

Company Registration Number: 09692191 (England & Wales)

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2018

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

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Reference and Administrative Details
For the year ended 31 August 2018

Members	Mr Chris Coyston Mr John Utting (resigned 10 October 2017) Mr David Lister (resigned 27 March 2018)
Trustees	Mr Chris Coyston, Chair ¹ Mr Douglas Price, Vice Chair Mr Graham Chisnell, CEO ¹ Mrs Alison Moon, CFO (appointed 22 May 2018) ¹ Dr Patricia Driscoll (appointed 10 October 2017) ² Mr Simon Smith (appointed 30 January 2018) Mr Louie Werth (appointed 30 January 2018) ² Mr Gary Bristow (appointed 22 May 2018) ¹ Mr David Lister (resigned 27 March 2018) ¹ Mr John Utting (resigned 10 October 2017) ² Mr Jeremy King (resigned 10 January 2018) Miss Anne-Marie Middleton (resigned 27 March 2018)
	¹ Member of the Finance Group ² Members of the Audit Committee
Company registered number	09692191
Company name	Veritas Multi Academy Trust
Principal and registered office	Warden House Primary School Birdwood Avenue Deal Kent CT14 9SF
Company secretary	Mrs Alison Moon, Trust Business Manager
Chief executive officer	Mr Graham Chisnell
Senior management team	Mr Graham Chisnell, Executive Head & CEO Miss Anne-Marie Middleton, Headteacher Mr Robert Hackett, Headteacher Mrs Alison Moon, Trust Business Manager
Independent auditors	Williams Giles Chartered Accountants Statutory Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds Bank Plc 43 Sandgate Road Folkestone Kent CT20 1RZ

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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the year ended 31 August 2018

Advisers (continued)

Solicitors	Winkworth Sherwood LLP Minerva House 5 Montague Close London SE1 9BB
Surveyors	Barker Associates LLP Majesty House, Avenue West Skyline 120 Braintree, Essex CM77 7AA

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Trustees' Report
For the year ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 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 academy trust operates two primary academies in Deal and Canterbury, Kent. Its academies have a combined pupil capacity of 785 and had a roll of 717 in the school census on 17 May 2018.

Structure, governance and management

a. 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 trustees of Veritas Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Veritas Multi Academy Trust.

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

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

Subject to articles 48-49 and 53, the Academy Trust shall have the following Trustees:

1. Trustees appointed under Article 50; and
2. the Executive Principal; and
3. the Academy Trustee(s) appointed under Article 51; and
4. any Executive Trustees appointed under Article 50AA;

The Academy Trust may also have any co-opted Trustee appointed under Articles 53-56.

The Trustees may appoint by ordinary resolution such number of Trustees as they see fit.

The Trustees may appoint Executive Trustees through such process as they may determine.

The total number of Trustees including the Executive Principal who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

A formal application process takes place when recruiting new trustees and selection is based on skill set. Succession planning is at the forefront of the MAT growth development strategy.

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

All new Trustees will be given a tour of the academy(/academies) and the opportunity to meet with staff and pupils. All trustees are directed to policies, procedures, minutes, accounts, budgets, plans, constitutional and departmental guidance and other documents that they will need to undertake their role as trustee. Induction will be tailored specifically to the individual. Where necessary induction will provide training on charity and educational legal and financial matters. Formal induction, ensures that all legal and strategic requirements are brought to the attention of the new trustee along with essential safeguarding roles and responsibilities.

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Trustees' Report (continued)
For the year ended 31 August 2018

e. Pay policy for key management personnel

Pay ranges are set for the CEO, Trust Business Manager and staff on the leadership scale by trustees and pay awards through the appraisal process. Decisions for pay awards for the CEO are commended by the CEO Pay Review Group and approved by the Board of Trustees annually. The CEO undertakes appraisal and pay awards for all staff on the leadership scale and the Trust Business Manager. Pay awards for staff on the leadership scale are approved by the Board of Trustees. The CEO approves the pay awards for the remaining staff and the process is scrutinised by the CEO Pay Review Group and reported to the Board of Trustees.

f. Organisational structure

The Trust Board meet to quality assure the key financial and strategic procedures across the trust six times a year. In particular during the year of reporting significant attention has been paid to the strategic development of the trust during the planned period of growth.

The trust has worked diligently to ensure there is clear separation between the roles of members, trustees and governors. As a result a number of appointments have been made to ensure the governance at the school and trust level is strong and appointments have been made based on key skills required.

The Regional Governing Body (RGB) focus on the strategic plan, standards and financial responsibilities at school level. The RGB operates as a hub of up to three schools.

The Trust's Scheme of Delegation outlines the responsibilities of Members, Trustees, Regional Governing Body and the members of the Executive Group. This includes setting policies, monitoring financial health and efficiency, recruitment and appointments, monitoring the quality of teaching and learning and reporting on the safeguarding and health & safety procedures in school.

At Warden House Primary School, for the year of reporting, the leadership team comprised the Executive Headteacher, Headteacher, Deputy-Headteacher, 3 x Team Leaders and the School Business Manager.

At Pilgrims' Way Primary School, for the year of reporting, the leadership team comprised of the Executive Headteacher, Headteacher, Deputy Headteacher and School Business Manager. The sponsored school has also been supported by leaders in Warden House, a designated National Support School leading up to the point of conversion to Veritas MAT from another trust in May 2018. From September 2018, the school has introduced an additional four team leaders to build leadership capacity in the school.

Spending controls are outlined in the Finance Policy that is monitored by the Business Group. Internal audits of finances are undertaken by the nominated Responsible Officer and fed back to the Trust Board to assure financial procedures in place are effective.

The CEO/Executive Headteacher is the Accounting Officer and meets regularly with the Chief Financial Officer/TBM; producing monthly and quarterly monitoring reports rigorously discussed at Business Group Meetings and reported to the Trust Board.

g. Related Parties and other Connected Charities and Organisations

There are no formal related parties, however, Veritas MAT is represented in the Kent MAT Alliance (KMA) a cross trust collaborative group and Warden House Primary School is part of the Deal Learning Alliance (DLA) a local collaboration of schools sharing practice.

