

Company Registration No. 09422746 (England and Wales)

WEST STAFFORD MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



WEST STAFFORD MULTI ACADEMY TRUST

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 9
Governance statement	10 - 12
Statement on regularity, propriety and compliance	13
Statement of trustees' responsibilities	14
Independent auditor's report on the financial statements	15 - 17
Independent reporting accountant's report on regularity	18 - 19
Statement of financial activities including income and expenditure account	20 - 21
Balance sheet	22
Statement of cash flows	23
Notes to the financial statements including accounting policies	24 - 46

WEST STAFFORD MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Rev S M Symons (Resigned 5 July 2018)
Mrs C A Jones (Chair of board of trustees)
Mr P T Keeling (Resigned 5 July 2018)
Mrs P Edwards (Resigned 27 November 2017)
Mrs P Gallant (Resigned 27 November 2017)
Mr M H Holmes
Mrs E M Wynne (Resigned 5 July 2018)
Mr A N Chell (Chief Executive Officer) (Appointed 27 November 2017)
Mr C M Young (Appointed 1 May 2018)
Mrs S J Berns (Appointed 1 May 2018)
Rev K M Hammond (Appointed 1 September 2018)

Members

Diocesan

Church of England Central Education Trust

Senior management team

Headteacher	Mrs P Edwards
Headteacher	Mrs P Gallant
Acting Headteacher	Miss V Hulme
Chief Executive Officer (appointed 27 November 2017)	Mr A Chell
MAT Business Manager (appointed 1 June 2018)	Mrs M Johnson

Company secretary

Mr A N Chell

Company registration number

09422746 (England and Wales)

Registered office

St Lawrence CE Primary School
Lowfield Lane
Gnosall
Staffordshire
ST20 0ET

Academies operated

Gnosall St Lawrence CE Primary Academy
Haughton St Gile's CE (C) Primary Academy
Woodseaves C of E Primary Academy

Location

Staffordshire
Staffordshire
Staffordshire

Headteacher

Mrs P Edwards
Miss V Hulme
Mrs P Gallant

Independent auditor

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

WEST STAFFORD MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Santander
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Freeths Solicitors
Federation House
Station Road
Stoke-on-Trent
ST4 2SA

Other advisors

Entrust Support Services
Riverway Centre
Riverway
Stafford
Staffordshire
ST16 3TH

WEST STAFFORD MULTI ACADEMY 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 period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 3 Primary Academies within Villages around Stafford. Its academies have a combined pupil capacity of 525 and had a roll of 466 in the school census on 4th October 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as West Stafford Multi Academy Trust. The constituent academies of the trust are:

- Gnosall St Lawrence C.E. Primary Academy and Pre-School
- Haughton St Giles C.E. Primary Academy
- Woodseaves C.E. Primary Academy

The trustees of West Stafford Multi Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustee's

For the boards of academy trust's to be effective, they need a variety of personalities, skills and experience to be able to pro-actively lead and challenge the operations of the academy trust. Below are brief biographies of the individual Trustees as of 31 August 2018.

Andrew Chell – Chief Executive Officer

Andrew is an experienced Leader within the private sector, as well as being a National Leader of Governance and a Chair of Governors of an Outstanding Primary School for 17 years. Andrew brings experience of ensuring the Trust is commercially viable as well as procedural leadership.

Sandra Berns

Sandra is an experienced HR professional from the Public Sector. She now runs her own HR Consultancy business and uses this experience to provide challenge and support on aspects of staffing.

Martin Holmes

Martin is a retired Headteacher of an Outstanding Primary School in Stafford. His experience in educational leadership makes his contribution to challenging data invaluable.

Claire Jones – Chair of Trustees

Claire is a qualified Teacher specialising in Special Educational Needs. Claire has been a Trustee since the Trust was formed in 2015. Her experience in the development of the Board as well her teaching experience means she gives effective challenge within educational matters.

Chris Young

Chris comes originally from a Corporate Banking background but now runs his own Financial Advice practice. His experience in financial planning and trading is a vital skill for the Trust.

WEST STAFFORD MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trustees' indemnities

As part of the overall insurance cover taken out with the DfE Risk Protection Arrangement the trust has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £10 million for any one loss in each membership year in this respect.

Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association subject to Articles 48 and 49:

- The number of trustees shall be no fewer than 5, appointed under Article 50.
- Any trustees appointed in accordance with Article 51.

The term of office for any trustee is 4 years and providing the trustee remains eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

The Board and its Committees have the appropriate balance of skills and knowledge of the Company to enable them to discharge their respective duties and responsibilities effectively. The search for Board candidates is conducted, and appointments made, on merit, against objective criteria of skills required by the Company and with due regard for the benefits of diversity on the Board, including gender.

Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

All trustees are encouraged to undertake personal training in addition to courses organised for all trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Shared inset between all the schools in the trust include elements of trustee training and this is supported by external training providers. Trustees meet regularly both formally and informally with the Executive Headteacher and members of school staff and receive on a regular basis updated copies of policies and procedures and are encouraged to have an input into school self-evaluation and improvement planning.

