

Company Registration Number: 09613632 (England & Wales)

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS**

**Members**

J Bowman (resigned 3 October 2018)  
Reverend S Davies  
D Grewer  
C Shaw (appointed 28 September 2018)  
C R Hopkins (appointed 19 September 2018)

**Trustees**

H L Bowman, Chair  
P R Halifax, Vice Chair  
S B Cockayne  
M Havelock-Crozier  
C R Hopkins (appointed 28 September 2018)  
C Humphries  
J Smith  
G J Wood (resigned 31 July 2019)  
P J Lovern, Accounting Officer  
C Bradshaw-Smith (appointed 5 July 2019)

**Company registered number**

09613632

**Company name**

The Small Schools Multi Academy Trust

**Principal and registered office**

Richard Crosse C.E. Primary School  
Crawley Lane  
Kings Bromley  
Burton On Trent  
Staffordshire  
DE13 7JE

**Company secretary**

A Hodgson

**Chief executive officer**

P J Lovern

**Senior management team**

P J Lovern, CEO  
A Hodgson, Business Operations Director  
E Howard, Headteacher  
R Mills, Headteacher  
N Jarrett, Headteacher  
J Wynn, Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Independent auditor**

Cooper Parry Group Limited  
Chartered Accountants  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

**Bankers**

Lloyds Bank plc  
PO Box 1000  
BX1 1LT

**Education Finance Support Services**

Academy Advisory  
Watling Court  
Watling Street  
Cannock  
WS11 0EL



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a Directors' report, including a strategic report, under company law.

The Trust operates four rural schools in Staffordshire. The three founding schools are The Richard Crosse Church of England Primary School; The St. Mary's Church of England Primary School; and The Howard Primary School in Staffordshire. The Trust entered into a funding agreement with the Secretary of State for Education on 29 July 2015 for these schools.

Anson Church of England Primary School joined the Trust on 1 April 2019 and entered into a funding agreement with the Secretary of State for Education.

The Academy Trust have a combined pupil capacity of 294 and had a roll of 260 pupils in the October 2018 Census returns.

**Structure, governance and management**

**a. Constitution**

The 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 Trust. The trustees of The Small Schools Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

The Trust purchases indemnity insurance to cover the liability of Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of Trust, or breach of duty, of which they may be guilty in relation to the Trust; provided that any insurance shall not extend to any claim arising from any act or omission which the Directors knew to be a breach of Trust or breach of duty, or which was committed by the Directors in reckless disregard to whether it was a breach of Trust or breach of duty or not, and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Directors in their capacity as Directors of the Trust.

As part of the overall insurance cover taken out with Zurich, the Trust has taken out insurance relating to Directors' Indemnity. The limit of Indemnity cover is £5,000,000 in this respect.

The Academy Trust has opted into the Department of Education's Risk Protection Arrangement ('RPA') for Anson Church of England Primary School from 1st April 2019, an alternative to insurance where UK government funds cover losses that arise. The scheme protects Members, Trustees [and the Local Governing Body Committee] from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The scheme provides cover up to £10,000,000.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**d. Method of recruitment and appointment or election of trustees**

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

The board should have the appropriate balance of skills, and knowledge of The Small Schools Multi Academy Trust, to enable them to discharge their respective duties and responsibilities effectively. The search for Board candidates will always be conducted, and appointments made, on merit against objective criteria, and with due regard for the benefits of diversity on the Board, including gender, race, age, sexual orientation and religion.

Directors are recruited by invitation from the Chair of the Board of Members, the Chair of the Board of Directors or the Chief Executive Officer, of persons known to the Academy Trust; who are able to benefit the Academy Trust by their knowledge and expertise. The Board of Members make the formal appointment for an individual to become a member of the Board of Directors having given due consideration to their ability to be able to fulfil at least two of the following criteria:

- Are sympathetic to the aims and objectives of a Christian foundation for the education of children;
- Have demonstrable links to a Christian denomination that is recognised by the UK Churches Together organisation;
- Have direct links with at least one of the communities served by the schools in the Trust.

