Company Registration Number: 07563436 (England and Wales)

UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST (FORMERLY ALBAN CHURCH OF ENGLAND ACADEMY TRUST)

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 11
Governance Statement	12 - 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditors' Report on the Financial Statements	17 - 19
Independent Reporting Accountant's Assurance Report on Regularity	20 - 21
Statement of Financial Activities incorporating the Income and Expenditure account	22
Balance Sheet	23
Statement of Cash Flows	24
Notes to the Financial Statements	25 - 50

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Rev. R S Stokes (resigned 31 October 2016) Ven. P V Hughes (resigned 31 October 2016) Rev. M E Marshall (resigned 31 October 2016) Mr P Keeble (appointed 1 November 2016, resigned 11 March 2017) Mr N Kier (appointed 1 November 2016) Mrs A Lovesay (appointed 1 November 2016) Mr D Morton (appointed 1 November 2016) Mr C Osborne (appointed 1 November 2016)
Trustees	Mr S P Andrews (appointed 1 November 2016) Mrs G F Barrell (resigned 31 October 2016) Mr C W Chipperton, (Staff Trustee 1 September 2016 to 31 October 2016, Headteacher of Alban Academy from 1 September 2017 and reappointed as trustee on 1 March 2017) Mrs S M Clements, (Served as trustee from 1 September 2016 to 1 March 2017 and re-appointed on 28 March 2017) Mrs M Dickerson (resigned 31 October 2016) Mrs S Evans, (Headteacher of Great Barford Primary Academy, appointed as trustee on 1 March 2017) Mrs L Fraser, (Vice chair from 1 March 2017) Mrs E J Ferguson (appointed 21 April 2017) Mr A K Haworth (resigned 5 March 2017) Mrs M L Grice (resigned 31 October 2016) Mrs S E Lourensz, Headteacher and Accounting Officer for the year ended 31 August 2017 (resigned as a trustee 31 October 2016) Rev M E Marshall (resigned 31 October 2016) Mrs J F Newbury (resigned 31 October 2016) Mr N J R Papé, (Chair from 1 March 2017) (appointed 1 November 2016) Mrs J E Ruff (appointed 21 April 2017) Rev R S Stokes Miss K Taylor, Staff Trustee (resigned 31 October 2016) Mrs J C Warriner (resigned 31 October 2016) Mr C Watson, (Served as trustee from 1 September to 31 October 2016 and re-appointed on 1 March 2017) Mr A R Wood, Staff Trustee (resigned 31 October 2016)
Company registered number	07563436
Company name	Unity Church of England Multi Academy Trust
Principal and registered office	Alban C of E Academy Silver Street Great Barford Bedford Bedfordshire MK44 3HZ
Company Secretary	Mrs M J Dawson (resigned 31 August 2017)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE MULTI ACADEMY TRUST, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Senior management team	Alban Academy: Mrs S E Lourensz, Headteacher Mr C W Chipperton, Deputy Headteacher Mr K Campion, Assistant Headteacher Mrs M J Dawson, School Manager Great Barford Primary Academy: Mrs S Evans, Headteacher (joined Unity MAT 1 June 2017) Mrs S Collins, Assistant Headteacher Mrs S Ingram, Business Manager
Independent auditors	Streets Audit LLP Chartered Accountants Statutory Auditors Potton House Wyboston Lakes Great North Road Wyboston Bedfordshire MK44 3BZ
Bankers	Natwest Bank plc 81 High Street Bedford MK40 1YN
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street London EC1M 6HR

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

The Multi Academy Trust continued to operate Alban Academy throughout the year, and Great Barford Primary Academy joined the Multi Academy Trust on conversion on 1 June 2017. Both schools serve a catchment area covering the village of Great Barford as well as surrounding villages and towns, and the educational provision now extends to children from nursery to 13 years.

Since the Multi Academy Trust qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Structure, governance and management

a. CONSTITUTION

The Multi Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the academy trust. The trustees of Unity Church of England Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is also known as UMAT.

The company changed its name on 1 November 2016, from Alban Church of England Academy Trust to Unity Church of England Multi Academy Trust.

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

In accordance with normal commercial practice, the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000.

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the Academy is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

The Multi Academy Trust has the following trustees as set out in its Articles of Association and funding agreement:

- 9 trust places
- 7 appointed
- Headteacher of each school

Trustees are appointed for a four-year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of trustee, any trustee can be re-appointed or re-elected.

The Chair and Vice Chair are elected annually. Trustees appoint the Headteacher who has responsibility for the day to day management of the academy. Trustees appoint a clerk who is responsible for trustee induction, meeting arrangements, company secretary duties and minute taking and who ensures each trustee receives a current copy of the 'Guide to the Law'. Below the trust board each school has a local governing body.

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new trustees will depend upon their existing experience but would usually include a tour of the academy schools and a chance to meet staff and pupils. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustee. As there are normally only one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual. Full advantage is taken of specific courses offered by the Local Authority; again, dependent upon the trustee's experience and recent training history.

f. ORGANISATIONAL STRUCTURE

The board of trustees establishes an overall framework for the governance of the Multi Academy Trust and determines membership, terms of reference and procedures of committees. The Scheme of Delegation devolves authorisation for the oversight of the schools to the Local Governing Bodies, and receives reports from the Local Governing Bodies for ratification. Day-to-day management is delegated to the Headteacher and members of the leadership team in each school.

The board may from time to time establish working groups to perform specific tasks over a limited timescale. Curriculum subject leaders report to Local Governing Bodies on a rotational basis and all trustees have enhanced Disclosure and Barring Service (DBS) clearance.

Mrs S Lourensz, the Headteacher of Alban Academy was the Accounting Officer throughout 2016/17. Mrs S Evans, Headteacher of Great Barford Primary Academy, was appointed as the Accounting Officer for the Multi Academy Trust on 1 September 2017, following the retirement of Mrs S Lourensz.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

No trustee receives any remuneration for their work as a trustee.

Key management personnel is determined as the Headteacher, Deputy Headteacher, Assistant Headteacher and School Manager for Alban Academy and the Headteacher, Assistant Headteacher and Business Manager for Great Barford Primary Academy.

The pay for Alban Academy's Headteacher, Deputy Headteacher and Assistant Headteacher is set within the school group range in the School Teacher Pay and Conditions Document. Where it has proved difficult to recruit, as in the case of the Headteacher, governors included a discretionary percentage in line with other posts of similar responsibility.

School Manager pay uses the NJC Scales published by the Local Authority. Any change in salary is supported by re evaluation of job description by Local Authority HR, which is then bench marked with other posts with similar responsibilities across the Authority.

The pay for Great Barford Primary Academy's Headteacher and Assistant Headteacher is set within the school group range. The Business Manager pay uses NJC scales.

h. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

There are no related parties which either control or significantly influence the decisions and operations of Alban Church of England Academy Trust, though it works with 'Friends of Alban' and 'Friends of Great Barford Lower School' in the pursuit of charitable activities and fundraising.