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Trustees' Report (continued)
For the year ended 31 August 2018

Strategic report

Objectives and Activities

a. Objects and aims

Our mission statement is **"irresistible learning for all"**.

Our ethos is encapsulated in three words:

Innovative

Through strong collaboration across the Trust, our academies and staff uphold an innovative approach to staff development through a deep commitment to being research active. Through a positive and dynamic approach to research based pedagogy, staff across the Trust continuously reflect on their practice to create an environment where innovation leads to **irresistible learning for all**.

Inclusive

With a firm belief that as a Trust we are stronger together, we create an inclusive environment across our academies where staff and pupils feel emotionally and physically safe. Our academies are outward facing and create an environment where differences in gender, culture, disability and educational needs are embraced and celebrated; leading to **Irresistible learning for all**.

Inspirational

Through inspirational leadership, teaching and learning; our academies create a climate where children, staff and parents strive to achieve and aspire for greatness. With strong collaborations we share practice and challenge one another using the principles of mentor-coaching to celebrate success and support improvement. High standards across a rich and diverse curriculum delivered in each academy leads to **irresistible learning for all** that is individual to each academy but reflects the shared ethos of the Trust.

The Key Objectives for the Multi Academy Trust are:

1. To ensure high academic standards within the trust academies through high quality teaching, learning and assessment and strong leadership and management.
2. To grow the trust ensuring the trust is future proof and failsafe.
3. Continue to strengthen governance, leading to strong outcomes for academies within the trust and accountability to the DfE.
4. Appoint and develop a robust core trust team to ensure schools are challenged and supported to secure consistently high education standards and business services.

b. Objectives, strategies and activities

Key performance indicators for Warden House Primary School in the reporting year are:

1. **Ensure feedback and assessment is effective in engaging and challenging pupils to make strong progress so outcomes for pupils are above national expectations.** To achieve this, the school has developed an irresistible curriculum that is linked to strong assessment systems. The assessment of pupil's work is moderated across the school to ensure all staff have a deep understanding of how well their pupils are progressing and are able to use this information to plan inspiring next steps in learning.
2. **Embed the new curriculum structure through strong subject leadership teams to ensure our irresistible curriculum leads to strong outcomes for pupils across all subjects.** To achieve this, the school has coached middle leaders to become highly effective in subject leadership. Curriculum leaders work collaboratively in hubs to coach one another and support the development of high quality teaching, learning and assessment.

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Trustees' Report (continued)
For the year ended 31 August 2018

3. **Engage disadvantaged learners so the difference in attainment in reading, writing, maths between this group and all pupils nationally diminishes.** This has been evidenced in the strong progress for disadvantaged learners across the school. The pupil premium strategy is strong and supports disadvantaged learners well. The school has undertaken a pupil premium review and examples of good practice include the use of innovative strategies to build confidence in disadvantaged learners, exemplified in activities such as 1-1 online tuition for maths and horse riding and horse management courses for pupils.
4. **Use evidence informed practice to ensure our curriculum remains irresistible and outcomes empower strong support for other schools locally and nationally.** The school has continued to support a range of schools as National Support School. All staff at the school engage in research informed practice and the school holds training events, Journal Clubs, Teachmeets and offers training to local schools. The research undertaken by school staff has been published in a journal and shared widely. The Executive Headteacher has spoken at three conferences to share best practice engaging disadvantaged pupils, research informed practice and mentoring; building leadership capacity beyond the school and trust.

Key performance indicators for Pilgrims' Way Primary School in the reporting year (from May 2018) are:

1. **Stabilise staffing so that necessary improvements to teaching, learning and assessment can take root.** At the point of conversion to Veritas MAT, the school staffing was unstable with three unqualified teachers employed. From September 2018, no unqualified teachers are employed to teach in the primary years and staffing has been stabilised.
2. **Spread the stronger practice in phonics teaching that already exists across VMAT to all staff, from the nursery through to Year 2.** In supporting the school from January 2018, strategies and consistency of approach in teaching of phonics has led to a significant rise in attainment in the phonics screener in Year 1 with a rise of 13% to 69% in 2018 and the number of pupils passing the phonics retake in year 2 rising by 53% to 91% in 2018.
3. **Continually upgrade teachers' and teaching assistants' skills:**
 - so that they use information about what pupils already know, understand and can do to plan teaching at an appropriate but challenging level.
 - so that they are helped to evaluate their own practice, through effective appraisal, and seek training where necessary.
 - so that they use time efficiently in lessons and across the school day.

Through a system of coaching and structured staff training, the consistency of teaching is improving in the school since joining Veritas MAT. The drive is to ensure the quality of teaching, learning and assessment is robustly strong and to have this validated in the forthcoming inspection.

4. **Raise attendance overall and reduce persistent absence further by:**
 - relentlessly pursuing those strategies that have worked so far with some families whose children do not attend regularly enough.
 - using the range of legal measures available to encourage good attendance.
 - ensuring that pupils want to come to school because it is an exciting and stimulating place to be.

The school has put highly effective systems in place to monitor and challenge the attendance of all pupils. Positive systems to encourage attendance are now embedded including rewards for strong attendance.

5. **Strengthen leadership and management by:**
 - ensuring that all leaders are clear about their individual roles.
 - enabling the headteacher to concentrate intently on improving the quality of teaching and learning.
 - ensuring that the new special needs coordinator has up to date training and support for her role.
 - simplifying information about pupils' and groups of pupils' progress and attainment and making it more precise.

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Trustees' Report (continued)
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A complete review of the roles and responsibilities for all leaders has been undertaken to ensure there is clarity. New curriculum team leaders have been appointed to build leadership capacity in the school. Further team leaders will be appointed in the next reporting year for wider business roles, building efficiency and capacity for improvement across the school and trust. New assessment and tracking systems have been replicated from the outstanding school in the trust and staff have been trained in their use, leading to strengthening progress for pupils, especially in the core subjects.

c. Public benefit

Veritas Multi Academy Trust's trustees have complied with their duty to have due regards to the guidance on public benefit in exercising their duties. This report includes detail of the strategies and activities undertaken to achieve the purposes and objectives of the trust.