And also one of the following criteria:

- Can demonstrate substantial experience that prepares them for the proposed role;
- Have never been disqualified from holding the role of company director;
- Are willing to be examined in these matters prior to appointment by at least providing a CV and, if required references.

Trustees are appointed for a 4 year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure the Board of Trustees has the necessary skills to contribute fully to the Academy Trust's ongoing development.

**e. Policies adopted for the induction and training of trustees**

The training and induction provided for new Trustees will depend upon their existing experience but will always include a tour of the 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 they will need to undertake their role as Trustees. All new Trustees also have the opportunity to undertake National Governor Association training and all Trustees receive regular National Governor Association updates. As there are normally only a very few new Trustee appointments each year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by various external organisations as appropriate.

A bespoke governance development program is operated throughout the year which allows Trustees to meet informally as a team for training, so as to keep the Trustees updated on relevant developments impacting on their roles and responsibilities, and to contribute to the strategic leadership and direction of the Academy Trust.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**f. Organisational structure**

The Board of Directors are responsible for the overall strategic direction of the Academy Trust. The Directors have a duty to act in the fulfilment of the Academy Trust objects. They set the strategic direction, and determine the policies and procedures of the Academy Trust, whilst holding each school within the Academy Trust to account. The Directors will meet at least six times a year, and the Local Advisory Groups will report to meetings of the Board of Directors once per term.

The Howard Primary School, The Richard Crosse CE Primary School and The St. Mary's CE Primary School have a constituted Advisory Group known as the Local Advisory Group (LAG). The LAG is not a committee of the Board but is used to inform and support the work of the board. The Group will be supported by Headteachers and Directors, who will help to support the ethos of each school and the Christian distinctiveness of our Church schools.

For Anson Primary School, the Board of Trustees delegates a number of functions to the Local Governing Committee ('LGC'). The LGC reviews annual Academy Trust plans and budgets, monitors progress against target and OFSTED standards and oversees parent and community liaison. A representative of the main Board of Trustees sits on the LGC.

The Board of Directors, Local Advisory Groups and Local Governing Committee do not exercise a managerial role. The leadership and management across the Academy Trust is delegated by the Board of Directors to the Chief Executive Officer and Senior Leadership Team of the Trust. The Senior Leadership Team are responsible at an executive level for implementing the policies laid down by the Board of Directors and reporting back to them via the Directors Board meetings. This includes actions concerning the budget, staffing, and school improvement.

The Chief Executive Officer is the Accounting Officer and has overall responsibility for the day to day financial management of the Multi Academy Trust and is responsible for the authorisation of spending within agreed budgets.

At 31 August 2019, the Academy Trust comprised the following individual academies:

- The Howard Primary School, Elford
- The Richard Crosse Church of England Primary School, Kings Bromley
- The St. Mary's Church of England Primary School, Colton
- Anson Church of England Primary Schools (joined on 1 April 2019)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**g. Arrangements for setting pay and remuneration of key management personnel**

The Trustees consider the Board of Trustees and the senior management team to comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Academy on a day to day basis. All Trustees give of their time freely and no Trustee received any remuneration in the current or prior year, other than those Trustees who are also employees of the Academy. Details of Trustees' remuneration and expenses are disclosed in note 11 of the financial statements.

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

Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Board of Directors. Recommendations for pay increases are made by the Chief Executive Officer to the Board of Directors.

The salary of the CEO was determined prior to the formation of The Small Schools Multi Academy Trust. The pay range was determined in accordance with School Teachers Pay and Conditions, taking account of the size of the two federated schools and the additional responsibility for The Howard Primary School.

The Trust's Director of Business Operations salary was determined and is paid in accordance with the Trust's Pay Framework and conditions of service as adopted from the Local Authority at the point of transfer.

**h. Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-
<b>Percentage of pay bill spent on facility time</b>	<b>£000</b>
Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %
<b>Paid trade union activities</b>	
Time spent on paid trade union activities as a percentage of total paid facility time hours	- %

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**i. Related parties and other connected charities and organisations**

The Members, Directors, Local Advisory Group members, and the Accounting Officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the Academy Trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared.