Related party relationships arising from the trustees' positions within other connected organisations are included on the register of business interests which is available from the trust's website. Details of any transactions with related parties are disclosed in note 26.

Objectives and Activities

a. OBJECTS AND AIMS

The aims of the Multi Academy Trust are "to provide the best possible education for our children, helping them to achieve the fullness of their potential whilst supporting and developing our staff and communities."

The trust seeks to be a school-led MAT, staying small enough to care while being large enough to share our resources.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Key activities and targets for each school included the following:-

- To ensure the curriculum assessment procedures are in line with the national curriculum.
- To improve teaching and learning.
- To improve the literacy skills of all pupils.
- To improve behaviour outside of lessons to outstanding.
- To make explicit and embed the Christian values of the Alban Academy and to seek church school designation for Great Barford Primary Academy.
- To determine the future provision for primary education in Great Barford.

c. PUBLIC BENEFIT

The trustees confirm that they have complied with the duty to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the trust's aims and objectives and in planning its future activities.

Achievements and performance

a. ACTIVITIES FOR ACHIEVING OBJECTIVES

Great Barford Primary Academy joined the Multi Academy Trust on 1 June 2017, extending the trust's provision for education in Great Barford to nursery and lower school children. Alban Academy continued to provide education to children aged between 9 and 13. The trust is currently seeking to establish a strategy for the provision of primary education in the village for the future.

b. KEY PERFORMANCE INDICATORS

The following Key Performance Indicators were noted for achievement of pupils at Alban Academy:

Year 6 Pupils achieving 'At Expected' in the Key Stage 2 SATs were:

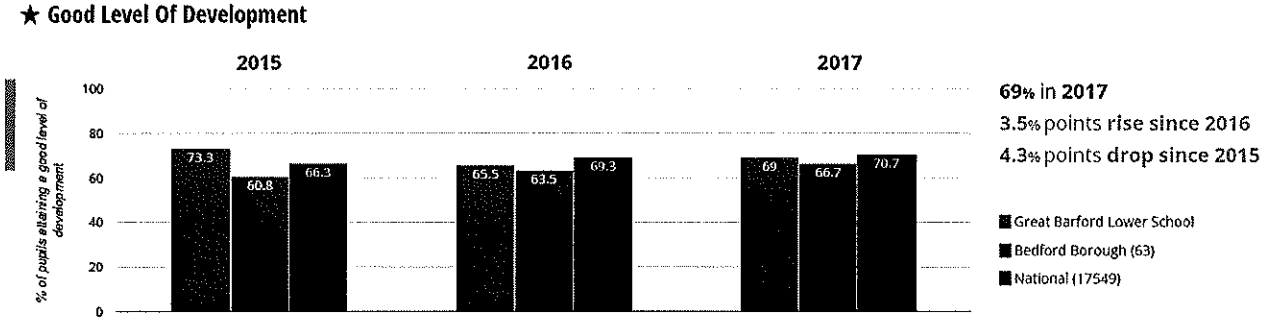
- English Reading 76%
- English SPAG 71%
- English Writing (TA) 78% (Teacher Assessed)
- Maths 71%

Year 8 Pupils Attainment on Exit for 2016/2017 – Level 5+ were:

- English – 89%
- Maths – 83%
- Science 81%

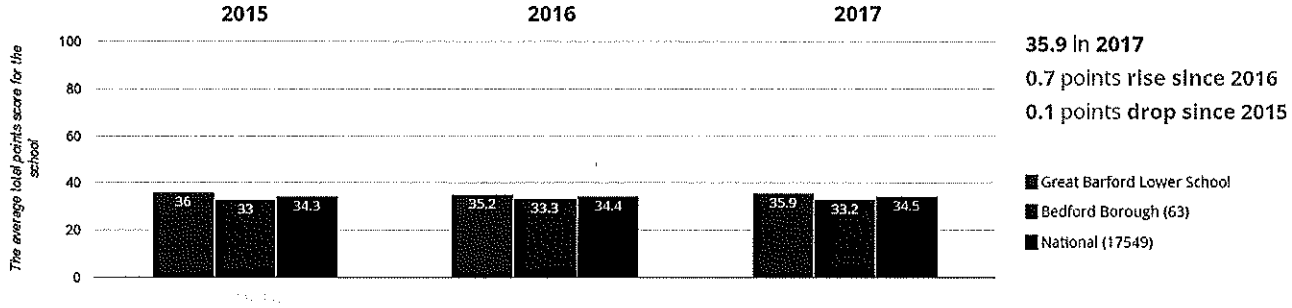
The following Key Performance Indicators were noted for achievement of pupils at Great Barford Primary Academy:

Early Years Foundation Stage



TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Average Total Points Score



nb. Very small groups occur in the following Pupil Characteristic tables. Extreme care should be taken when using this data

*Pupil Premium	Average PointScore		% achieving a GLD		% achieving all ELGs	
	Non-PP	PP	Non-PP	PP	Non-PP	PP
National*						
LA 2017	33.4	31.2	68.2	58.3	65.6	53.2
School	36.2	28.0	71.4	0.0	71.4	0.0

*Disadvantaged pupil data from DfE Pupil Premium file (July 2017) - excludes Service Children

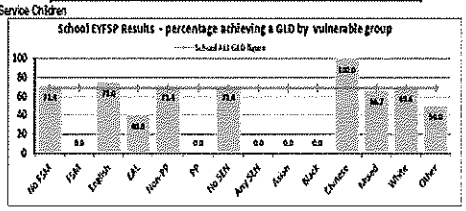
EAL Category	Average PointScore		% achieving a GLD		% achieving all ELGs	
	English	EAL	English	EAL	English	EAL
National*	35.0	32.8	71.0	63.0	70.0	61.0
LA 2017	34.4	30.1	72.1	54.4	70.2	49.9
School	37.0	31.0	75.0	40.0	75.0	40.0

Ethnic Group	Average Point Score			% achieving a GLD			% achieving all ELGs		
	National*	LA 2017	School	National*	LA 2017	School	National*	LA 2017	School
Asian	33.5	31.1	None	68	61.2	None	65	57.2	None
Black	33.6	31.9	None	68	63.9	None	68	62.9	None
Chinese	34.3	38.5	36.0	69	100.0	100.0	66	100.0	100.0
Mixed	34.8	33.3	35.0	71	67.3	66.7	69	64.2	66.7
White	34.8	33.7	36.1	70	69.6	69.6	69	66.0	69.6
Other	N/A	30.7	35.0	N/A	63.6	50.0	N/A	59.1	50.0

nb. Main Ethnic codes taken from January school census and excludes unknown.