WEST STAFFORD MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

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

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

The board of trustees and each academy committee do not exercise a managerial role. The leadership and management across the academy trust is delegated by the board of trustees to the Senior Leadership Team within each academy. The Senior Leadership Teams are responsible at an executive level for implementing the policies laid down by board of trustees and reporting back to them through various committees. This includes actions concerning the budget, staffing, and school improvement.

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

Arrangements for setting pay and remuneration of key management personnel

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

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy committee and their decision is validated by the board of trustees at the Autumn term meeting.

Trade union facility time

No Trade Union officials are employed at West Stafford Multi Academy Trust

Related parties and other connected charities and organisations

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

In respect of the current year, no transactions have taken place with related parties and other connected charities and organisations.

- To support consistent Headteacher appraisal, a common format has been adopted across the TAM.
- Public Premium children continue to be tracked and appropriate interventions put in place and the

WEST STAFFORD MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

As a group of Church of England voluntary controlled primary schools, the West Stafford Multi-academy Trust works to principles which firmly embed Christian values at the heart of all we plan and deliver for our children, staff and the wider community. Our vision for each of our schools is encapsulated in the four vision goals below:

- Personal development – to enable all children to be safe, confident, resilient and persevering in the face of life's challenges
- Curriculum design – to enable all children to be self-motivated, enthusiastic about learning so that they achieve the full extent of their potential
- Teaching and learning of the highest quality – to enable all children to be fully equipped for learning now and throughout their future, especially through the acquisition of high skill levels in Literacy and Numeracy
- Spiritual development – to enable all children to acquire strong moral compasses and an ability to reflect on their own spiritual journey

Objectives, strategies and activities

From 1 September 2017 – 31 August 2018 the objectives of the West Stafford Multi Academy Trust were:

- Raising standards across the member schools
- To continue to develop policies and procedures across the academy trust
- To continue the development of MAT wide management communication and information systems
- To continue the implementation of moderation and assessment systems across the trust to quality assure and promote the sharing of best practice.
- To promote teamwork within each academy and across the academy trust through a series of shared events
- To evaluate how efficiencies from collaborative procurement can be achieved across the trust
- To continue and further develop collaborative discussions with other Schools regarding joining WSMAT.

Equal Opportunities

The trust is committed to employment policies which follow best practice based on equal opportunities for all employees irrespective of sex, race, colour, disability or marital status. The trust gives full and fair consideration to applications for employment from disabled persons having regard to their particular aptitudes and abilities.

Public benefit

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

Strategic report

Achievements and performance

- A committee structure has been established which enable the MAT trustees to monitor and challenge pupil outcomes and welfare together with financial probity and health & safety. Separate committees meet half termly and key issues are reported to the MAT Board in a timely manner.
- The SENCO provision has been considered and all Schools within the MAT enjoy effective provision.
- Attendance across the Academies continues to be above national average.
- Joint policies are now in place across the MAT for pay and appraisal, health & safety, Safeguarding, Reserves, Charging & Remissions, Disciplinary, Online Safety, Complaints, Harassment & Bullying, Time Off, Staff Expenses, Preventing Extremism, Trustee and Governor Expenses, Acceptable Use, School Improvement, Grievance, Social Media, Flexible Working, Capability and Staff Code of Conduct.
- To support consistent Headteacher appraisal, a common format has been adopted across the MAT with a consistent External Advisor.
- Pupil Premium children continue to be tracked and appropriate interventions put in place and this continues to be a focus of the action plan of each Academy.

WEST STAFFORD MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

As at 31 August 2018 the academy trust has free reserves of £388,294 with unrestricted funds of £273,851 and restricted funds of £114,443.

The Reserves Policy states that the general reserves are to be maintained at a level so that when added to any current reserves they are at least 3% of the gross income of the Schools. The level will be reviewed annually by the Board.

Unspent income and / or grants not specifically identified for any other purposes will be added to this reserve. Any in year deficits will be resourced from this fund as far as possible. If deficits result in the fund falling below the 3% threshold, additional resources will be set aside from next year's budget to restore it. In exceptional circumstances where the short fall is large, the LGB may propose to the Trust Board and Finance Committee that it is restored over more than one year.

Investment policy

Currently the Trust has no investments. The Academy Trust is in the process of creating a policy on investments by which the Board of Trustees will endeavour to adopt a low risk philosophy of funds but attract as high an interest return as possible.

Principal risks and uncertainties

The Academy Trust has compiled a Risk Register and Risk Management Policy which addresses the principle risks and uncertainties facing the Academy Trust. The MAT board acknowledge the need to maintain a reserves fund to mitigate any financial risk and to ensure the stability of the academy trust as a whole and that of the constituent academies.

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £823,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Trust has compiled a Risk Register and Risk Management Policy which addresses the principle risks and uncertainties facing the Trust.