In respect of the current period, the Academy Trust has the following relationships

- Has made payments to Principal HR Partner Limited, a company controlled by one of the Directors.
- Has made payments to Educational Consultancy Limited, a company controlled by one of the Members.
- Has identified and taken action to avoid any conflict of interest in respect of the relationship between Mrs Heather Bowman – Chair of Directors and Mr John Bowman – Member
- Has employed Mrs Jacqui Bowman as Trust Administrator, a family member of Mrs Heather Bowman, and Mr John Bowman

The following are considered charities and are connected to The Small Schools Multi Academy Trust:

<b>Charity</b>	<b>Function</b>
<b>The Richard Crosse PTA</b>	<b>To organise fundraising and social events to support the work of the school.</b>
<b>The St. Mary's PTFA</b>	<b>To organise fundraising and social events to support the work of the school.</b>
<b>The Howard Friends Association</b>	<b>To organise fundraising and social events to support the work of the school.</b>
<b>Anson PTFA</b>	<b>To organise fundraising and social events to support the work of the school.</b>
<b>The Colton United Trust</b> <b>P Lovern is a Trustee</b>	<b>To hold the buildings and land in Trust and make financial donations to the school for capital related expenditure from their investments.</b>
<b>The Richard Crosse Foundation</b> <b>H Bowman is a Trustee</b> <b>P Lovern is a Trustee</b>	<b>To hold the buildings and land in Trust and make financial donations to the school for capital related expenditure from their investments.</b>



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

The charities make donations and contributions to support particular projects and facilities of the schools and their pupils, and are therefore treated as related parties of the Academy Trust for the purposes of the financial statements.

**Objectives and activities**

**a. Objects and aims**

The Small Schools Multi Academy Trust was established in August 2015 following the success of The St. Mary's and Richard Crosse Federation, and the loose collaborative partnership with The Howard Primary School, which was a school that required improvement. The Trust's objective is to improve the quality of education for pupils within small rural primary schools; ensuring that they have access to:

- teachers who are experts in their field
- an array of extra-curricular activities that enrich their learning
- specialist support to overcome learning barriers allowing them to fulfil their full potential.

The Small Schools Multi Academy Trust wishes to retain the benefits that small schools offer by being large enough to cope with the increasing demands of a school-led system, but small enough to care through our family ethos.

**b. Objectives, strategies and activities**

The Trust's object ("the object") is specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the forgoing by establishing, maintaining, carrying on, managing and developing schools which shall offer a broad and balanced curriculum and which shall include:

- Church of England Schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and having regard to any advice issued by the Lichfield Diocesan Board of Education;
- Other schools not designated as Church of England Schools whether with or without a designated religious character;
- To recognise and support the individual ethos of all schools whether or not designated Church of England schools.

**Vision**

Our vision is threefold:-

- To deliver the highest quality learning for pupils in an environment that values the friendliness and familiarity that small numbers allow;
- To ensure that a rural community has a future, and can thrive, if quality education is at its heart
- To extend learning beyond the confines of the school into the community and beyond.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

**Values**

Our values are threefold:-

- That every child is a child of God irrespective of gender, ethnicity, religion, ability or family background and as such is unique and to be nurtured and be brought to full potential;
- That the ethos that underpins our attitudes and behaviours is that we will love our neighbours as ourselves;
- That learning and being taught well in a caring community makes us better and stronger people.

**Ethos**

The ethos of the Trust is that we operate with honesty and integrity for the benefit of all children attending any of our schools. We recognise the important role small schools play in the education system in improving outcomes for children, which is achieved by creating a caring and nurturing family ethos. As a group of schools, this enables us to be large enough to cope and small enough to care.

**Objectives, Strategies and Activities**

The strategic goals of the Trust are:

1) To provide high quality education provision for all schools within the Trust that improve the outcomes of all of our pupils. This will be achieved by providing appropriate and proportionate support and challenge to each school within the Trust. There will be a focus on:

- Providing intervention to support school improvement.
- Developing collaborative curriculum activities to support key skill development, increasing independence and resilience.
- Developing monitoring and evaluating strategies and procedures that will drive school improvement.
- Developing a high performing leadership team.
- Employing staff with specific skills and deploying them across all schools within the Trust.
- Allowing Headteachers to focus on the core function of teaching and learning.
- Continuous professional development for all staff.
- Supporting the procurement of best value central services.
- Collaboratively sharing and supporting best practice.