Achievements and performance

Outcomes for Pilgrims' Way Primary School are currently not reported as the school was formed part way through a reporting year. The trust took on Pilgrims' Way in May 2018 and as such the pupils sat the statutory assessment tasks and the school have the data. This data has been aggregated into a trust data set, shared with trustees. The aggregated data shows that the trust is below national expectations for all pupils in all areas except mathematics at key stage 1 and in number and reading in the early years.

Performance in the Early Years demonstrates a rise in attainment for pupils attaining a good level of development; rising by 9% on the previous year for Warden House Primary School. The percentage attaining a good level of development in Warden House in 2018 is 81%.

In Year 1 84% have achieved the phonics screener in Warden House and attainment is rising significantly in Pilgrims' Way as a result of the early support from Veritas MAT during the period leading up to sponsorship.

The attainment in reading at key stage 1 has risen in 2018 by 5% to 83% attaining the expected standard. In writing there has been a rise of 3% to 70% attaining at the expected level in 2018. A rise of 8% in mathematics has also boosted attainment with 85% attaining the expected level in 2018. The combined figure for reading, writing and mathematics in key stage 1 has risen by 8% in 2018 and is now 85%; above the national average.

Attainment at key stage 2 in 2018 for Warden House shows a rise in attainment in reading of 8% with 83% attaining the expected level. In writing, a fall of 3% in 2018 with 76% achieving the expected level. In mathematics, a strong rise of 16% for attainment at the higher level with 42% achieving this level. The combined attainment for reading, writing and mathematics in key stage 2 is 71%, a rise of 3% on the previous year.

a. Key performance indicators

Warden house is graded as an outstanding school. It has a designation as National Support School as the Executive Headteacher is a National Leader of Education.

Total on roll: 441
Eligible for free school meals: 20.3%
English as an additional language: 1.6%
% unauthorised absence 2016-17 1.1%
% authorised absence 2016-17 3.0%
% persistent absence 2016-17 8.3%
Fixed term exclusions 2017-18: 5
Permanent exclusions 2017-18 0%

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Trustees' Report (continued)
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Early Years	School	National
Good level of development	81%	71.5%
Exceeding or expected writing goals	85%	73.3%
Exceeding or expected number goals	90%	78.3%
Year 1 phonics	82%	82.5%
Year 2 phonics retake	60%	60.8%
Key stage 1		
Reading expected standard	83%	75.4%
Writing expected standard	70%	69.9%
Maths expected standard	85%	76.1%
Key stage 2		
Reading writing and maths expected standard	71%	64.0%
Reading expected standard	83%	75.4%
Writing expected standard	78%	69.9%
Maths expected standard	86%	76.1%

Pilgrims' Way primary School joined the trust in May 2018. At this juncture, the school received a new DfE number and is registered as a new school as such it has no prior school data. Future reports will reflect on key performance indicators set for the rigorous improvement of the school under the support of Veritas MAT.

Total on roll: 275

Eligible for free school meals: 28.3%

English as an additional language: 26%

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Trustees' Report (continued)
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Early Years	School	National
Good level of development	55%	71.5%
Exceeding or expected literacy goals	53%	73.3%
Exceeding or expected mathematics goals	70%	78.3%
Year 1 phonics	69%	82.5%
Year 2 phonics retake	91%	60.8%
Key stage 1		
Reading expected standard	64%	75.4%
Writing expected standard	66%	69.9%
Maths expected standard	70%	76.1%
Key stage 2		
Reading writing and maths expected standard	44%	64.0%
Reading expected standard	56%	75.4%
Writing expected standard	48%	69.9%
Maths expected standard	48%	76.1%

b. Going concern

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

Financial review

Most of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE for the period 1st September 2017 through to 31st August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy Trust's accounting policies.

During the year ended 31 August 2018, total expenditure of £2,688,448 was covered by recurrent grant funding from the DfE £2,534,083, together with other incoming resources of £106,116. The excess of expenditure over income for the year (excluding restricted fixed asset and pension funds) was £510,478.

At 31 August 2018 the net book value of fixed assets was £6,202,826 and movement in tangible fixed assets are shown in note 17 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust.

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Trustees' Report (continued)
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a. Principal risks and uncertainties

Risk profiling is undertaken by the Trust Business Group looking at compliance, financial, strategic & reputational and operational risks. Funding pressures continue to provide challenge as we plan into the future. The highest profile risks relate to the growth and development of the trust. Interestingly however, equally high profile is the risk of not growing the trust from a sustainability perspective.

The staff included in the TUPE transfer of Pilgrims' Way Primary School and Nursery have been included in the Teachers' Pension Scheme (TPS) and Local Government Pension Scheme (LGPS) as appropriate.

b. Reserves policy

The governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to 4 weeks expenditure. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £481,649 (2017 - £353,873).

c. Material investments policy

The Finance Group has been delegated the responsibility of allocating reserves to a 32 day deposit account with Lloyds.

Fundraising

A range of small fundraising events take place at both schools during the year, however, the majority of fundraising is undertaken by the schools' PTFAs under their own charitable status.

Plans for future periods

The trustees have continued to develop MAT governance, forming separation of roles and responsibilities between members, trustees and governors. Since sponsoring Pilgrims' Way, three additional governors have joined the RGB, including the headteacher of Warden House and two newly appointed governors.

The MAT Strategy Group continue to work on the growth of the trust to enhance the future growth of the trust. A MDiF bid has been granted to support the further growth of the trust and will be used to build capacity in the executive team; enabling the trust to support further schools joining the trust.

The trust has built a semi-centralised finance and HR team, in addition we have appointed team leaders across the trust to develop the capacity for growth, led by our Trust Business Manager an ISBL Fellow.

Our vision is to support academies to join the trust, enabling an infrastructure where the MAT can build a robust group of academies to support a sponsored academy. Academies will be primary phase as this reflects the skill set and expertise of existing trust staff, members and trustees.