Fundraising

The Board of Trustees take responsibility for their duties in fundraising and adopt the following principles:

- Planning effectively
- Supervision of fundraisers
- Protecting our reputation, money and other assets
- Identifying and ensuring compliance with the laws and regulations
- Identifying and following recognised standards
- Being open and accountable

WEST STAFFORD MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

- West Stafford Multi Academy Trust will continue to develop and strengthen the Academy Trust and its constituent Academies throughout the year ahead.
- The Academy Trust will continue to drive forward the performance of all of its Academies in the priority areas of teaching and learning in English, Maths, SPAG and the Early Years and resources will be allocated accordingly. Pupil Premium will continue to be used effectively to make progress in closing the achievement gap with greater focus on higher achieving pupils. This will be implemented through the establishment of internal moderation, coaching and evaluation teams.
- The Trust will continue to develop the provision for pupils with Special Educational Needs to raise the attainment and progress of this group.
- To establish the long-term financial security and sustainability of the MAT, opportunities will be explored to grow with other Schools looking to join a MAT or larger Multi Academy Trusts.
- A WSMAT website is currently being developed which will be linked to the websites of the constituent Academies.
- A shared IT infrastructure is being developed for all staff, Trustees and Governors to be able to share resources.

Auditor

Insofar as the trustees are aware:

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

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10/12/18 and signed on its behalf by:



.....
Mrs C A Jones

Chair of board of trustees

WEST STAFFORD MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The board of trustees delegated the day-to-day responsibility to the Chief Executive Officer from November 2017, who adopted the role of 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 West Stafford Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Rev S M Symons (Resigned 5 July 2018)	3	3
Mrs C A Jones (Chair of board of trustees)	5	5
Mr P T Keeling (Resigned 5 July 2018)	3	3
Mrs P Edwards (Resigned 27 November 2017)	2	2
Mrs P Gallant (Resigned 27 November 2017)	2	2
Mr M H Holmes	4	5
Mrs E M Wynne (Resigned 5 July 2018)	4	5
Mr A N Chell (Chief Executive Officer) (Appointed 27 November 2017)	5	5
Mr C M Young (Appointed 1 May 2018)	3	3
Mrs S J Berns (Appointed 1 May 2018)	2	3
Rev K M Hammond (Appointed 1 September 2018)		

During the financial year to 31st August 2018 there were a number of key changes. This was in part due to the appointment initially of a Head of School at Haughton St Giles Primary Academy, reporting to an Executive Headteacher. However, from 1st May 2018, the Head of School was made Acting Headteacher and the Executive Headteacher returned to her substantive position as Headteacher at Woodseaves Primary Academy. The Headteachers at Gnosall St Lawrence and Woodseaves were originally Trustees but resigned their posts to give full transparency. Mr Keeling resigned his position as a Trustee to focus on being a Governor at Gnosall St Lawrence. Rev Symons resigned her position as a Trustee to focus on being a Governor at Haughton St Giles, but subsequently resigned from being a Governor at Haughton St Giles. Mrs Wynne resigned her position as a Trustee due to time constraints.

The work covered by the Board was in line with the guidelines laid down in ensuring that all statutory responsibilities were adhered to. The Trustees recognised the need for a CEO who could lead the School from a business perspective and recruited a part-time Chief Executive Officer from November 2017.

WEST STAFFORD MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reviews of Governance were commissioned for all 3 Schools within the Trust and the outcomes of this will be carried forward into the next Academic Year. For the new Academic Year, the trustees will be implementing a system of regular self-review and will be adopting the model designed by Sir David Carter. A new Chief Executive Officer has been appointed and the responsibility of the self-review has been delegated to the CEO. During the current Academic Year, no separate committees were formed as it was felt by all Trustees that due to various resignations and appointments, all Trustees need to be involved with all key decisions. However to ensure financial probity, the MAT Board had a remit to consider financial implications as follows:

- consider and approve budget plans
- monitor income and expenditure throughout the year
- authorise expenditure above set limits
- consider adequacy of funding streams
- review financial policies

The purpose of this is to

- receive data from the schools and monitor action plans
- monitor safeguarding across the three schools
- have a strategic oversight of the school development plans
- to evaluate the impact of school development plans on pupil outcomes

Review of value for money

The Chief Executive Officer of West Stafford Multi Academy Trust acts as accounting officer and as such has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the 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 available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- centralising key purchasing decisions by aligning SLAs
- collaboratively sharing best practice across the MAT rather than buying services in

The use of resources has been improved thereby delivering better value for money by

- joint staff training
- joint collaborative working

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Stafford Multi Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

WEST STAFFORD MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

The risk and control framework

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

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

The board of trustees has identified the need for a specific internal audit function. This is currently being progressed.