2) To provide the same high quality of education provision to pupils outside of the Trust to help achieve the government's aim of the same standard of education for all children. This will be achieved by:

- Developing a systematic marketing strategy and work with local stakeholders, Headteacher forums and the DfE to identify potential schools and academies that wish to join the Academy Trust.
- To continue to build capacity by creating a robust management structure which involves building a central team to support the Trust's Board of Directors.
- To continue to develop training based on the expertise within the Trust that can be delivered to other education providers.
- To continue to develop more effective means of collaboration with other education providers to share best practice and encourage greater innovation within the education sector.
- To continue to develop links with other schools through 'The Rugeley Leadership Collaboration', The Hart Academies, The Rawlett School, The National Forest Teaching School, The John Taylor MAT and our own arrangements with individual and groups of local primary schools.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

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

**c. Public benefit**

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

The key priorities for the period are contained in the Trusts Key Performance Indicators Document which is available from the Chief Executive Officer. The key activities of the Academy Trust for the year ended 31 August 2019 were focused as follows:

**Strategic Objectives**

The Small Schools Multi Academy Trust Board have agreed five key strategic objectives which will steer our growth and development over the next five years, reviewed and measured annually.

**Objective 1: School Standards**

By the end of Key Stage 2 the results for all schools will exceed national averages of the expected standard in national tests. The average standardised score will exceed the national average and the progress measure will be in the top 25% of schools nationally.

**Narrowing the Gap**

Pupil premium funding will be used, in order to have the greatest impact, through a series of intervention strategies, to close the gap between disadvantaged children and those who are not disadvantaged.

**Objective 2: Financial Standards**

The Board, working in partnership with the Chief Executive Officer, Director of Business Operations and Headteachers/Heads of School will:

- ensure that resources, within a constrained financial environment, are used in the most effective way
- set balanced budgets
- ensure solvency and probity
- ensure compliance with statutory regulations

**Objective 3: Human Resources**

- Strengthen professional leadership by appointing outstanding leaders. All senior and middle leadership to be judged as outstanding against the Ofsted Framework.
- Hold Head Teachers accountable for high standards of education and safeguarding against clear benchmarks and performance measures.
- All teaching graded consistently 'good' with at least 40% outstanding teaching in all schools within three years of opening.

**Objective 4: Trust Estate**

- Ensure all children are educated in a safe environment where their well-being and personal development are of the highest regard.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

**Objective 5: Trust Growth**

To support the drive for outstanding schools ensuring that as a Trust we provide robust leadership in order to make improvements at a pace. We will have rigorous policies and procedures in place to deliver a 'World Class Education'.

**Objective 6: Governance**

- Have a clear vision and ethos
- Provide strong strategic direction
- Ambitious and achieve strong governance that will support our schools, building effective partnerships with parents, communities, businesses, external MAT's/schools and other stakeholders

The Board reviews progress against these six strategic objectives through its reporting structure and hold the Chief Executive Officer accountable for high standards against clear benchmarks and performance measures. It is essential that our strategic planning is realised through effective operational delivery.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

The Academy Trust continues to evolve and to adapt to the ever changing educational environment. The Trust is in its 5th year of operation since conversion to an Academy Trust.

The Academy Trust is committed to continual improvement which is achieved in a number of ways, including improvement planning, review meetings, continual professional development, lesson observations, performance management, self evaluation, data analysis and action planning.