The CEO is a National Leader of Education and lead Ofsted inspector, bringing a wealth of experience in school improvement to the trust. Warden House, as a National Support School, has been commissioned to support a number of schools in our locality.

Our business plan looks to forming a hub of schools either through sponsorship or as academy converters, assisting them to convert into our MAT and growing an infrastructure linked to our role as a National Support School providing rigorous support academies to improve where required. Geographically, we will draw academies across East Kent, with the ability to maintain a geographical connection to the academies across the trust.

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Trustees' Report (continued)
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Disclosure of information to auditors

In so far as the Trustees are aware:

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

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Finance Group.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, , as the company directors, on 19 December 2018 and signed on its behalf by:



Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Trustee & CEO

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Governance Statement

Scope of Responsibility

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

The board of trustees, has delegated the day-to-day responsibility to the chief executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Veritas 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 6 times during the year. Attendance during the year at meetings of the board of trustees, was as follows:

Trustee	Meetings attended	Out of a possible
G Chisnell	6	6
A Moon	3	3
C Coyston	6	6
D Lister	3	4
J King	1	3
A-M Middleton	4	4
D Price	5	6
P Driscoll	3	6
S Smith	3	4
L Werth	3	4
G Bristow	2	2

A restructure of the trust board and governance of the RGB took place this year to ensure there is a clear separation of roles and responsibilities for members, trustees and governors. The board of trustees now has two trustees who remain as governors on the RGB and one trustee that is also a member. Members, trustees and governors have been appointed according to the skills they offer, ensuring the governance across the trust is effective.

Skills audits are undertaken annually and the trust board has commissioned a National Leader of Governance to support the succession of leadership of the trust board and RGB.

Roles and responsibilities have been arranged to incorporate the ISBL Professional Standards sectors ensuring that all aspects of business management as well as those of educational standards are thoroughly considered and robustly challenged. The key change to the roles and responsibilities have enabled the RGB to have an heightened focus on standards.

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Governance Statement (continued)

Key impact that the Trust Board has implemented during the year of reporting include:

- Clear governance roles and responsibilities document has been put in place to ensure governance at every level diligently holds school leaders to account for the standards.
- Strategic approach to appointment of governance linked to gaps and needs has led to strong appointments and a balanced governance. As an example, in the RGB we have a behaviour lead, mentoring lead/university lecturer and healthcare manager. At the trust board level we have university lecturers in early childhood studies and partnership, senior HR from SAGA, IT and business/finance and church leader.
- Strategic monitoring of the school's key priorities is undertaken by the RGB to ensure diligent progress made against the school's own priorities.
- The trust has produced a Talent Pathway document to demonstrate career, research and training opportunities for staff across the trust. This supports the trust in growing future leaders.
- The trust has produced an alignment document to help clarify how the key actions and systems in the trust schools are aligned, providing clarity of vision for the headteachers.

The finance and general purposes committee is a sub-committee of the main board of trustees. Its purpose is to ensure compliance in all areas of Finance, HR and procurement.

J Utting has acted as Responsible Officer and 3 visits are carried out annually. This duty will be taken on by P Driscoll and L Werth in 2018/19.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G Chisnell	5	6
C Coyston	4	6
D Lister	4	4
A-M Middleton	4	4
A Moon	2	2
G Bristow	1	1

Review of Value for Money

As Accounting Officer, the chief executive has responsibility for ensuring that the academy 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 academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees, where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Integrated Curriculum-led Financial Planning has been embedded in the trust's budget setting strategy. This includes staff resourcing; comparing and contrasting resourcing at different academies
- The Trust's Business Team has been restructured to ensure efficient and effective delivery across all academies and trust; encouraging the development of collaborative working, consistency of processes and group procurement opportunities
- Trust academies' Efficiency Metric Tools and DfE benchmarking have been reviewed along with sector industry specialist benchmarking reports
- Cross trust collaborative work is starting to build. This is intended to include focus on cost saving initiatives such as cross trust training events, group procurement and up-skilling of staff through collaboration links
- The development of the trust has enabled succession planning which has resulted in the retention of key staff. Without this, the organisation would have lost its investment in such staff
- Taking on our second school has started to see economies of scale across professional services such as audit and accountancy, Hr & Payroll and pensions and HMRC reporting. This will see more impact as the trust grows.
- The executive group holds a high level of expertise which is now costed across 2 schools.

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Governance Statement (continued)

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

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

The Risk and Control Framework

The academ'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 considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed J Utting a trustee, to carry out a programme of internal checks.

The Responsible Officer role includes performing a range of checks on the acedmey trust's financial systems. In particular the checks carried out tn the current period included:.

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations
- testing starter & leaver payroll checks

During the year of reporting no items of concern were raised.

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Governance Statement (continued)

Review of Effectiveness

As Accounting Officer, the chief executive 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 Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Group and a plan to address weaknesses and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees, on 19 December 2018 and signed on their behalf, by:



Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Accounting Officer

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

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

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

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



Mr Graham Chisnell
Accounting Officer

Date: 19 December 2018

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the year ended 31 August 2018

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

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

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

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

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

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

Approved by order of the members of the board of trustees, on 19 December 2018 and signed on its behalf by:



Mr Chris Coyston
Chair of Trustees

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Veritas Multi Academy Trust

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Veritas Multi Academy Trust

work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy'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 academy or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of Veritas Multi Academy Trust

Use of our report

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date: *21 December 2018*

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

**Independent Reporting Accountants' Assurance Report on Regularity to Veritas Multi Academy Trust
and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Veritas 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 Veritas 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 Veritas 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 Veritas Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Veritas Multi Academy Trust's funding agreement with the Secretary of State for Education dated 12th August 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

VERITAS MULTI ACADEMY TRUST
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**Independent Reporting Accountants' Assurance Report on Regularity to Veritas Multi Academy Trust
and the Education & Skills Funding Agency (continued)**