The internal auditor's role will include giving advice on financial matters and performing a range of checks on the academy trust's financial systems including:

- testing of payroll system
- testing of purchase systems
- testing of control account/ bank reconciliations

Review of effectiveness

The Chief Executive Officer acts as accounting 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 Accountants producing the Management Accounts
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the board of trustees on 10/12/18 and signed on its behalf by:



Mrs C A Jones
Chair of board of trustees



Mr A N Chell
Accounting Officer

WEST STAFFORD MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

As Accounting Officer of West Stafford Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr A N Chell
Accounting Officer

10/12/18

WEST STAFFORD MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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

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

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

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

Approved by order of the members of the board of trustees on ...10/12/18... and signed on its behalf by:



Mrs C A Jones
Chair of board of trustees

WEST STAFFORD MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST STAFFORD MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

WEST STAFFORD MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST STAFFORD MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

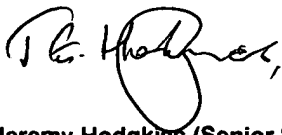
WEST STAFFORD MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST STAFFORD MULTI ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Jeremy Hodgkiss (Senior Statutory Auditor)
for and on behalf of Deans
Chartered Accountants
Statutory Auditor
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

11/12/18

WEST STAFFORD MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST STAFFORD MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 11 July 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Stafford Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of West Stafford Multi Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 2015, 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 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.

The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the Accounting Officer and Governing Body;
- tests of control have been carried out on control activities which are relevant to regularity and;
- on a sample basis, substantive testing of individual transactions.

WEST STAFFORD MULTI ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

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

Deans,

Reporting Accountant

Deans
Gibson House
Hurricane Court
Hurricane Close
Stafford
ST16 1GZ

Dated: 11/12/18

WEST STAFFORD MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	645	13,382	18,619	32,646
Charitable activities:					
- Funding for educational operations	4	64,848	2,230,103	-	2,294,951
Other trading activities	5	88,941	1,082	-	90,023
Investments	6	2,631	-	-	2,631
Total income and endowments		157,065	2,244,567	18,619	2,420,251
Expenditure on:					
Raising funds	7	1,748	-	-	1,748
Charitable activities:					
- Educational operations	9	146,587	2,353,256	64,309	2,564,152
Other costs		-	-	-	30,447
Total expenditure	7	148,335	2,353,256	64,309	2,565,900
Net income/(expenditure)		8,730	(108,689)	(45,690)	(145,649)
Transfers between funds		-	(27,100)	27,100	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	20	-	270,000	-	270,000
Net movement in funds		8,730	134,211	(18,590)	124,351
Reconciliation of funds					
Total funds brought forward		265,121	(842,768)	491,827	(85,820)
Total funds carried forward		273,851	(708,557)	473,237	38,531

WEST STAFFORD MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	10,680	1,703	76,778	89,161
Charitable activities:					
- Funding for educational operations	4	68,129	2,248,806	-	2,316,935
Other trading activities	5	126,807	74	-	126,881
Investments	6	1,491	-	-	1,491
Total income and endowments		207,107	2,250,583	76,778	2,534,468
Expenditure on:					
Charitable activities:					
- Educational operations	9	201,174	2,306,167	39,317	2,546,658
Other costs		-	30,447	-	30,447
Total expenditure	7	201,174	2,336,614	39,317	2,577,105
Net income/(expenditure)		5,933	(86,031)	37,461	(42,637)
Transfers between funds		-	8,745	(8,745)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	20	-	101,000	-	101,000
Net movement in funds		5,933	23,714	28,716	58,363
Reconciliation of funds					
Total funds brought forward		259,188	(866,482)	463,111	(144,183)
Total funds carried forward		265,121	(842,768)	491,827	(85,820)

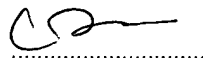
WEST STAFFORD MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	13		473,237		466,344
Current assets					
Debtors	15	101,681		177,802	
Cash at bank and in hand		464,782		469,895	
		<u>566,463</u>		<u>647,697</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(178,169)		(247,861)	
Net current assets			<u>388,294</u>		<u>399,836</u>
Net assets excluding pension liability			861,531		866,180
Defined benefit pension scheme liability	20		(823,000)		(952,000)
Net assets			<u>38,531</u>		<u>(85,820)</u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			473,237		491,827
- Restricted income funds			114,443		109,232
- Pension reserve			(823,000)		(952,000)
Total restricted funds			<u>(235,320)</u>		<u>(350,941)</u>
Unrestricted income funds	18		<u>273,851</u>		<u>265,121</u>
Total funds			<u>38,531</u>		<u>(85,820)</u>

The financial statements on pages 20 to 46 were approved by the trustees and authorised for issue on 10/12/18 and are signed on their behalf by:



Mrs C A Jones
Chair of board of trustees

Company Number 09422746

WEST STAFFORD MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash inflow/(outflow) from operating activities					
Net cash provided by operating activities	21		44,839		3,023
Cash flows from investing activities					
Interest received		2,631		1,492	
Capital grants from DfE and ESFA		17,149		17,478	
Capital funding from sponsors and others		1,470		59,300	
Payments to acquire tangible fixed assets		(71,202)		(39,546)	
			(49,952)		38,724
Change in cash and cash equivalents in the reporting period			(5,113)		41,747
Cash and cash equivalents at 1 September 2017			469,895		428,148
Cash and cash equivalents at 31 August 2018			464,782		469,895