FSM Category	Average PointScore		% achieving a GLD		% achieving all ELGs	
	No FSM	FSM	No FSM	FSM	No FSM	FSM
National*	34.9	31.5	72.0	64.0	70.0	62.0
LA 2017	33.5	30.8	68.8	53.1	66.1	50.2
School	36.2	28.0	71.4	0.0	71.4	0.0

nb. Numbers may not balance due to rounding



SEN Status	Average Point Score			% achieving a GLD			% achieving all ELGs		
	National*	LA 2017	School	National*	LA 2017	School	National*	LA 2017	School
No SEN	35.4	34.2	36.6	75.0	72.4	71.4	72.0	69.6	71.4
SEN Support	26.7	24.8	18.0	26.0	20.7	0.0	25.0	19.0	0.0
Statement	19.5	17.3	None	4.0	0.0	None	4.0	0.0	None
EHCP*		19.1	None		2.5	None		2.5	None
Any SEN	26.7	23.3	18.0	23.0	17.1	0.0	22.0	15.7	0.0

Key to Vulnerable Groups:
FSM - Free School Meals
EAL - English as an Additional Language
SEN - Special Education Needs
PP - Pupil Premium

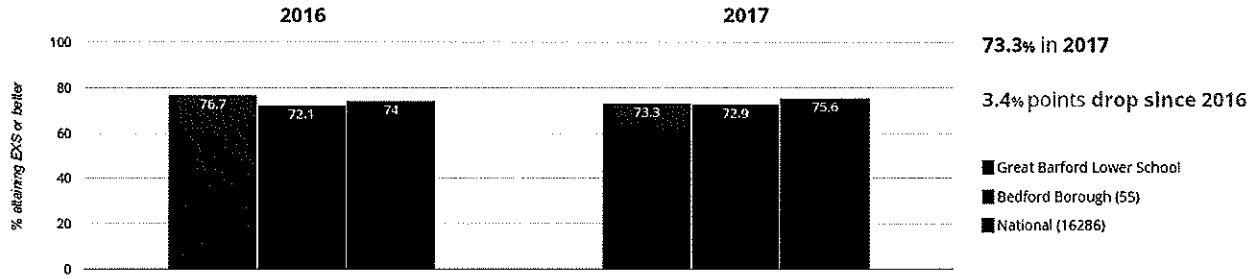
nb. Pupil Characteristics based on pupil match with Jan 2017 census return.

No National figures available for 2017. Figures quoted are for 2016 for comparison.
LA figures are provisional and for Maintained Schools & Academies only (excluding PVIs).

1 of 4

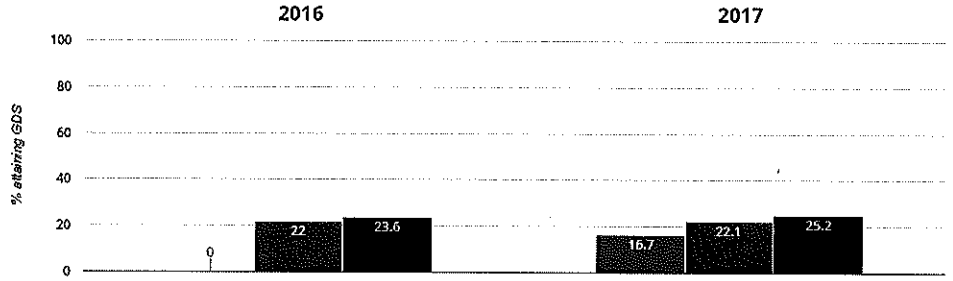
Key Stage 1 SATs

Reading - attaining EXS or better



TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Reading - attaining GDS

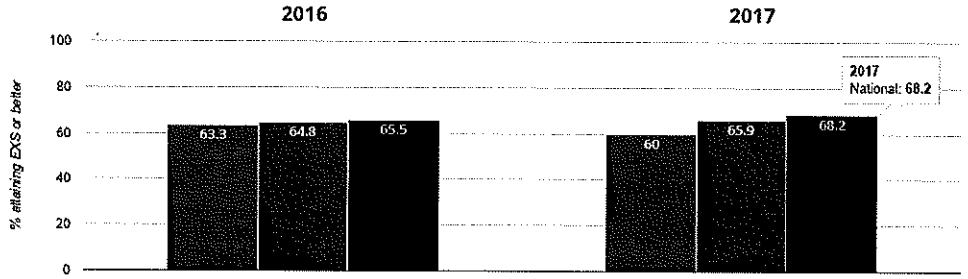


16.7% in 2017

16.7% points rise since 2016

Great Barford Lower School
Bedford Borough (55)
National (16286)

Writing - attaining EXS or better

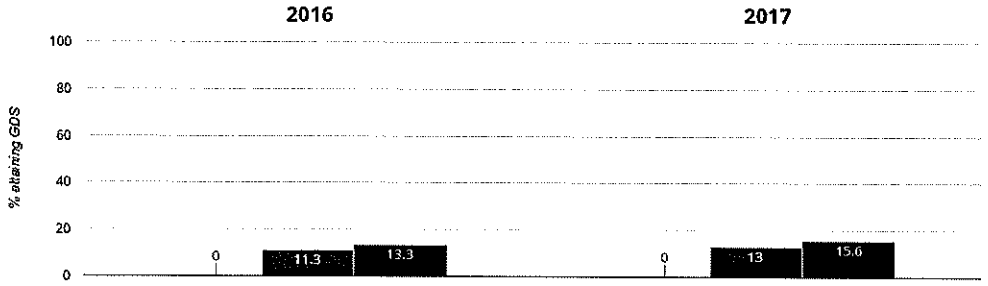


60% in 2017

3.3% points drop since 2016

Great Barford Lower School
Bedford Borough (55)
National (16286)

Writing - attaining GDS

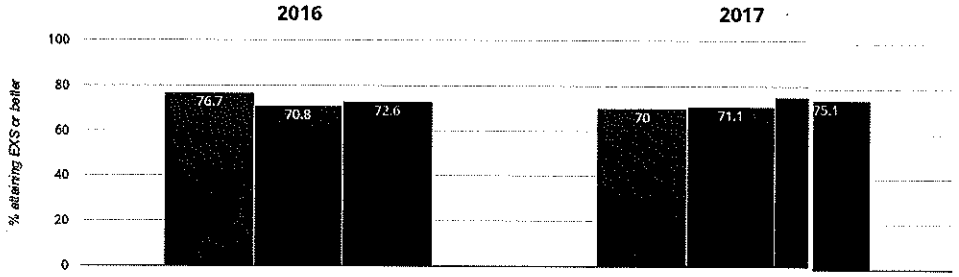


0% in 2017

0% change from 2016

Great Barford Lower School
Bedford Borough (55)
National (16286)