The particular achievements and performance of the Academy Trust during the year ended 31 August 2019 were as follows:

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

<b>Key Performance Indicators 2018 - 2019</b>		
<b>Strategic Objectives</b>	<b>KPI</b>	<b>Outcome</b>
<b>School Standards KPIs</b>	1. All MAT schools retain or improve their Ofsted Inspection rating.	Retained – No Inspections took place
	2. All MAT Church schools retain or improve their SIAMs Inspection rating.	SM due for SIAMs Inspection in 2020
	3. All MAT Schools perform as well as the top 25% of schools nationally at the end of KS2 2019, in Reading Writing, EGPS and Mathematics for attainment and progress. <ul style="list-style-type: none"> <li>• Q1 = Top 1 - 20 % of Schools Nationally</li> <li>• Q2 = 21-40% of Schools Nationally</li> <li>• Q3 = 41-60% of Schools Nationally</li> <li>• Q2 = 61-80% of Schools Nationally</li> <li>• Q2 = Bottom 81-100% of Schools Nationally</li> </ul>	<p><b>St Mary's</b></p> <ul style="list-style-type: none"> <li>• Reading Progress Q2</li> <li>• Reading Attainment Q2</li> <li>• Writing Progress Q2</li> <li>• Writing Attainment Q2</li> <li>• Maths Progress Q3</li> <li>• Maths Attainment Q3</li> </ul> <p>Attainment in all subjects including EGPS above the national average.</p> <p><b>Richard Crosse</b></p> <ul style="list-style-type: none"> <li>• Reading Progress Q2</li> <li>• Reading Attainment Q1</li> <li>• Writing Progress Q1</li> <li>• Writing Attainment Q1</li> <li>• Maths Progress Q2</li> <li>• Maths Attainment Q1</li> </ul> <p>Three-year average reading attainment score (107.8) was in the <b>highest 20%</b> Maths progress markedly higher than previous year Attainment in all subjects including EGPS above the national average.</p> <p><b>The Howard</b></p> <ul style="list-style-type: none"> <li>• Small Cohort</li> <li>• Reading Progress Q3</li> <li>• Reading Attainment Q1</li> <li>• Writing Progress Q4</li> <li>• Writing Attainment Q1</li> <li>• Maths Progress Q1</li> <li>• Maths Attainment Q1</li> </ul> <p>Attainment in all subjects including EGPS above the national average.</p> <p><b>Maths has been a key priority across the Trust this year.</b></p>

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

Strategic Objectives	KPI	Outcome
<b>School Standards KPIs (continued)</b>	4. Disadvantaged children perform as well as non-disadvantaged children.	<p><b>Disadvantaged Pupils</b></p> <p><b>St. Mary's</b> At the end of KS2 Disadvantaged, SEN and PP did less well than non-SEN and PP – 2 Children both SEN one PP Family Issues</p> <p><b>Richard Crosse</b> No SEN PP child performed better than his peers achieving the Higher Standard in all subjects except writing.</p> <p><b>The Howard</b> No SEN or PP</p>
	5. Children, Parent and Staff surveys illustrate satisfaction ratings beyond national and local norms.	Detailed analysis, which is available from the Trust's Head Office, confirms that satisfaction levels are consistently high.
	6. All MAT schools offer a broad, balanced and enriching curriculum.	This KPI has been achieved. We offer a broad and balanced curriculum. (Website evidences this)
	7. All MAT schools achieve the 97% attendance target.	<p><b>St Mary's</b> Attendance 96.46%, Authorised 2.76%, Unauthorised 0.78%</p> <p><b>Richard Crosse</b> Attendance 97.73%, Authorised 2.00%, Unauthorised 0.28%</p> <p><b>The Howard</b> Attendance 96.53%, Authorised 2.05%, Unauthorised 1.42%</p> <p><b>Anson</b> Attendance 96.91%, Authorised 2.80%, Unauthorised 0.29%</p>
	8. All schools are fully compliant with health and safety, safeguarding and other statutory requirements.	Achieved – Documentation supports this view