WEST STAFFORD MULTI ACADEMY 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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

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 financial statements 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. West Stafford Multi Academy Trust meets the definition of a public benefit entity under FRS102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the 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. The balance sheet being overdrawn in the prior year is caused by the Pension deficit on the Local Government Pension Scheme. This deficit is guaranteed to be met by the Department for Education as disclosed in note 20. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Capital grant income in connection with expenditure on property held under supplemental agreements is included in restricted general funds. Capital grant income in connection with expenditure on fixed assets is included in the restricted fixed asset fund. Unspent amounts of capital grants are reflected in the balance sheet in restricted general funds or the restricted fixed asset fund, as appropriate. Capital grants are recognised when there is entitlement and are not deferred over the life of any asset on which they are expended.

Donations

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

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Other costs

Other costs includes expenditure on property held under supplemental agreements.

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more and with an expected useful life exceeding one year are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold land and buildings	125 years
Computer equipment	3 years
Fixtures, fittings & equipment	5 years

The Academy Trust occupies property held under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The Academy Trust is not able to exercise control over this property and therefore no fixed asset has been recognised in these financial statements.

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.

1.6 Liabilities

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

1.7 Provisions

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

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

1.8 Leasing and hire purchase commitments

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

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

1.11 Pensions benefits

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

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.12 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 and include grants from the Education and Skills Funding Agency and local authorities.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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.

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

(Continued)

Critical areas of judgement

The trustees must make critical judgements in applying the charity's accounting policies. The judgements that have the most significant effect on the amounts recognised in the financial statements are discussed below:

The classification of expenditure between restricted and unrestricted is deemed as a critical area of judgement as certain expenditure can be applied to both funds. Where this is the case and the amounts in question are considered material the expenditure is apportioned to both funding streams on an appropriate basis.

The trustees have considered the classification of depreciation between direct and support costs. The depreciation charge has been allocated based on the proportion of staff costs that are directly attributable to direct and support costs.

The trustees have considered the accounting treatment of land and buildings utilised by the trust. The freehold titles to the property occupied under supplemental agreements are held by Lichfield Diocesan Board of Education, The Incumbent Vicar and Church Wardens for the time being of the Parish of Haughton and The Incumbent Vicar and Church Wardens for the time being of the Parish of Gnosall. The trustees consider that the use of such land and buildings should not be recognised in the balance sheet given that the overall control of the use of these land and buildings resides with the Lichfield Diocesan Board of Education (the Diocese). Therefore, no land and buildings held under this type of agreement have been recognised as a fixed asset in these financial statements. Any works carried out on these land and buildings are treated as donations to the Diocese, and are included in other costs in the statement of financial activities. Under church supplemental agreements the trust is permitted occupancy of the land and buildings with a notice period of two years, and no rental is payable under this arrangement. The market value of the donated facilities has not been recognised in the financial statements as the trustees consider that no reliable measure is available.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Private sponsorship	-	2,571	2,571	513
Capital grants	-	17,149	17,149	60,328
Other donations	645	12,281	12,926	28,320
	<u>645</u>	<u>32,001</u>	<u>32,646</u>	<u>89,161</u>

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,854,909	1,854,909	1,881,803
Other DfE / ESFA grants	-	195,751	195,751	177,260
	-	2,050,660	2,050,660	2,059,063
Other government grants				
Local authority grants	-	138,912	138,912	158,916
Special educational projects	-	10,628	10,628	3,422
	-	149,540	149,540	162,338
Other funds				
Other incoming resources	64,848	29,903	94,751	95,534
Total funding	64,848	2,230,103	2,294,951	2,316,935

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	8,736	772	9,508	15,504
Music tuition	540	-	540	428
Other income	79,665	310	79,975	110,949
	88,941	1,082	90,023	126,881

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	2,631	-	2,631	1,491

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	-	-	1,748	1,748	-
Academy's educational operations					
- Direct costs	1,411,185	48,764	144,264	1,604,213	1,615,031
- Allocated support costs	567,681	141,037	251,221	959,939	962,074
	<u>1,978,866</u>	<u>189,801</u>	<u>397,233</u>	<u>2,565,900</u>	<u>2,577,105</u>
Net income/(expenditure) for the year includes:				2018 £	2017 £
Fees payable to auditor for:					
- Audit				6,200	6,000
- Other services				2,520	3,750
Operating lease rentals				2,815	1,143
Depreciation of tangible fixed assets				60,955	39,317
Loss on disposal of fixed assets				3,354	-
Other donations				-	30,447
Net interest on defined benefit pension liability				26,000	21,000

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- Audit fees;
- Actuary fees;

The academy trust charges for these services based on 5% of GAG income.