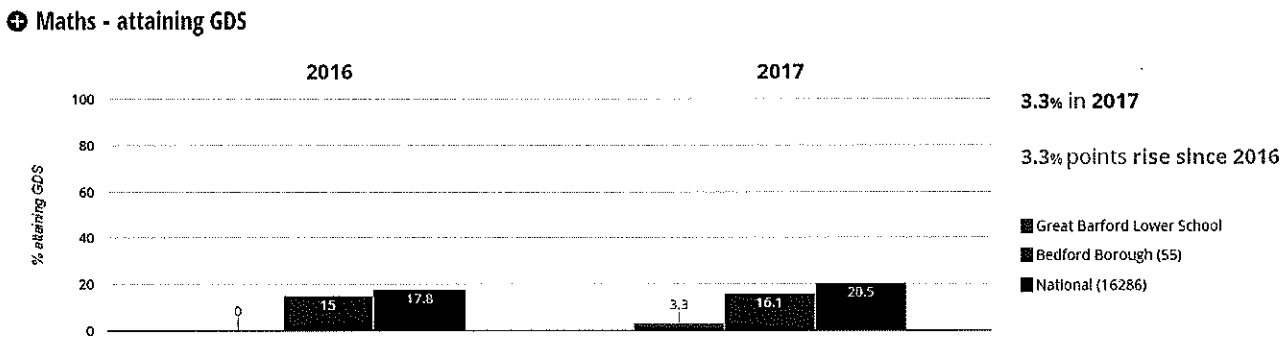
Maths - attaining EXS or better



70% in 2017

6.7% points drop since 2016

Great Barford Lower School
Bedford Borough (55)
National (16286)



c. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has confirmed that they expect the Multi Academy Trust to have adequate resources, to be able 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

a. RESERVES POLICY

The trustees have given careful consideration to the level of reserves held by the Multi Academy Trust. The trust seeks to maintain its commitment to delivering high quality education at the best value for money, within the funding available from the ESFA and other sources.

The 2016/17 budget for Alban Academy was discussed and approved by their local governing body in July 2016 and the budget for Great Barford Primary Academy was approved by their governors in advance of the school becoming an academy.

The trustees are aware that both schools forecast an in-year deficit for 2016/17, but there were sufficient revenue reserves to cover the excess costs expected. Budgets for 2017/18 take account of the closure of Alban Academy on 31 August 2018, with the associated redundancy provision, and the costs of providing primary education on the current site.

It is difficult to determine the level of reserves needed for the future provision of primary education in the village at the present time, and the trustees continue to monitor the situation closely.

b. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the schools are as follows:

Financial - the trust has considerable reliance on continued Government funding through the ESFA. The level of funding is dependent on pupil numbers and there is no assurance that Government policy or practice will remain the same, or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Safeguarding and child protection - the trustees continue to ensure that the highest standards are maintained in the areas of recruitment, selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the trust is reliant on the quality of its staff and so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The trust has appointed Strictly Education Limited as internal auditor, to carry out a programme of checks on the financial systems and records, as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register was introduced by Alban Academy which has now been adopted by Unity Multi Academy Trust and is reviewed and updated on a regular basis.

At the balance sheet date, the Trust has the use of the Diocesan Property occupied by Alban Academy under the terms of the supplemental agreement and a 125-year lease for premises occupied by Great Barford Primary Academy. The Trust is in discussion with the Diocese of St Albans and Bedford Borough Council over the future use of both sites following the decision to close Alban Academy on 31 August 2017.

Plans for future periods

a. FUTURE DEVELOPMENTS

In 2016/17 it was agreed that Alban Academy would close on 31 August 2018 and that Great Barford Primary Academy would continue to provide education for children across the primary age range for the foreseeable future.

The trust will continue to strive to provide outstanding education and improve the levels of performance of its pupils at its member schools, to ensure they achieve well and stay safe.

The trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives and develop its facilities to provide the best educational opportunities for the pupils in its care.

FUNDS HELD AS CUSTODIAN

The Academy and its Governors do not act as the Custodian Trustees of any other Charity.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the trustees are aware:

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

AUDITORS

The auditors, Streets Audit LLP, have indicated their willingness to continue in office. The trustees will propose a motion re-appointing the auditors at a meeting of the trustees.

The Trustees' Report was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its behalf by:

Mr N J R Papé
Chair of Trustees

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that Unity Church of England 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 Headteacher, 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 Unity Church of England 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 13 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr S P Andrews	10	12
Mrs G F Barrell	0	1
Mr C W Chipperton	7	7
Mrs S M Clements	9	11
Mrs M Dickerson	1	1
Mrs S Evans	6	6
Mrs L Fraser	11	13
Mrs E J Ferguson	3	4
Mr A K Haworth	6	7
Mrs M L Grice	0	1
Mrs S E Lourensz	1	1
Rev M E Marshall	0	1
Mrs J F Newbury	1	1
Mr N J R Papé	12	12
Mrs J E Ruff	4	4
Rev R S Stokes	13	13
Miss K Taylor, Staff Trustee	1	1
Mrs J C Warriner	1	1
Mr C Watson	4	6
Mr A R Wood, Staff Trustee	1	1

A number of members of the board of trustees changed on 1 November 2016 when Alban Church of England Academy Trust became Unity Multi Academy Church of England Academy Trust. The MAT board have sought to co-opt individuals with the relevant skills and expertise to assist with the restructuring from 3-tier to 2-tier primary education within the village.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher has responsibility for ensuring that the Multi Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Multi Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Multi Academy Trust has delivered improved value for money during the year by:

- Examining the costs of purchases, particularly large orders, for competitive pricing and sharing costs between member schools where appropriate
- Reviewing all contracts for value for money
- Reviewing all salary expenditure and keeping costs to a minimum whilst retaining good teachers and ensuring that the standard of education is maintained

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Multi Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Unity Church of England Multi Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Multi Academy Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- 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 local governing bodies 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 to appoint Strictly Education Ltd as internal auditor.

GOVERNANCE STATEMENT (continued)

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

- Autumn term - review of Payroll, Purchasing, Income, Fixed assets, Pupil Premium grants and Ledger control accounts
- Spring term - review of Payroll and personnel, Budget setting and monitoring, Annual accounts and audit review, Fixed assets, Cash collection and Data security
- Summer term - review of Purchases, Payments, Governance and finance policies, Risk management and insurance, Income and banking controls, Taxation and investments.

On a termly basis, the internal auditor reports to the board of trustees through a written report on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees 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 12 December 2017 and signed on their behalf, by:

Mr N J R Papé
Chair of Trustees

Mrs S H Evans
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Unity Church of England Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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.

Mrs S H Evans
Accounting Officer

Date: 12 December 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who act as governors of Unity Church of England 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 12 December 2017 and signed on its behalf by:

Mr N J R Papé
Chair of Trustees

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST

OPINION

We have audited the financial statements of Unity Church of England Multi Academy Trust for the year ended 31 August 2017 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Multi Academy Trust's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST

EMPHASIS OF MATTER

We draw attention to Note 1.2 and Note 23 of the financial statements which include statements on the governors' assessment of the Going Concern basis and a contingent liability in respect of potential redundancy payments. Our opinion is not qualified in respect of this matter.

