932</u>
Total	<u>(473)</u>	<u>6,355</u>	<u>50</u>	<u>5,932</u>

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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Lantern Community Primary School

	Restricted funds £000	Restricted fixed asset funds £000	Unrestricted funds £000	Total funds £000
Leasehold land and buildings	-	7,745	-	7,745
Budget surplus on LA funds	-	-	94	94
Loans	-	(31)	-	(31)
LGPS pension deficit	(376)	-	-	(376)
Total	<u>(376)</u>	<u>7,714</u>	<u>94</u>	<u>7,432</u>

The above net assets included £297,985 that was transferred as cash, although only £106,232 had been received at 31 August 2018.

All the school properties are occupied on a 125 year leases with Cambridgeshire County Council.

29. Pension commitments

The group's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council and Lincolnshire County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

Contributions amounting to £nil were payable to the schemes at 31 August 2018 (2017 - £434,000) and are included within creditors.

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

29. Pension commitments (continued)

valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £2,411,000 (2017 - £2,096,000).

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

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

Local Government Pension Scheme

LGPS employees of one school in the trust are part of the Lincolnshire Pension Fund. At 31 August 2018 this scheme had a surplus of £335,000. The remaining trust staff who are members of a LGPS are members of the Cambridgeshire Pension Fund. The trust's Cambridgeshire scheme had a deficit of £6,204,000 at 31 August 2018. The results of the trust's two schemes are combined below.

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,773,000 (2017 - £1,600,000), of which employer's contributions totalled £1,392,000 (2017 - £1,261,000) and employees' contributions totalled £381,000 (2017 - £339,000). The agreed contribution rates for future years are 22% for employers and tiered% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

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

	2018	2017
Retiring today		
Males	22.4	22.4
Females	24.4	24.4
Retiring in 20 years		
Males	24.0	24.0
Females	26.3	26.3

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	710	609
Discount rate -0.1%	(710)	(609)
Mortality assumption - 1 year increase	1,123	988
Mortality assumption - 1 year decrease	(1,123)	(988)
CPI rate +0.1%	609	511
CPI rate -0.1%	(609)	(511)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	17,361	14,076
Property	1,674	1,280
Cash and other liquid assets	608	548
Bonds	2,559	2,376
Total market value of assets	22,202	18,280

The actual return on scheme assets was £1,754,000 (2017 - £634,000).

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

	2018 £000	2017 £000
Current service cost	(2,678)	(2,242)
Interest income	483	353
Interest cost	(667)	(598)
Total	(2,862)	(2,487)

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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29. Pension commitments (continued)

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

	2018	2017
	£000	£000
Opening defined benefit obligation	24,703	26,910
Upon conversion	1,779	704
Current service cost	2,678	2,242
Interest cost	667	598
Employee contributions	381	339
Actuarial gains	(1,948)	(5,852)
Benefits paid	(189)	(238)
	<hr/>	<hr/>
Closing defined benefit obligation	28,071	24,703
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	18,280	16,171
Upon conversion	804	113
Interest income	483	353
Actuarial losses	1,051	281
Employer contributions	1,392	1,261
Employee contributions	381	339
Benefits paid	(189)	(238)
	<hr/>	<hr/>
Closing fair value of scheme assets	22,202	18,280
	<hr/> <hr/>	<hr/> <hr/>

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

30. Operating lease commitments

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

	2018	2017
	£000	£000
Group and Trust		
Amounts payable:		
Within 1 year	63	102
Between 1 and 5 years	33	56
	<hr/>	<hr/>
Total	96	155
	<hr/>	<hr/>

At 31 August 2018 the academy trust had annual commitments under non-cancellable operating leases as follows:

Academy trust		
Amounts payable:		
Within 1 year	63	146
Between 1 and 5 years	33	9
	<hr/>	<hr/>
Total	96	155
	<hr/>	<hr/>

31. 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.

32. Related party transactions

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

During the period the trust undertook the following transactions with CMAT Education Services Limited, its 100% subsidiary:

	2018	2017
	£'000	£'000
Sales to	199	210
Purchases from	7	1
Gift Aid received	133	34
Debtor at 31 August	12	-
Creditor at 31 August	70	201

CAMBRIDGE MERIDIAN ACADEMIES TRUST

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

33. Agency Arrangements

The trust distributes initial teacher training funds as an agent. In the accounting period ending 31 August 2018 the trust received £740,000 (2017: £761,000) and distributed £740,000 (2017: £761,000). £Nil (2017: £Nil) is included in creditors relating to undistributed funds.

34. Teaching school trading account

	2018 £000	2018 £000	2017 £000	2017 £000
Income				
Direct income				
Initial teacher training income	816		594	
Post qualification teachers training	74		158	
Assessments	82		100	
	<hr/>		<hr/>	
Total Direct income	972		852	
Other income				
Other	70		2	
Total income		1,042		854
Expenditure				
Direct expenditure				
Staff costs	218		131	
Supplies and services	715		724	
	<hr/>		<hr/>	
Total Direct expenditure	933		855	
Other expenditure				
Occupation costs	11		10	
Total expenditure		944		865
Surplus / (Deficit) from all sources		<hr/> 98		<hr/> (11)
Teaching school balances at 1 September 2017		32		43
Teaching school balances at 31 August 2018		<hr/> 130 <hr/>		<hr/> 32 <hr/>

CAMBRIDGE MERIDIAN ACADEMIES TRUST

**NOTES TO THE FINANCIAL STATEMENTS
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35. Principal subsidiaries

CMAT Education Services Limited

Subsidiary name	CMAT Education Services Limited
Company registration number	09200472
Basis of control	Ownership of share capital and voting rights.
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 152,943
Total liabilities as at 31 August 2018	£ (152,942)
Total equity as at 31 August 2018	£ 1
Turnover for the year ended 31 August 2018	£ 435,291
Expenditure for the year ended 31 August 2018	£ (301,924)
Profit for the year ended 31 August 2018	£ 133,367