The amounts charged during the year were as follows:

	2018 £	2017 £
Gnosall St Lawrence CE Primary Academy	14,813	-
Haughton St Gile's CE (C) Primary Academy	8,593	-
Woodseaves C of E Primary Academy	6,964	-
	<u>30,370</u>	<u>-</u>

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs - educational operations	10,394	1,593,819	1,604,213	1,615,031
Support costs - educational operations	136,193	823,746	959,939	931,627
	<u>146,587</u>	<u>2,417,565</u>	<u>2,564,152</u>	<u>2,546,658</u>
			2018 £	2017 £
Analysis of support costs				
Support staff costs			567,681	548,239
Depreciation and amortisation			15,545	7,864
Technology costs			38,824	35,057
Premises costs			101,044	82,806
Insurance			23,335	36,391
Catering			83,083	81,511
Interest and finance costs			26,000	21,000
Other support costs			75,032	66,385
Governance costs			29,395	52,374
			<u>959,939</u>	<u>931,627</u>

10 Staff costs

	2018 £	2017 £
Wages and salaries	1,423,204	1,447,753
Social security costs	109,838	117,672
Operating costs of defined benefit pension schemes	374,968	345,961
Staff costs	<u>1,908,010</u>	<u>1,911,386</u>
Supply staff costs	53,869	63,100
Staff development and other staff costs	16,987	19,760
Total staff expenditure	<u>1,978,866</u>	<u>1,994,246</u>

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff costs

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	20	22
Administration and support	62	63
Management	9	11
	<u>91</u>	<u>96</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,000 - £70,000	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £230,795 (2017: £154,575).

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

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

Mrs T Cook (headteacher resigned November 2016):

- Remuneration £nil; (2017: £5,000 - £10,000)
- Employer's pension contributions £nil; (2017: £0 - £5,000)
- Termination payment £nil (2017: £20,000 - £25,000)

Mrs P Edwards (headteacher):

- Remuneration £15,000 - £20,000; (2017: £60,000 - £65,000)
- Employer's pension contributions £0 - £5,000; (2017: £10,000 - £15,000)

P Gallant (headteacher and Accounting Officer (to November 2017)):

- Remuneration £10,000 - £15,000; (2017: £55,000 - £60,000)
- Employer's pension contributions £0 - £5,000; (2017: £5,000 - £10,000)

A Chell (Chief Executive Officer and Accounting Officer from November 2017):

- Remuneration £15,000 - £20,000; (2017: £nil)
- Employer's pension contributions £0 - £5,000; (2017: £nil)

No travel and subsistence payments were made to trustees during the year (2017: £nil).

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme membership.

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Long leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	366,000	73,390	86,030	525,420
Additions	-	25,614	45,588	71,202
Disposals	-	-	(6,492)	(6,492)
At 31 August 2018	366,000	99,004	125,126	590,130
Depreciation				
At 1 September 2017	7,591	32,075	19,410	59,076
On disposals	-	-	(3,138)	(3,138)
Charge for the year	2,928	33,002	25,025	60,955
At 31 August 2018	10,519	65,077	41,297	116,893
Net book value				
At 31 August 2018	355,481	33,927	83,829	473,237
At 31 August 2017	358,409	41,315	66,620	466,344

14 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,004	46,795
Carrying amount of financial liabilities		
Measured at amortised cost	38,123	94,643

Financial assets measured at amortised cost comprise trade debtors

Financial liabilities measured at amortised cost comprise trade creditors

15 Debtors

	2018 £	2017 £
Trade debtors	2,004	46,795
VAT recoverable	44,357	26,819
Other debtors	77	77
Prepayments and accrued income	55,243	104,111
	101,681	177,802

WEST STAFFORD MULTI ACADEMY TRUST

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

16 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	38,123	94,643
Other taxation and social security	27,212	27,858
Other creditors	31,124	30,684
Accruals and deferred income	81,710	94,676
	<u>178,169</u>	<u>247,861</u>
17 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	<u>64,380</u>	<u>74,499</u>
Deferred income at 1 September 2017	74,499	61,891
Released from previous years	(74,499)	(61,891)
Amounts deferred in the year	<u>64,380</u>	<u>74,499</u>
Deferred income at 31 August 2018	<u>64,380</u>	<u>74,499</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals. Deferred income also includes fees received from parents in advance for extended school provisions and outdoor education trips booked for the autumn term 2018 and donations from Bradley and St Lawrence church for educational supplies yet to be purchased, rates relief 2018/19 and Cera funding for statutory testing still to be completed.

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	72,670	1,854,909	(1,865,850)	(27,100)	34,629
Other DfE / ESFA grants	-	195,751	(166,636)	-	29,115
Other government grants	32,104	149,540	(152,807)	-	28,837
Other restricted funds	4,458	44,367	(26,963)	-	21,862
Pension reserve	(952,000)	-	(141,000)	270,000	(823,000)
	<u>(842,768)</u>	<u>2,244,567</u>	<u>(2,353,256)</u>	<u>242,900</u>	<u>(708,557)</u>
Restricted fixed asset funds					
Transfer on conversion	372,551	-	(13,484)	-	359,067
DfE group capital grants	13,675	17,149	(19,217)	-	11,607
Capital expenditure from GAG	21,520	-	(14,932)	27,100	33,688
Local authority capital grants	68,438	-	(11,997)	-	56,441
Capital Donations	15,643	1,470	(4,679)	-	12,434
	<u>491,827</u>	<u>18,619</u>	<u>(64,309)</u>	<u>27,100</u>	<u>473,237</u>
Total restricted funds	<u>(350,941)</u>	<u>2,263,186</u>	<u>(2,417,565)</u>	<u>270,000</u>	<u>(235,320)</u>
Unrestricted funds					
General funds	<u>265,121</u>	<u>157,065</u>	<u>(148,335)</u>	<u>-</u>	<u>273,851</u>
Total funds	<u>(85,820)</u>	<u>2,420,251</u>	<u>(2,565,900)</u>	<u>270,000</u>	<u>38,531</u>