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 Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' 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
- we have not received all the information and explanations we require for our audit.

However, only partial disclosure has been made in respect of Trustees' remuneration (note 12).

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST

RESPONSIBILITIES OF TRUSTEES

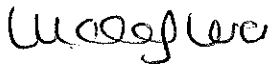
As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the Multi Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Linda J Lord (Senior Statutory Auditor)
for and on behalf of
Streets Audit LLP
Chartered Accountants
Statutory Auditors
Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ
12 December 2017

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Unity Church of England Multi Academy Trust during the year 1 September 2016 to 31 August 2017 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 Unity Church of England 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 Unity Church of England 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 Unity Church of England Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Unity Church of England Multi Academy Trust's funding agreement with the Secretary of State for Education dated 14 March 2011, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO UNITY CHURCH OF ENGLAND MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

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

- Review of the Academy's systems and controls to ensure effective design;
- Confirmation of satisfactory operation of controls during the year, including authorisation of invoices, payments and salary adjustments;
- Review of a sample of expenses focussing on those nominal codes considered to include transactions of a greater risk;
- Review of the reports from internal scrutiny work undertaken during the year;
- Discussions with the finance team

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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Linda J Lord

Streets Audit LLP

Chartered Accountants
Statutory Auditors

Potton House
Wyboston Lakes
Great North Road
Wyboston
Bedfordshire
MK44 3BZ

12 December 2017

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Income from:						
Donations & capital grants:						
Net assets on conversion of GBPA	3	9,792	(525,814)	2,183,235	1,667,213	-
Other donations and capital grants	3	174,369	35,916	26,778	237,063	*140,821*
Charitable activities	4	1,373	2,431,360	-	2,432,733	*2,105,728*
Other trading activities	5	15,546	-	-	15,546	*6,681*
Investments	6	-	-	-	-	*103*
Total income		201,080	1,941,462	2,210,013	4,352,555	*2,253,333*
Expenditure on:						
Raising funds		166,771	-	-	166,771	*122,102*
Charitable activities		-	2,485,721	35,536	2,521,257	*2,208,491*
Total expenditure	7, 8	166,771	2,485,721	35,536	2,688,028	*2,330,593*
Net income / (expenditure) before transfers		34,309	(544,259)	2,174,477	1,664,527	*(77,260)*
Transfers between Funds	18	(4,427)	(18,173)	22,600	-	-
Net income / (expenditure) before other recognised gains and losses		29,882	(562,432)	2,197,077	1,664,527	*(77,260)*
Actuarial gains/(losses) on defined benefit pension schemes	24	-	274,000	-	274,000	*(289,000)*
Net movement in funds		29,882	(288,432)	2,197,077	1,938,527	*(366,260)*
Reconciliation of funds:						
Total funds brought forward		73,859	(678,289)	28,715	(575,715)	*(209,455)*
Total funds carried forward		103,741	(966,721)	2,225,792	1,362,812	*(575,715)*

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		**2,185,140**		*12,098*
Current assets					
Stocks	15	**3,860**		*3,245*	
Debtors	16	**110,732**		*81,929*	
Cash at bank and in hand		**274,649**		*146,672*	
		389,241		*231,846*	
Creditors: amounts falling due within one year	17	**(139,569)**		*(97,659)*	
Net current assets			**249,672**		*134,187*
Total assets less current liabilities			**2,434,812**		*146,285*
Defined benefit pension scheme liability	24		**(1,072,000)**		*(722,000)*
Net assets/(liabilities) including pension scheme liabilities			**1,362,812**		*(575,715)*
Funds of the academy					
Restricted income funds:					
Restricted income funds	18	**105,279**		*43,711*	
Restricted fixed asset funds	18	**2,225,792**		*28,715*	
Restricted income funds excluding pension liability		**2,331,071**		*72,426*	
Pension reserve		**(1,072,000)**		*(722,000)*	
Total restricted income funds			**1,259,071**		*(649,574)*
Unrestricted income funds	18		**103,741**		*73,859*
Total funds/(deficit)			**1,362,812**		*(575,715)*

The financial statements on pages 22 to 50 were approved by the trustees, and authorised for issue, on 12 December 2017 and are signed on their behalf, by:

Mr N J R Papé
Chair of Trustees

Mrs S H Evans
Accounting Officer

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	*2016 £*
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	**152,239**	*(24,686)*
Cash flows from investing activities:			
Dividends, interest and rents from investments		**1,535**	*1,708*
Proceeds from the sale of tangible fixed assets		**3,750**	*-*
Purchase of tangible fixed assets		**(29,547)**	*(6,312)*
Net cash used in investing activities		**(24,262)**	*(4,604)*
Change in cash and cash equivalents in the year		**127,977**	*(29,290)*
Cash and cash equivalents brought forward		**146,672**	*175,962*
Cash and cash equivalents carried forward		**274,649**	*146,672*

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Unity Church of England Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Multi Academy Trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements on 12 December 2017 and have concluded that the Multi Academy Trust has adequate resources to continue in operational existence for the foreseeable future. With the exception of closure costs as detailed below, there are no other material uncertainties about the Multi 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.

At 31 August 2017, Alban Academy had GAG and unrestricted reserves totalling £183,578. However, following the decision to close Alban Academy at 31 August 2018, the academy has submitted a budget forecast return to the ESFA for 2017/18 showing an in-year deficit of £315,521. The budget forecast showed a potential funding shortfall of £190,521 at 31 August 2018, based on reserves at 31 August 2017 totalling £125,000 so, with the actual outturn being better than expected, the potential shortfall at 31 August 2018 has now reduced to £131,943. There are only a very small amount of other reserves in the Multi Academy Trust.

Bedford Borough Council have indicated that they will apply for redundancy funding from the Department for Education (DfE) in January 2018, to assist the Trust with the redundancy costs. The decision to close Alban Academy has only arisen because of the change from 3-tier to 2-tier education structure throughout Bedford Borough and the exact amount of redundancy costs will not be known until later in 2017/18.

If the grant is provided by Bedford Borough Council as hoped for, Alban Academy trust is expected to have sufficient reserves to cover the costs for the forthcoming year and to enable the Multi Academy Trust to continue beyond 2017/18.

Further details of the Trust's contingent liabilities are included in note 23.

1. ACCOUNTING POLICIES (continued)

1.3 Conversion to an academy trust

The conversion from a state maintained school to an 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 Great Barford Lower 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 local authority 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 2.