Conclusion

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



Alastair Crawford FCA

Williams Giles

Chartered Accountants
Statutory Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 21 Dec 2018

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the year ended 31 August 2018

	Unrestricted funds 2018 2018 £	Restricted funds 2018 2018 £	Restricted fixed asset funds 2018 2018 £	Total funds 2018 2018 £	Total funds 2017 2017 £	
Income from:						
Donations & capital grants:						
Transfer of assets on conversion	2	13,322	(477,000)	3,782,138	3,318,460	-
Other donations and capital grants	2	1,449	-	239,289	240,738	26,302
Charitable activities	3	-	2,534,083	-	2,534,083	1,897,046
Other trading activities	4	105,583	-	-	105,583	90,678
Investments	5	533	-	-	533	449
Total income		<u>120,887</u>	<u>2,057,083</u>	<u>4,021,427</u>	<u>6,199,397</u>	<u>2,014,475</u>
Expenditure on:						
Raising funds	6	35,061	-	-	35,061	30,415
Charitable activities		-	2,653,387	312,022	2,965,409	2,227,994
Total expenditure	9	<u>35,061</u>	<u>2,653,387</u>	<u>312,022</u>	<u>3,000,470</u>	<u>2,258,409</u>
Net income / (expenditure) before transfers		85,826	(596,304)	3,709,405	3,198,927	(243,934)
Transfers between Funds	21	(126,890)	-	126,890	-	-
Net income / (expenditure) before other recognised gains and losses		(41,064)	(596,304)	3,836,295	3,198,927	(243,934)
Actuarial gains on defined benefit pension schemes	25	-	333,000	-	333,000	472,000
Net movement in funds		<u>(41,064)</u>	<u>(263,304)</u>	<u>3,836,295</u>	<u>3,531,927</u>	<u>228,066</u>
Reconciliation of funds:						
Total funds brought forward		<u>353,873</u>	<u>(859,000)</u>	<u>2,589,020</u>	<u>2,083,893</u>	<u>1,855,827</u>
Total funds carried forward		<u><u>312,809</u></u>	<u><u>(1,122,304)</u></u>	<u><u>6,425,315</u></u>	<u><u>5,615,820</u></u>	<u><u>2,083,893</u></u>

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)
Registered number: 09692191

Balance Sheet
As at 31 August 2018

	Note	£	2018 £	£	2017 £
Tangible assets	17		6,202,826		2,589,020
Current assets					
Debtors	18	259,242		124,430	
Cash at bank and in hand		518,104		311,099	
		<u>777,346</u>		<u>435,529</u>	
Creditors: amounts falling due within one year	19	<u>(222,515)</u>		<u>(81,656)</u>	
Net current assets			<u>554,831</u>		<u>353,873</u>
Total assets less current liabilities			<u>6,757,657</u>		<u>2,942,893</u>
Creditors: amounts falling due after more than one year	20		<u>(27,837)</u>		-
Net assets excluding pension scheme liabilities			<u>6,729,820</u>		<u>2,942,893</u>
Defined benefit pension scheme liability	25		<u>(1,114,000)</u>		<u>(859,000)</u>
Net assets including pension scheme liabilities			<u><u>5,615,820</u></u>		<u><u>2,083,893</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	21	(8,304)		-	
Restricted fixed asset funds	21	6,425,315		2,589,020	
Restricted income funds excluding pension liability		<u>6,417,011</u>		<u>2,589,020</u>	
Pension reserve		<u>(1,114,000)</u>		<u>(859,000)</u>	
Total restricted income funds			<u>5,303,011</u>		<u>1,730,020</u>
Unrestricted income funds	21		312,809		353,873
Total funds			<u><u>5,615,820</u></u>		<u><u>2,083,893</u></u>

The financial statements on pages 23 to 48 were approved by the Trustees, and authorised for issue, on 19 December 2018 and are signed on their behalf, by:



Mr Chris Coyston
Chair of Trustees



Mr Graham Chisnell
Accounting Officer

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	23	<u>110,873</u>	<u>87,753</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		533	449
Purchase of tangible fixed assets		(143,690)	(29,591)
Capital grants from DfE Group		239,289	8,433
Net cash provided by/(used in) investing activities		<u>96,132</u>	<u>(20,709)</u>
Change in cash and cash equivalents in the year		207,005	67,044
Cash and cash equivalents brought forward		<u>311,099</u>	<u>244,055</u>
Cash and cash equivalents carried forward	24	<u><u>518,104</u></u>	<u><u>311,099</u></u>

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies

Veritas Multi Academy Trust is a charitable company limited by guarantee and an exempt charity incorporated in England & Wales. The registered office is Warden House Primary School, Birdwood Avenue, Deal, Kent, CT14 9SF. The principal activity of the academy trust is to provide an education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

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

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

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.4 Income

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

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

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

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.5 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Long-term leasehold property transferred to the academy trust is held at cost of the buildings, as per the ESFA valuation on the original conversion, less depreciation to date, calculated on a straight line basis over the term of the lease. No land element has been included in the financial statements.

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

Leasehold property	-	4% Straight line
Leasehold property improvements-	-	15 years Straight Line
Furniture and fixtures	-	10% Straight line
Motor vehicles	-	10% Straight line
Computer equipment	-	20% Straight line

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

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.10 Liabilities and provisions

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

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

The academy 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 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.

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

VERITAS MULTI ACADEMY TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

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

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

1.14 Transfer to an academy trust

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

The assets and liabilities transferred on conversion from Pilgrims' Way Primary School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from existing academy on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 29.

1.15 Fund accounting

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

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

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

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Notes to the Financial Statements
For the year ended 31 August 2018

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 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.

Critical areas of judgment:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 17 for the carrying amount of the property, plant and equipment, and note 1.5 for the useful economic lives for each class of assets.