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

The transfers between funds for the year relate to the the funding of fixed asset acquisitions from non-capital grant income.

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and local authorities.

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

Unrestricted funds

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

Restricted fixed asset funds

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

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	25,493	1,881,803	(1,843,371)	8,745	72,670
Other DfE / ESFA grants	-	177,260	(177,260)	-	-
Other government grants	38,644	162,338	(168,878)	-	32,104
Other restricted funds	1,381	29,182	(26,105)	-	4,458
Pension reserve	(932,000)	-	(121,000)	101,000	(952,000)
	<u>(866,482)</u>	<u>2,250,583</u>	<u>(2,336,614)</u>	<u>109,745</u>	<u>(842,768)</u>
Restricted fixed asset funds					
Inherited funds	384,747	-	(12,196)	-	372,551
DfE group capital grants	17,495	17,478	(6,035)	(15,263)	13,675
Capital expenditure from GAG	26,812	-	(10,971)	5,679	21,520
Local authority capital grants	33,158	42,850	(8,491)	921	68,438
Capital Donations	901	16,450	(1,626)	(82)	15,643
	<u>463,113</u>	<u>76,778</u>	<u>(39,319)</u>	<u>(8,745)</u>	<u>491,827</u>
Total restricted funds	<u>(403,369)</u>	<u>2,327,361</u>	<u>(2,375,933)</u>	<u>101,000</u>	<u>(350,941)</u>
Unrestricted funds					
General funds	<u>259,188</u>	<u>207,107</u>	<u>(201,174)</u>	<u>-</u>	<u>265,121</u>
Total funds	<u>(144,181)</u>	<u>2,534,468</u>	<u>(2,577,107)</u>	<u>101,000</u>	<u>(85,820)</u>

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	25,493	3,736,712	(3,709,221)	(18,355)	34,629
Other DfE / ESFA grants	-	373,011	(343,896)	-	29,115
Other government grants	38,644	311,878	(321,685)	-	28,837
Other restricted funds	1,381	73,549	(53,068)	-	21,862
Pension reserve	(932,000)	-	(262,000)	371,000	(823,000)
	<u>(866,482)</u>	<u>4,495,150</u>	<u>(4,689,870)</u>	<u>352,645</u>	<u>(708,557)</u>
Restricted fixed asset funds					
Inherited funds	384,747	-	(25,680)	-	359,067
DfE group capital grants	17,495	34,627	(25,252)	(15,263)	11,607
Capital expenditure from GAG	26,812	-	(25,903)	32,779	33,688
Local authority capital grants	33,158	42,850	(20,488)	921	56,441
Capital Donations	901	17,920	(6,305)	(82)	12,434
	<u>463,113</u>	<u>95,397</u>	<u>(103,628)</u>	<u>18,355</u>	<u>473,237</u>
Total restricted funds	<u>(403,369)</u>	<u>4,590,547</u>	<u>(4,793,498)</u>	<u>371,000</u>	<u>(235,320)</u>
Unrestricted funds					
General funds	<u>259,188</u>	<u>364,172</u>	<u>(349,509)</u>	<u>-</u>	<u>273,851</u>
Total funds	<u>(144,181)</u>	<u>4,954,719</u>	<u>(5,143,007)</u>	<u>371,000</u>	<u>38,531</u>

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Gnosall St Lawrence CE Primary Academy	159,469	204,071
Haughton St Gile's CE (C) Primary Academy	150,854	107,095
Woodseaves C of E Primary Academy	89,649	63,187
Central services	(11,678)	-
Total before fixed assets fund and pension reserve	388,294	374,353
Restricted fixed asset fund	473,237	491,827
Pension reserve	(823,000)	(952,000)
Total funds	38,531	(85,820)

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Gnosall St Lawrence CE Primary Academy	797,009	356,992	57,366	162,272	1,373,639
Haughton St Gile's CE (C) Primary Academy	330,645	125,692	37,291	90,315	583,943
Woodseaves C of E Primary Academy	283,001	59,517	49,608	103,593	495,719
Central services	529	25,480	-	22,280	48,289
	1,411,184	567,681	144,265	378,460	2,501,590

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	473,237	473,237
Current assets	273,851	292,612	-	566,463
Creditors falling due within one year	-	(178,169)	-	(178,169)
Defined benefit pension liability	-	(823,000)	-	(823,000)
	273,851	(708,557)	473,237	38,531