1.4 Income

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

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

1. ACCOUNTING POLICIES (continued)

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, 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:

Long-term Leasehold Property	-	Over the term of 125 year lease
Motor vehicles	-	20% per annum straight line
Furniture and equipment	-	20% per annum straight line
Computer equipment	-	33% per annum 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. ACCOUNTING POLICIES (continued)

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 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

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

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1. ACCOUNTING POLICIES (continued)

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Multi Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. ACCOUNTING POLICIES (continued)

1.15 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Education and Skills Funding Agency.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. CONVERSION TO AN ACADEMY TRUST

On 1 June 2017 Great Barford Lower School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Unity Church of England Multi Academy Trust from Bedford Borough Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold buildings	-	-	2,160,000	2,160,000
Budget surplus/(deficit) on LA funds	9,792	6,186	23,235	39,213
LGPS pension surplus/(deficit)	-	(532,000)	-	(532,000)
Net assets/(liabilities)	9,792	(525,814)	2,183,235	1,667,213

The deficit on conversion comprised cash balances of £30,373 and net current assets totalling £8,840.

The land and buildings are owned by the Local Authority and leased to the academy under a 125-year lease. The terms of the agreement transfer the risks and rewards of ownership to the Multi Academy Trust and, consequently, the value of these assets has been recognised in these financial statements.

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Net assets on conversion of Great Barford Primary Academy	9,792	(525,814)	2,183,235	1,667,213	-
Donations	6,397	35,916	3,000	45,313	*1,582*
Government capital grants	-	-	23,778	23,778	*10,703*
School Fund income	167,972	-	-	167,972	*128,536*
Subtotal	174,369	35,916	26,778	237,063	*140,821*
	184,161	(489,898)	2,210,013	1,904,276	*140,821*
Total 2016	*130,118*	-	*10,703*	*140,821*	

4. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Alban Academy	1,373	2,202,978	2,204,351	*2,105,728*
Great Barford Academy	-	228,382	228,382	-
	1,373	2,431,360	2,432,733	*2,105,728*
Total 2016	*715*	*2,105,013*	*2,105,728*	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,007,221	2,007,221	*1,916,837*
Other DfE/ESFA Grants	-	119,481	119,481	*152,088*
Local Authority Grants	-	76,276	76,276	*36,088*
Consultancy income - educational staff support	1,373	-	1,373	*715*
	1,373	2,202,978	2,204,351	*2,105,728*
Total 2016	*715*	*2,105,013*	*2,105,728*	

5. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Hire of Facilities	1,535	-	1,535	*1,605*
Sundry income	14,011	-	14,011	*5,076*
	15,546	-	15,546	*6,681*
Total 2016	*6,681*	-	*6,681*	

6. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	*Total funds 2016 £*
Interest received	-	-	-	*103*
Total 2016	*103*	-	*103*	

7. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	*Total 2016 £*
Expenditure on raising voluntary income	-	-	166,771	166,771	*122,102*
Alban Academy:					
Direct costs	1,626,854	-	44,500	1,671,354	*1,642,249*
Support costs	341,347	97,816	138,765	577,928	*566,242*
Great Barford Academy:					
Direct costs	163,656	-	1,964	165,620	-
Support costs	28,492	9,990	39,213	77,695	-
	2,160,349	107,806	391,213	2,659,368	*2,330,593*
Total 2016	*1,872,876*	*77,590*	*380,127*	*2,330,593*	

All expenditure relates to the one charitable activity of the academy's educational operations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. CHARITABLE ACTIVITIES

	2017 £	2016 £
DIRECT COSTS		
Wages and salaries	**1,376,881**	*1,266,679*
National insurance	**127,736**	*104,176*
Pension cost	**223,375**	*202,371*
Educational supplies	**40,724**	*51,880*
Agency supply costs	**37,211**	*7,186*
Staff development	**12,047**	*9,957*
	1,817,974	*1,642,249*
SUPPORT COSTS		
Wages and salaries	**247,975**	*218,865*
National insurance	**13,812**	*11,008*
Pension costs	**108,052**	*62,591*
Depreciation	**16,505**	*16,267*
Net interest cost on pension scheme	**19,000**	*15,000*
Technology	**28,501**	*32,051*
Recruitment and support	**10,081**	*16,062*
Maintenance of premises and equipment	**45,031**	*30,240*
Rent and rates	**18,143**	*17,506*
Energy costs	**34,631**	*29,844*
Insurance	**24,027**	*30,973*
Security and transport	**7,523**	*7,837*
Catering	**19,227**	*16,934*
Bank interest and charges	**649**	*374*
Other costs	**80,356**	*50,910*
Governance - Auditors' remunerations	**13,615**	*9,405*
Governance - Auditors' non audit costs	**950**	*400*
	688,078	*566,267*
TOTAL DIRECT AND SUPPORT COSTS	**2,506,052**	*2,208,516*

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	*2016* *£*
Depreciation of tangible fixed assets:		
- owned by the charity	**16,505**	*16,267*
Fees payable to auditor for audit services	**13,615**	*9,380*
Fees payable to auditor for non-audit services	**950**	*400*

10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,624,856	1,485,544
Social security costs	141,548	115,184
Operating costs of defined benefit pension schemes	331,427	264,962
	2,097,831	1,865,690
Supply teacher costs	35,735	7,186
Staff restructuring costs	26,783	-
	2,160,349	1,872,876

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	6,783	-
Severance payments	20,000	-
	26,783	

Severance payments include non-statutory/non-contractual severance payments totalling £20,000 (2016 £nil) paid to one employee.

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

	2017 No.	2016 No.
Teachers	38	42
Administrative and support	74	25
Management	7	4
	119	71

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	32	24
Support staff	41	20
Management	7	4
	80	48

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

10. STAFF COSTS (continued)

	2017 No.	*2016 No.*
In the band £60,001 - £70,000	1	*1*
In the band £80,001 - £90,000	1	*1*

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on Page 1. The total amount of employee benefits (including employer pensions contributions) received by key management personnel for their services to the Academy Trust was £328,987 (2016 - £280,488).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

12. TRUSTEES' REMUNERATION AND EXPENSES

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

Remuneration paid in 2016/17, for the period in which staff members were also trustees, was as follows:

Mrs S E Lourensz (principal and trustee)
Remuneration: £15,000-£20,000 (2016 £80,000-£85,000)
Employer pension contributions £0-£5,000 (2016 £10,000-£15,000)

Other staff trustees
4 other trustees who are also staff members received remuneration totalling £79,696 (in 2016, 4 other staff received £129,237) and employer pension contributions totalled £13,329 (2016 £22,012).

During the year, no trustees received any benefits in kind or reimbursement of expenses (2016 - £NIL).