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

<b>Strategic Objectives</b>	<b>KPI</b>	<b>Outcome</b>
<b>Financial KPIs</b>	1. Ensure economy, efficiency and effectiveness over the use of Trust funds (value for money).	Reviewed during regularity assurance work by external auditors. Please see the unmodified regularity assurance report within the financial statements.
	2. Assurance received that annual financial accounts have been properly prepared and are free from material misstatements.	Corroborated during statutory audit work by external auditors. Please see the unmodified audit report within the financial statements.
	3. Financial statements and Auditor's management letter submitted to ESFA by 31 <sup>st</sup> December 2018.	All returns submitted on time.
	4. Annual Accounts Return submitted by 21 <sup>st</sup> January 2019.	All returns submitted on time.
	5. Budget forecast return outturn submitted by 21 <sup>st</sup> May 2019.	All returns submitted on time.
	6. Three Year budget forecast return submitted by 30 <sup>th</sup> July 2019.	All returns submitted on time.
	7. Website is financially compliant.	New Website Commissioned and Financially Compliant
	8. Successful internal and external audits with recommendations acted upon.	Achieved
	9. To achieve and operate a balanced budget.	Reviewed during regularity assurance work by external auditors. Please see the unmodified regularity assurance report within the financial statements.
	10. Staffing costs capped at 80% of Trust Income.	Confirmed by the completion of SRMSAT return to the ESFA.
	11. Improved profitability of services – Catering and Care Club.	Continually reviewed by leadership team and board of Trustees as part of management accounts review process.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

<b>Strategic Objectives</b>	<b>KPI</b>	<b>Outcome</b>
<b>Financial KPIs (continued)</b>	12. Alternative sources of funding are pursued according to skill set of staff.	Staff from across the MAT have provided chargeable Consultancy Services to schools and organisations outside of the Trust. Consultancy Provided: <ul style="list-style-type: none"> <li>• National Forest Teaching School – Facilitation/Training SKITT and SIF work</li> <li>• Headteacher Performance Management</li> <li>• Best Practice Network – NPQML &amp; NPQSL</li> <li>• Standard Testing Agency – IT and Moderation</li> <li>• Entrust KS1 and KS2 Moderation</li> <li>• English, Mathematics, Science and SEND updates</li> </ul> Total Income Received £25,415
	13. Sources of funding pursued for capital development project	<b>Condition Improvement Funding</b> <b>Richard Crosse</b> Completion of New Classroom, refurbishment of Foundation Stage and Bettson Room and new heating system for satellite classrooms, provision of Multi Use Games Area (MUGA) and Car Park, New Fencing  <b>St. Mary's</b> Complete replacement Heating System (boilers and pipework). Total refurbishment of school, including decoration, flooring, blinds.
	14. To achieve a PAN of 42 across the Trust for Reception Intake 2019	This was not achieved due partly because of low birth year. 24 places were taken out of a possible 42. SM = 9, RC = 8, TH = 7
	15. All nursery places at Richard Crosse and St. Mary's are taken.	Achieved at SM, 11 places taken. Not achieved at RC, 5 places taken.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

Strategic Objectives	KPI	Outcome
<b>Human Resource KPIs</b>	1. All MAT schools fully staffed with high calibre staff.	Achieved
	2. Pupil to teacher/adult ratios below national levels.	Achieved in all classes except classes 2 & 5 at Richard Crosse.
	3. Development opportunities made available for staff to work across schools in the MAT.	Achieved. We continue to employ specialist MFL, Music and PE teachers across the MAT. All schools benefit from MAT SEND support.
	4. Comprehensive programme of training opportunities delivered to all staff.	Commencing 1 <sup>st</sup> September 2019, 6 members of staff have taken positions in different schools to further develop their skills and experience.
	5. NQT's and teachers in the early years of their careers to be supported by high calibre mentors.	Achieved as evidenced in Training Log. At Richard Crosse two NQT's were supported by high calibre mentors.
	6. Performance Management reviews demonstrate effective leadership and management and teaching and learning.	Performance Management reviews confirm that leaders across the Trust are effective and that teaching and learning in all schools is at least good.
	7. All HR Policies are compliant with employment law and are reviewed regularly in line with Policy Review Schedule.	Achieved as documented in Policy Review Schedule.
	8. The MAT employs specialists in certain areas to ensure high quality of provision.	Achieved. MAT employs the services of a qualified Accountant.
	9. Succession planning is in place for all key personnel.	Ongoing