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds	Restricted funds:		Total 2016 (as restated)
	£	General	Fixed asset	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	466,344	466,344
Current assets	265,121	357,093	25,483	647,697
Creditors falling due within one year	-	(247,861)	-	(247,861)
Defined benefit pension liability	-	(952,000)	-	(952,000)
	<u>265,121</u>	<u>(842,768)</u>	<u>491,827</u>	<u>(85,820)</u>

20 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Staffordshire Pension Fund. Both are multi-employer defined benefit 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 £30,133 were payable to the schemes at 31 August 2018 (2017: £27,811) 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' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the year amounted to £127,884 (2017: £133,806).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The total contribution made for the year ended 31 August 2018 are detailed below. The agreed contribution rates for future years are 23.2% for employers and 5.5% to 12.5% for employees.

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

Total contributions made	2018 £	2017 £
Employer's contributions	129,000	116,000
Employees' contributions	33,000	31,000
Total contributions	162,000	147,000
Principal actuarial assumptions	2018 %	2017 %
Rate of increases in salaries	2.7	2.8
Rate of increase for pensions in payment	2.3	2.4
Discount rate	2.8	2.5
Inflation assumption (CPI)	2.3	2.4

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Pensions and similar obligations

(Continued)

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

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

Sensitivity Analysis

	2018 £	2017 £
Discount rate + 0.1%	(57,800)	(43,000)
Discount rate - 0.1%	57,800	43,000
Mortality assumption + 1 year	58,000	47,000
Mortality assumption - 1 year	(58,000)	(47,000)
CPI rate + 0.1%	45,000	27,200
CPI rate - 0.1%	(45,000)	(27,200)

The academy trust's share of the assets in the scheme

	2018 Fair value £	2017 Fair value £
Equities	785,400	687,800
Bonds	213,180	108,600
Cash	89,760	36,200
Property	33,660	72,400
Total market value of assets	1,122,000	905,000

Actual return on scheme assets - gain/(loss)	65,000	115,000
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Amounts recognised in the statement of financial activities

	2018 £	2017 £
Current service cost	244,000	216,000
Interest income	(24,000)	(15,000)
Interest cost	50,000	36,000
Total operating charge	270,000	237,000

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20	Pensions and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2018	2017
		£	£
	Obligations at 1 September 2017	1,857,000	1,576,000
	Current service cost	244,000	216,000
	Interest cost	50,000	36,000
	Employee contributions	33,000	31,000
	Actuarial (gain)/loss	(229,000)	14,000
	Benefits paid	(10,000)	(16,000)
	At 31 August 2018	1,945,000	1,857,000
	Changes in the fair value of the academy trust's share of scheme assets	2018	2017
		£	£
	Assets at 1 September 2017	905,000	644,000
	Interest income	24,000	15,000
	Actuarial gain	41,000	115,000
	Employer contributions	129,000	116,000
	Employee contributions	33,000	31,000
	Benefits paid	(10,000)	(16,000)
	At 31 August 2018	1,122,000	905,000
21	Reconciliation of net expenditure to net cash flows from operating activities	2018	2017
		£	£
	Net expenditure for the reporting period	(145,649)	(42,637)
	Adjusted for:		
	Capital grants from DfE/ESFA and other capital income	(18,619)	(76,778)
	Investment income receivable	(2,631)	(1,491)
	Defined benefit pension costs less contributions payable	115,000	100,000
	Defined benefit pension net finance cost	26,000	21,000
	Depreciation of tangible fixed assets	60,955	39,317
	Loss on disposal of fixed assets	3,354	-
	Decrease/(increase) in debtors	76,121	(53,046)
	(Decrease)/increase in creditors	(69,692)	16,658
	Net cash inflow/(outflow) from activities	44,839	3,023

WEST STAFFORD MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

22 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	4,451	4,805
Amounts due in two and five years	6,268	6,778
	<u>10,719</u>	<u>11,583</u>

23 Related party transactions

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

M Rees-Boughton an employee of the academy trust is the husband of P Edwards, a member of the Senior Management Team. M Rees-Boughton's appointment was made in open competition and P Edwards was not involved in the decision making process regarding the appointment. M Rees-Boughton is paid within the normal pay scale for his role and receives no preferential treatment as a result of his relationship to a member of the Senior Management Team. During the year he received remuneration for this employment of £27,405 (2017: £26,164).

D Johnson a casual employee of the academy trust is the husband of M Johnson, a member of the Senior Management Team. D Johnson's appointment was made in open competition and M Johnson was not involved in the decision making process regarding the appointment. D Johnson is paid within the normal pay scale for his role and receives no preferential treatment as a result of his relationship to a member of the Senior Management Team. During the year he received remuneration for this employment of £969.

S Rees-Boughton a qualified electrician is the son of M Rees-Boughton, the husband of P Edwards, a member of the Senior Management Team. During the year S Rees-Boughton was paid £550 for services provided.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

24 Members' liability

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