13. OTHER FINANCE INCOME

	2017 £	*2016* *£*
Interest income on pension scheme assets	16,000	*23,000*
Interest on pension scheme liabilities	(35,000)	*(38,000)*
	(19,000)	*(15,000)*

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	-	12,000	15,552	59,591	87,143
Additions	2,160,000	26,350	3,197	-	2,189,547
Disposals	-	(12,000)	-	-	(12,000)
At 31 August 2017	2,160,000	26,350	18,749	59,591	2,264,690
Depreciation					
At 1 September 2016	-	12,000	11,226	51,819	75,045
Charge for the year	4,320	4,831	3,297	4,057	16,505
On disposals	-	(12,000)	-	-	(12,000)
At 31 August 2017	4,320	4,831	14,523	55,876	79,550
Net book value					
At 31 August 2017	2,155,680	21,519	4,226	3,715	2,185,140
At 31 August 2016	-	-	*4,326*	*7,772*	*12,098*

As noted in the accounting policies, Great Barford Primary Academy leases its land and buildings from the Local Authority on a 125 year lease. Similarly, the school playing fields at Alban Academy are owned by the Local Authority and leased to the Multi Academy Trust. All other land and buildings are owned by the St Albans Diocese of the Church of England and used under the terms of a supplemental agreement. In the opinion of the trustees, the terms of the supplemental agreement do not transfer the benefits of ownership to the Multi Academy Trust and, consequently, the value of these assets has not been recognised in the financial statements.

15. STOCKS

	2017 £	*2016* *£*
Heating oil	3,860	*3,245*

16. DEBTORS

	2017 £	2016 £
Trade debtors	10,413	25
VAT recoverable	22,679	4,670
Prepayments and accrued income	77,640	77,234
	110,732	81,929

17. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	68,253	48,872
Other creditors	4,960	-
Accruals and deferred income	66,356	48,787
	139,569	97,659

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	33,964	20,196
Resources deferred during the year	60,339	33,964
Amounts released from previous years	(33,964)	(20,196)
Deferred income at 31 August 2017	60,339	33,964

Deferred income comprises rates income of £6,315 and Universal Infant Free Schools Meals of £15,423, received in advance for the period ended 31 March 2018, along with receipts in advance of school trips totalling £21,421 and £17,180 for GAG funding for year 5 pupils which was paid in error to Great Barford Primary Academy.

18. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Alban Academy School Fund	7,390	167,324	(166,771)	-	-	7,943
General funds						
General Fund - Alban Academy	66,469	16,516	-	-	-	82,985
General Fund - Great Barford Primary Academy	-	17,240	-	(4,427)	-	12,813
	66,469	33,756	-	(4,427)	-	95,798
Total Unrestricted funds	73,859	201,080	(166,771)	(4,427)	-	103,741
Restricted funds						
General Annual Grant (GAG)	43,711	2,154,225	(2,101,770)	4,427	-	100,593
Other DfE/ESFA Grants	-	145,123	(145,123)	-	-	-
Local Authority funding	-	116,473	(111,787)	-	-	4,686
Restricted donations	-	57,641	(35,041)	(22,600)	-	-
LGPS Pension reserve	(722,000)	(532,000)	(92,000)	-	274,000	(1,072,000)
	(678,289)	1,941,462	(2,485,721)	(18,173)	274,000	(966,721)

18. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Tangible Fixed Assets	12,098	2,160,000	(16,505)	29,547	-	2,185,140
DfE/ESFA Capital Grants	16,617	23,778	(16,031)	(12,932)	-	11,432
Other donations	-	3,000	(3,000)	-	-	-
Capital development fund	-	23,235	-	5,985	-	29,220
	28,715	2,210,013	(35,536)	22,600	-	2,225,792
Total restricted funds	(649,574)	4,151,475	(2,521,257)	4,427	274,000	1,259,071
Total of funds	(575,715)	4,352,555	(2,688,028)	-	274,000	1,362,812

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2016 £*
Designated funds						
Alban Academy School Fund	*5,813*	*128,536*	*(122,102)*	*(4,857)*	-	*7,390*
	5,813	*128,536*	*(122,102)*	*(4,857)*	-	*7,390*
General funds						
General Fund - Alban Academy	*58,970*	*7,499*	-	-	-	*66,469*
	58,970	*7,499*	-	-	-	*66,469*
Total Unrestricted funds	*64,783*	*136,035*	*(122,102)*	*(4,857)*	-	*73,859*

18. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	*90,709*	*1,916,837*	*(1,952,290)*	*(11,545)*	-	*43,711*
Other DfE/ESFA Grants	-	*152,088*	*(148,495)*	*(3,593)*	-	-
Local Authority funding	-	*36,088*	*(36,088)*	-	-	-
Restricted donations	-	*1,582*	*(1,582)*	-	-	-
LGPS Pension reserve	*(387,000)*	-	*(46,000)*	-	*(289,000)*	*(722,000)*
	(296,291)	*2,106,595*	*(2,184,455)*	*(15,138)*	*(289,000)*	*(678,289)*

Restricted fixed asset funds

	Balance at 1 September 2015 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2016* £
Tangible Fixed Assets	*22,053*	-	*(16,267)*	*6,312*	-	*12,098*
DfE/ESFA Capital Grants	-	*10,703*	*(7,769)*	*13,683*	-	*16,617*
	22,053	*10,703*	*(24,036)*	*19,995*	-	*28,715*
Total restricted funds	*(274,238)*	*2,117,298*	*(2,208,491)*	*4,857*	*(289,000)*	*(649,574)*
Total of funds	*(209,455)*	*2,253,333*	*(2,330,593)*	-	*(289,000)*	*(575,715)*

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

Designated Funds:

Alban Academy maintains a separate school fund which includes income and expenditure relating to school trips and other fundraising activities. The school fund is under the control of the Multi Academy Trust.

General Funds:

The Academy's general funds represent income and expenditure relating to activities undertaken by the schools as part of their charitable activities. The trust can use these funds for any purpose.

Restricted Funds:

The trust received a number of grants during the year for the purpose of providing educational services to its pupils. These grants have been used for staff costs, educational resources and general costs incurred in the running of the Academy.

The transfer of £4,427 into GAG funds represents costs for Great Barford Academy in excess of the GAG funding received. The unused GAG reserve relates to Alban Academy and has been carried forward to be used in the forthcoming accounting period.

18. STATEMENT OF FUNDS (continued)

Restricted donations included £22,600 received from the Friends of Alban Academy for the purchase of a new minibus. The asset was purchased and added to the value of fixed assets, hence the transfer out to the restricted fixed asset fund. Other donations for specific projects have been used in accordance with wishes of the donors.

Restricted Fixed Asset Funds:

The Academy received Devolved Formula Capital income to be spent on capital repairs and the purchase of new equipment. Assets which are capitalised in the accounts are represented by a separate fund within the Restricted Fixed Asset reserve.

Great Barford Primary Academy has set aside capital funds on conversion, and the Devolved Formula Capital funding transferred on conversion to a Capital Development fund to be used for the refurbishment of the trust's facilities on transition to a primary school.