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

Strategic Objectives	KPI	Outcome
<b>Trust Estate KPIs</b>	1. All MAT schools are maintained to a high standard.	Achieved
	2. CIF funding is obtained to support identified shortfalls in the school estate.	CIF is applied for annually however we have been unsuccessful with our bids for 2019/2020.
	3. Nursery provision/classrooms are developed at all schools within the Trust to support financial sustainability and to ensure that schools are full to capacity.	We continue, with the support of The Friends of Howard, to raise funds to build a new EYFS classroom. The fund total currently stands at £51,000 with a further £25K pledged by the MAT
	4. All MAT schools are energy efficient	Not achieved. SEEF funding applications unsuccessful.
	5. All statutory checks are completed on a timely basis	Achieved
	6. A review of cleaning services is undertaken to ensure value for money.	Completed. Cleaning contract for The Howard awarded to IDEAL.
	7. All MAT kitchens achieve Environmental Health 5 Star ratings.	Achieved

Strategic Objectives	KPI	Outcome
<b>Trust Growth KPIs</b>	1. At least one school joins the Trust each year.	Achieved – Anson Primary joined the Trust on 1 <sup>st</sup> April 2019
	2. The Trust develops its trading strategy by increasing the level of paid support to other schools and organisations.	Achieved, £25,415 income from services provided to organisations outside of the Trust.
	3. Improved marketing of the Trust.	Ongoing – New website and App, leaflet drops and better coverage in Parish Magazines.
	4. Strong MAT office supports MAT growth.	Ongoing, however due to financial constraints, staffing levels have been reduced in order save money.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

<b>Strategic Objectives</b>	<b>KPI</b>	<b>Outcome</b>
<b>Governance KPIs</b>	1. Governance provides the necessary rigour, challenge and support to allow MAT schools to thrive.	Achieved
	2. Members and Directors have the skills, knowledge and experiences to run the Multi Academy Trust. They ensure that the Trust's funds are used only in accordance with the law, its articles of association, its funding agreement and the Academies Financial Handbook.	New Directors recruited based on skills required.
	3. Distinction is achieved between Members and Directors roles within the MAT as enshrined in documentation.	Achieved- Members and Trustees are distinctly separate.
	4. All members and Trustees understand their duties as company directors and charity trustees as laid out in the Companies Act 2006 and Charity Commission guidance as exemplified in a skills audit.	Achieved
	5. All Members and Directors attend at least 60% of planned meetings in order to fulfil their duties.	Achieved
	6. All Directors have a named area of responsibility.	Achieved
	7. There is a clear plan for succession.	Partly achieved
	8. SM, TH and RC have a full compliment for their Local Advisory Group.	Yes, with the exception of Richard Crosse, where there is a vacancy for a Parent Representative.
	9. All schools new to the Trust have properly constituted Local Governing Body, with an appropriate set of skills and experiences to undertake their defined responsibilities.	Achieved – Anson LGB, properly constituted.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

School Performance Summary 2018-2019

<b>Early Years Foundation Stage</b>					
<b>Percentage of Pupils achieving a good level of development</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Total Pupils	15.0	17.0	14.0	6.0	52.0
%	80.0	84.0	78.6	100.0	85.7
National Average 72%					

<b>Phonics Year 1 Screening Check</b>					
<b>Percentage of Pupils achieving the expected standard</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Total Pupils	15	14	5	13	47
%	93	100	80	85	90
National Average 83%					

<b>Year 2 Phonics Resits</b>				
<b>Percentage of Pupils achieving the expected standard</b>				
<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
33	33	33	100	50

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

<b>End of KS1</b>					
<b>Percentage of Pupils achieving at least the expected standard</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Total Pupils	15	15	14	11	55
Reading NA 75%	80	87	77	82	82
Writing NA 70%	80	87	77	73	79
Maths NA 76%	80	87	69	64	75

<b>Percentage Achieving Greater Depth</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Reading NA 26%	33	27	0	18	20
Writing NA 16%	27	20	15	18	16
Maths NA 22%	20	20	0	18	15