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2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer of assets on conversion	13,322	(477,000)	3,782,138	3,318,460	-
Donations	1,449	-	-	1,449	17,869
Devolved formula funding	-	-	16,800	16,800	8,433
Capital grants	-	-	222,489	222,489	-
Subtotal	1,449	-	239,289	240,738	26,302
	14,771	(477,000)	4,021,427	3,559,198	26,302
Total 2017	17,869	-	8,433	26,302	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	1,951,613	1,951,613	1,442,952
Pupil premium	-	259,606	259,606	170,543
Other DfE/ESFA grants	-	198,806	198,806	70,959
Growth funding	-	-	-	50,000
	-	2,410,025	2,410,025	1,734,454
Other government grants				
Other government grants	-	124,058	124,058	162,592
	-	124,058	124,058	162,592
	-	2,534,083	2,534,083	1,897,046
Total 2017	-	1,897,046	1,897,046	

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4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	4,251	-	4,251	2,106
Uniform income	883	-	883	-
School trip income	37,360	-	37,360	37,784
Departmental income	63,089	-	63,089	50,788
	<u>105,583</u>	<u>-</u>	<u>105,583</u>	<u>90,678</u>
<i>Total 2017</i>	<u>90,678</u>	<u>-</u>	<u>90,678</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	533	-	533	449
	<u>449</u>	<u>-</u>	<u>449</u>	
<i>Total 2017</i>	<u>449</u>	<u>-</u>	<u>449</u>	

6. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School trip expenditure	33,442	-	33,442	30,415
Uniforms expenditure	1,619	-	1,619	-
	<u>35,061</u>	<u>-</u>	<u>35,061</u>	<u>30,415</u>
<i>Total 2017</i>	<u>30,415</u>	<u>-</u>	<u>30,415</u>	

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7. Direct costs

	Educational operations £	Total 2018 £	Total 2017 £
Educational supplies	79,095	79,095	80,391
Staff development	25,471	25,471	3,891
Educational consultancy	20,501	20,501	13,132
Other direct costs	1,756	1,756	-
Agency supply	23,684	23,684	11,870
Staff restructuring	-	-	3,457
Wages and salaries	1,338,781	1,338,781	1,035,899
National insurance	115,565	115,565	93,010
Pension cost	222,157	222,157	172,831
	<u>1,827,010</u>	<u>1,827,010</u>	<u>1,414,481</u>
<i>Total 2017</i>	<u>1,414,481</u>	<u>1,414,481</u>	

8. Support costs

	Educational operations	Total 2018	Total 2017
LGPS costs	25,000	25,000	26,000
Recruitment and support costs	2,116	2,116	6,057
Maintenance of premises and equipment	36,870	36,870	29,067
Cleaning	9,685	9,685	7,666
Rent and rates	15,970	15,970	10,151
Energy costs	31,495	31,495	26,909
Insurance	10,765	10,765	10,011
Security and transport	13,119	13,119	6,500
Catering costs	89,313	89,313	81,949
Printing, postage and stationary	27,980	27,980	20,906
Other support costs	86,359	86,359	71,881
Legal and professional	46,672	46,672	22,190
Governance costs	13,525	13,525	4,950
Wages and salaries	268,840	268,840	182,827
National insurance	14,611	14,611	11,072
Pension cost	134,057	134,057	128,544
Depreciation	312,022	312,022	166,833
	<u>1,138,399</u>	<u>1,138,399</u>	<u>813,513</u>
<i>Total 2017</i>	<u>813,513</u>	<u>813,513</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs: £13,525 (2017 - £4,950) included within the table above in respect of Educational operations.

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Notes to the Financial Statements
For the year ended 31 August 2018

9. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	35,061	35,061	30,415
Support costs	-	-	-	-	-
Educational operations:					
Direct costs	1,700,187	-	126,823	1,827,010	1,414,481
Support costs	417,508	264,624	456,267	1,138,399	813,513
	<u>2,117,695</u>	<u>264,624</u>	<u>618,151</u>	<u>3,000,470</u>	<u>2,258,409</u>
Total 2017	<u>1,639,510</u>	<u>174,798</u>	<u>444,101</u>	<u>2,258,409</u>	

10. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	312,022	166,833
Auditors remuneration	9,900	9,625
	<u>321,922</u>	<u>176,458</u>

11. Auditors' remuneration

	2018 £	2017 £
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	7,125	6,750
Fees payable to the academy's auditor and its associates in respect of:		
Audit-related assurance services	250	250
All other non-audit services not included above	2,525	2,525
	<u>9,900</u>	<u>9,525</u>

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12. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,607,621	1,218,726
Social security costs	130,176	104,082
Operating costs of defined benefit pension schemes	356,214	301,375
	2,094,011	1,624,183
Agency staff costs	23,684	11,870
Staff restructuring costs	-	3,457
	2,117,695	1,639,510

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	23	18
Support	59	49
Management	4	4
	86	71

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0

d. Key management personnel

The key management personnel of the academy trust comprise of 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 £300,538 (2017: £268,413)

13. Central services

No central services were provided by the academy to its academies during the year and no central charges arose.

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Notes to the Financial Statements
For the year ended 31 August 2018

14. Trustees' remuneration and expenses

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

		2018	2017
		£	£
Mr Graham Chisnell	Remuneration	80,000-85,000	75,000-80,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Miss Anne-Marie Middleton	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs Alison Moon	Remuneration	40,000-45,000	-
	Pension contributions paid	5,000-10,000	-

During the year ended 31 August 2018, expenses totalling £3,550 (2017 - £1,679) were reimbursed to 3 Trustees (2017 - 2).