Under the funding agreement with the Secretary of State, the Multi Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	*Total 2016 £*
Alban Academy	**191,521**	*117,570*
Great Barford Academy	**17,499**	-
Total before fixed asset fund and pension reserve	**209,020**	*117,570*
Restricted fixed asset fund	**2,225,792**	*28,715*
Pension reserve	**(1,072,000)**	*(722,000)*
Total	**1,362,812**	*(575,715)*

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 depreciat-ion £**	**Total 2017 £**	*Total 2016 £*
Alban Academy	**1,601,181**	**357,347**	**39,874**	**422,126**	**2,420,528**	*2,314,326*
Great Barford Primary Academy	**164,022**	**67,492**	**850**	**18,631**	**250,995**	-
	1,765,203	**424,839**	**40,724**	**440,757**	**2,671,523**	*2,314,326*

19. CENTRAL SERVICES

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

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	2,185,140	2,185,140
Current assets	103,741	244,848	40,652	389,241
Creditors due within one year	-	(139,569)	-	(139,569)
Provisions for liabilities and charges	-	(1,072,000)	-	(1,072,000)
	103,741	(966,721)	2,225,792	1,362,812

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	*Restricted funds 2016 £*	*Restricted fixed asset funds 2016 £*	*Total funds 2016 £*
Tangible fixed assets	-	-	*12,098*	*12,098*
Current assets	*73,859*	*141,370*	*16,617*	*231,846*
Creditors due within one year	-	*(97,659)*	-	*(97,659)*
Provisions for liabilities and charges	-	*(722,000)*	-	*(722,000)*
	73,859	*(678,289)*	*28,715*	*(575,715)*

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

	2017 £	*2016* *£*
Net income/(expenditure) for the year (as per Statement of Financial Activities)	**1,664,527**	*(77,260)*
Adjustment for:		
Depreciation charges	**16,505**	*16,267*
Dividends, interest and rents from investments	**(1,535)**	*(1,708)*
Profit on the sale of fixed assets	**(3,750)**	-
(Increase)/decrease in stocks	**(615)**	*2,859*
(Increase)/decrease in debtors	**(28,803)**	*3,675*
Increase/(decrease) in creditors	**41,910**	*(14,519)*
Defined benefit pension scheme obligation inherited	**532,000**	-
Defined benefit pension scheme finance cost	**92,000**	*46,000*
Assets transferred from local authority on conversion	**(2,160,000)**	-
Net cash provided by/(used in) operating activities	**152,239**	*(24,686)*

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	*2016* *£*
Cash in hand	**274,649**	*146,672*
Total	**274,649**	*146,672*

23. CONTINGENT LIABILITIES

At 31 August 2017, it had been agreed that Alban Academy would close on 31 August 2018 and that Great Barford Primary Academy would become the sole provider of education to children aged from nursery to 11 years. The closure has arisen due to a change of policy within Bedford Borough Council, to move from a 3-tier to 2-tier education structure. From 1 September 2018, children aged 12 and 13 will be educated in other local secondary schools.

As a result of this decision, it is acknowledged that the Trust will have a liability for redundancy costs for those staff leaving the Trust's employment and actuarial strain costs for those choosing to retire early. In addition, retention payments will be paid to long-standing employees who remain in employment to 31 August 2018, to see students through this final period. The exact numbers of employees who will receive termination payments will not be known until later in 2017/18 and, therefore, the total cost of the Trust's liabilities cannot be determined with reasonable certainty and represent a contingent liability at the balance sheet date. There are also ongoing discussions with regards to potential additional funding being available to offset the liabilities the trust may incur. Again, no contingent asset has been recognised in the accounts.

The Trust is also negotiating with the Diocese of St Albans and Bedford Borough Council over the future use of the two school sites. No agreement over the use of the premises had been made at the time the accounts were approved and, as a consequence, the accounts do not reflect any adjustments that may be required when a decision is made in the future.

24. PENSION COMMITMENTS

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

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

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 (currently 14.1%)
- 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%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, 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 £172,632 *(2016 - £167,828)*.

24. PENSION COMMITMENTS (continued)

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

Under the definitions set out in FRS 102, the TPS is a 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 2017 was £113,000 *(2016 - £85,000)*, of which employer's contributions totalled £88,000 *(2016 - £86,000)* and employees' contributions totalled £25,000 *(2016 - £20,000)*. The agreed contribution rates for future years are 21.5% or 25.6% for employers and a variable rate 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:

	2017	*2016*
Discount rate for scheme liabilities	**2.50 %**	*2.00 %*
Rate of increase in salaries	**2.70 %**	*3.10 %*
Rate of increase for pensions	**2.40 %**	*2.10 %*

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

	2017	*2016*
Retiring today		
Males	**22.4**	*22.4*
Females	**24.5**	*24.3*
Retiring in 20 years		
Males	**24.0**	*24.0*
Females	**26.2**	*26.8*

Sensitivity analysis	**At 31 August 2017 £**	*At 31 August 2016 £*
Discount rate -0.1%	**51,000**	*37,000*
Salary rate +.1%	**7,000**	*13,000*
Pension rate +0.1%	**44,000**	*22,000*

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	*Fair value at 31 August 2016 £*
Equities	**532,000**	*599,000*
Bonds	**140,000**	*78,000*
Property	**84,000**	*78,000*
Cash	**177,000**	*23,000*
Total market value of assets	**933,000**	*778,000*

The actual return on scheme assets was £16,000 *(2016 - £23,000)*.

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	*2016 £*
Current service cost	**(161,000)**	*(97,000)*
Interest income	**16,000**	*23,000*
Interest cost	**(35,000)**	*(38,000)*
Total	**(180,000)**	*(112,000)*

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

	2017 £	*2016 £*
Opening defined benefit obligation	**1,500,000**	*983,000*
Transferred in on existing academies joining the trust	**532,000**	*-*
Current service cost	**161,000**	*97,000*
Interest cost	**35,000**	*38,000*
Employee contributions	**25,000**	*20,000*
Actuarial (gains)/losses	**(238,000)**	*374,000*
Benefits paid	**(10,000)**	*(12,000)*
Closing defined benefit obligation	**2,005,000**	*1,500,000*

24. PENSION COMMITMENTS (continued)

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

	2017 £	*2016* *£*
Opening fair value of scheme assets	**778,000**	*596,000*
Interest income	**16,000**	*23,000*
Actuarial losses	**36,000**	*85,000*
Employer contributions	**88,000**	*66,000*
Employee contributions	**25,000**	*20,000*
Benefits paid	**(10,000)**	*(12,000)*
Closing fair value of scheme assets	**933,000**	*778,000*

25. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	*2016* *£*
Amounts payable:		
Within 1 year	**4,375**	*4,375*
Between 1 and 5 years	**4,375**	*8,751*
Total	**8,750**	*13,126*

26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Multi Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Multi Academy Trust's financial regulations and normal procurement procedures.

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

27. MEMBERS' LIABILITY

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