15. Trustees' and Officers' Insurance

The academy trust has opted in to 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 business, and provides an unlimited level of cover. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

16. Other finance income

	2018	2017
	£	£
Interest income on pension scheme assets	36,000	22,000
Interest on pension scheme liabilities	(61,000)	(48,000)
	<u>(25,000)</u>	<u>(26,000)</u>

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17. Tangible fixed assets

	Leasehold property £	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost					
At 1 September 2017	2,616,582	-	235,402	64,612	2,916,596
Additions	92,034	21,673	7,580	22,403	143,690
Transferred on conversion	3,761,154	-	9,862	11,122	3,782,138
At 31 August 2018	<u>6,469,770</u>	<u>21,673</u>	<u>252,844</u>	<u>98,137</u>	<u>6,842,424</u>
Depreciation					
At 1 September 2017	226,400	-	60,095	41,081	327,576
Charge for the year	258,791	1,445	31,969	19,817	312,022
At 31 August 2018	<u>485,191</u>	<u>1,445</u>	<u>92,064</u>	<u>60,898</u>	<u>639,598</u>
Net book value					
At 31 August 2018	<u>5,984,579</u>	<u>20,228</u>	<u>160,780</u>	<u>37,239</u>	<u>6,202,826</u>
At 31 August 2017	<u>2,390,182</u>	<u>-</u>	<u>175,307</u>	<u>23,531</u>	<u>2,589,020</u>

18. Debtors

	2018 £	2017 £
VAT debtor	66,078	30,337
Other debtors	126,568	45,578
Prepayments and accrued income	66,596	48,515
	<u>259,242</u>	<u>124,430</u>

19. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	68,608	4,025
Other taxation and social security	41,338	23,747
Other creditors	44,071	21,831
Accruals and deferred income	68,498	32,053
	<u>222,515</u>	<u>81,656</u>

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19. Creditors: Amounts falling due within one year (continued)

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	26,937	25,212
Resources deferred during the year	59,331	26,937
Amounts released from previous years	(26,937)	(25,212)
	59,331	26,937
Deferred income at 31 August 2018	59,331	26,937

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals and trips occurring in the following financial year.

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

	2018 £	2017 £
Other loans	27,837	-
	27,837	-

21. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	353,873	120,887	(35,061)	126,890	-	566,589
Other General funds	-	-	-	(253,780)	-	(253,780)
	353,873	120,887	(35,061)	(126,890)	-	312,809
Restricted funds						
General Annual Grant (GAG)	-	1,951,613	(1,959,917)	-	-	(8,304)
Pupil Premium	-	259,606	(259,606)	-	-	-
Other DfE/ESFA Grants	-	198,806	(198,806)	-	-	-
Other Government Grants	-	124,058	(124,058)	-	-	-
Pension reserve	(859,000)	(477,000)	(111,000)	-	333,000	(1,114,000)
	(859,000)	2,057,083	(2,653,387)	-	333,000	(1,122,304)

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21. Statement of funds (continued)

Restricted fixed asset funds

Assets held for depreciation	2,589,020	3,782,138	(312,022)	143,690	-	6,202,826
Devolved formula funding	-	16,800	-	(16,800)	-	-
Capital grant income	-	222,489	-	-	-	222,489
	<u>2,589,020</u>	<u>4,021,427</u>	<u>(312,022)</u>	<u>126,890</u>	<u>-</u>	<u>6,425,315</u>
Total restricted funds	<u>1,730,020</u>	<u>6,078,510</u>	<u>(2,965,409)</u>	<u>126,890</u>	<u>333,000</u>	<u>5,303,011</u>
Total of funds	<u>2,083,893</u>	<u>6,199,397</u>	<u>(3,000,470)</u>	<u>-</u>	<u>333,000</u>	<u>5,615,820</u>

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

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

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Warden House Primary School	144,533	353,873
Pilgrims' Way Primary School & Nursery Trust	90,406	-
	69,566	-
Total before fixed asset fund and pension reserve	<u>304,505</u>	<u>353,873</u>
Restricted fixed asset fund	6,425,315	2,589,020
Pension reserve	(1,114,000)	(859,000)
Total	<u>5,615,820</u>	<u>2,083,893</u>

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Notes to the Financial Statements
For the year ended 31 August 2018

21. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Warden House	1,363,499	251,007	68,904	409,159	2,092,569	-
Pilgrims Way	313,004	80,501	10,191	80,741	484,437	-
Trust	-	-	-	442	442	-
	<u>1,676,503</u>	<u>331,508</u>	<u>79,095</u>	<u>490,342</u>	<u>2,577,448</u>	

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds	336,827	108,996	(30,415)	(61,535)	-	353,873
Restricted funds						
General Annual Grant (GAG)	1,738	1,442,952	(1,485,067)	40,377	-	-
Pupil Premium	-	170,543	(170,543)	-	-	-
Other DfE/ESFA Grants	-	70,959	(70,959)	-	-	-
Other Government Grants	-	162,592	(162,592)	-	-	-
Growth funding	-	50,000	(50,000)	-	-	-
Pension reserve	(1,209,000)	-	(122,000)	-	472,000	(859,000)
	<u>(1,207,262)</u>	<u>1,897,046</u>	<u>(2,061,161)</u>	<u>40,377</u>	<u>472,000</u>	<u>(859,000)</u>
Restricted fixed asset funds						
Assets held for depreciation	2,726,262	-	(166,833)	29,591	-	2,589,020
Devolved formula funding	-	8,433	-	(8,433)	-	-
	<u>2,726,262</u>	<u>8,433</u>	<u>(166,833)</u>	<u>21,158</u>	<u>-</u>	<u>2,589,020</u>
Total restricted funds	<u>1,519,000</u>	<u>1,905,479</u>	<u>(2,227,994)</u>	<u>61,535</u>	<u>472,000</u>	<u>1,730,020</u>
Total of funds	<u>1,855,827</u>	<u>2,014,475</u>	<u>(2,258,409)</u>	<u>-</u>	<u>472,000</u>	<u>2,083,893</u>

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	336,827	108,996	(30,415)	(61,535)	-	353,873
	-	120,887	(35,061)	126,890	-	212,716
Restricted funds						
General Annual Grant (GAG)	1,738	3,394,565	(3,444,984)	40,377	-	(8,304)
Pupil Premium	-	430,149	(430,149)	-	-	-
Other DfE/ESFA Grants	-	269,765	(269,765)	-	-	-
Other Government Grants	-	286,650	(286,650)	-	-	-
Growth funding	-	50,000	(50,000)	-	-	-
Pension reserve	(1,209,000)	(477,000)	(233,000)	-	805,000	(1,114,000)
	(1,207,262)	3,954,129	(4,714,548)	40,377	805,000	(1,122,304)
Restricted fixed asset funds						
Assets held for depreciation	2,726,262	3,782,138	(478,855)	173,281	-	6,202,826
Devolved formula funding	-	25,233	-	(25,233)	-	-
Capital income grant	-	222,489	-	-	-	222,489
	2,726,262	4,029,860	(478,855)	148,048	-	6,425,315
	1,519,000	7,983,989	(5,193,403)	188,425	805,000	5,303,011
Total of funds	1,855,827	8,213,872	(5,258,879)	253,780	805,000	5,869,600

22. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	6,202,826	6,202,826
Current assets	312,809	242,048	222,489	777,346
Creditors due within one year	27,837	(250,352)	-	(222,515)
Creditors due in more than one year	(27,837)	-	-	(27,837)
Provisions for liabilities and charges	-	(1,114,000)	-	(1,114,000)
	312,809	(1,122,304)	6,425,315	5,615,820

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22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2017	2017	2017	2017
	£	£	£	£
Tangible fixed assets	-	-	2,589,020	2,589,020
Current assets	353,873	81,656	-	435,529
Creditors due within one year	-	(81,656)	-	(81,656)
Provisions for liabilities and charges	-	(859,000)	-	(859,000)
	<u>353,873</u>	<u>(859,000)</u>	<u>2,589,020</u>	<u>2,083,893</u>

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

	2018	2017
	£	£
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,198,927	(243,934)
Adjustment for:		
Depreciation charges	312,022	166,833
Dividends, interest and rents from investments	(533)	(449)
(Increase)/decrease in debtors	(93,653)	108,080
Increase/(decrease) in creditors	140,859	(56,344)
Capital grants from DfE and other capital income	(239,289)	(8,433)
Defined benefit pension scheme finance cost	588,000	122,000
Net (loss) on assets and liabilities from local authority on conversion	(3,795,460)	-
Net cash provided by operating activities	<u>110,873</u>	<u>87,753</u>

24. Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash in hand	518,104	311,099
Total	<u>518,104</u>	<u>311,099</u>

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25. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £144,179 (2017 - £112,443).

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

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25. Pension commitments (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £151,000 (2017 - £118,000), of which employer's contributions totalled £118,000 (2017 - £92,000) and employees' contributions totalled £33,000 (2017 - £26,000). The agreed contribution rates for future years are 20% for employers and var% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Expected return on scheme assets at 31 August	- %	16.00 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
inflation assumption (CPI)	2.30 %	2.70 %
RPI Increases	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23.0
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

Sensitivity analysis	At 31 August	At 31 August
	2018	2017
	£	£
Discount rate +0.1%	2,868,000	1,980,000
Discount rate -0.1%	2,992,000	2,065,000
Mortality assumption - 1 year increase	3,025,000	-
Mortality assumption - 1 year decrease	2,836,000	1,957,000
CPI rate +0.1%	2,985,000	2,058,000
CPI rate -0.1%	2,875,000	1,987,000

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Notes to the Financial Statements
For the year ended 31 August 2018

25. Pension commitments (continued)

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

	Fair value at 31 August 2018	<i>Fair value at 31 August 2017</i>
	£	£
Equities	1,237,000	818,000
Gilts	14,000	8,000
Other bonds	161,000	112,000
Property	224,000	143,000
Cash and other liquid assets	56,000	37,000
Absolute return fund	123,000	45,000
	<hr/>	<hr/>
Total market value of assets	1,815,000	<i>1,163,000</i>
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £61,000 (2017 - £168,000).

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

	2018	<i>2017</i>
	£	£
Current service cost	(203,000)	(187,000)
Interest income	36,000	22,000
Administration expenses	(61,000)	(48,000)
	<hr/>	<hr/>
Total	(228,000)	<i>(213,000)</i>
	<hr/> <hr/>	<hr/> <hr/>
Actual return on scheme assets	61,000	<i>168,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	<i>2017</i>
	£	£
Opening defined benefit obligation	2,022,000	2,166,000
Transferred in on existing academies joining the trust	925,000	-
Current service cost	203,000	187,000
Interest cost	61,000	48,000
Employee contributions	33,000	26,000
Actuarial gains	(308,000)	(398,000)
Benefits paid	(7,000)	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	2,929,000	<i>2,022,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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Notes to the Financial Statements
For the year ended 31 August 2018

25. Pension commitments (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	1,163,000	957,000
Transferred in on existing academies joining the trust	448,000	-
Interest income	36,000	22,000
Actuarial losses	25,000	74,000
Employer contributions	117,000	91,000
Employee contributions	33,000	26,000
Benefits paid	(7,000)	(7,000)
	1,815,000	1,163,000
Closing fair value of scheme assets	1,815,000	1,163,000

26. Operating lease commitments

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

	2018	2017
	£	£
Amounts payable:		
Within 1 year	2,981	2,006
Between 1 and 5 years	6,938	-
	9,919	2,006
Total	9,919	2,006

27. Members' liability

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

28. Related party transactions

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

During the year £2,340 (2017 - £nil) was paid in respect of first aid training to Price and Price Associates, whereby, Douglas Price, a trustee, is a director. No amounts were outstanding as at 31 August 2018 (2017 - £nil).

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29. Transfer of existing academies into the academy

Pilgrims' Way Primary School & Nursery-
transferred in on 1st May 2018

	Value reporting by transferring trust £	Fair value adjustments £	Transfer in recognised £
Tangible fixed assets			
Long-term leasehold property	3,761,154	-	3,761,154
Fixtures and fittings	9,862	-	9,862
Computer equipment	11,122	-	11,122
Debtors due within one year	41,915	-	41,915
Cash in bank and in hand	24,718	-	24,718
Liabilities			
Creditors due within one year	(25,474)	-	(25,474)
Creditors due after one year	(27,837)	-	(27,837)
Pensions			
Pensions - pension scheme assets	448,000	-	448,000
Pensions - pension scheme liabilities	(925,000)	-	(925,000)
Net assets	3,318,460	-	3,318,460