<b>End of Key Stage 2</b>					
<b>Progress</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Total Pupils	14	13	11	6	44
Reading	+ 4.0	1.56	1.34	- 0.43	+1.62
Confidence Interval	+0.8 to +7.2	-1.8 to + 4.9	-2.3 to + 5.0	-5.4 to + 4.5	
Writing	+ 2.0	2.92	0.91	-1.25	+1.15
Confidence Interval	-1.0 to +5.0	-0.2 –to +6.0	-2.5 to +4.3	-5.8 to +3.3	
Maths	+ 3.8	1.40	-0.39	3.04	+1.96
Confidence Interval	+1.0 to + 6.6	-1.5 –to +4.3	-3.6 to +2.8	-1.3 to +7.3	

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic report (continued)

Achievements and performance (continued)

<b>Reading, Writing &amp; Maths Combined</b>				
<b>Percentage of Pupils achieving expected standard or higher</b>				
<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
100	92	83	100	93.75
National Average 65%				
<b>Percentage of Pupils achieving higher standard</b>				
36	8	33	17	23.5
National Average 11%				

<b>Percentage of KS2 Pupils achieving expected standard or higher</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Reading NA 73%	100	92	84	100	94
Writing NA 78%	100	100	84	100	94
Maths NA 79%	100	100	84	100	94
EPGS NA	100	100	84	100	94
<b>Percentage of Pupils achieving the higher standard</b>					
Reading NA 27%	57	38	58	33	47
Writing NA 20%	36	46	33	17	33
Maths NA 27%	57	31	41	50	45
EGPS NA	50	54	57	50	53

<b>Average Scaled Scores</b>					
	<b>Anson CE Primary</b>	<b>The Richard Crosse CE Primary</b>	<b>St Mary's CE Primary</b>	<b>The Howard Primary</b>	<b>TSSMAT</b>
Reading NA 104.4	110.00	108.31	107.00	107.80	108.28
Maths NA 105.0	111.00	108.46	105.30	111.30	109.00
EGPS NA 106.0	112.00	111.00	109.00	110.00	110.50



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**b. Going concern**

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

**Financial review**

**a. Reserves policy**

The Trustees review the reserve levels of the Academy Trust annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of the Academy Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Academy Trust's current level of revenue reserves at 31 August 2019 is £164,000 (2018: £766,000) of which £164,000 (2018: £174,000) is represented by free reserves not allocated to Diocesan property improvements. In addition to this, the Academy Trust has £94,000 (2018: £60,000) of cash allocated for capital expenditure which has not yet been spent.

The Trustees have determined that the appropriate level of revenue reserves should be approximately one months staffing costs. The reason for this is to provide sufficient working capital to cover delays between spending and receipts of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, long term staff absences etc. These reserves will typically be held in a combination of restricted funds and unrestricted funds, with the unrestricted funds representing the Academy Trust's free reserves.

The value of the restricted fixed asset fund at 31 August 2019 is £1,119,000 (2018: £1,132,000), which is represented by the fixed assets that are used exclusively for providing education and associated support services to the pupils of the Trust. These funds can only be realised by disposing of the associated tangible fixed assets.

The pension reserve fund has a deficit balance at 31 August 2019 of £1,185,000, which represents the deficit in the LGPS at the balance sheet date.

**b. Investment policy**

The Board of Directors agreed that no investments would be made due to current low interest rates and the volatile financial markets. The subject of investments would be discussed annually. Directors acknowledged that they may be required to adopt a cautious, prudent and well-diversified investment stance, taking into account future cash flow projections to balance potential returns with appropriate levels of risk, whilst attracting as high an interest returns as possible.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Financial review (continued)**

**c. Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Academy Trust is exposed, especially in the operational areas, such as in relation to teaching, health & safety, safeguarding and school trips, and in relation to the control of finances and strategic development of the Trust. They have introduced systems, including operational procedures and internal financial controls in order to minimise risk and have agreed a Risk Management Strategy and Risk Management Plan, which incorporates a Risk Register.

Where significant financial risk still remains, the Trustees have ensured the Academy Trust has adequate insurance cover in place. The Risk Management Plan is constantly reviewed in light of any new information and formally reviewed annually.

The principal risks and uncertainties facing the Academy Trust are as follows:

Educational

The continuing success of the Academy Trust is dependent on continuing to attract pupil applicants in sufficient numbers by maintaining the highest educational standards at EYFS, Key stages 1 & 2. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed, with corrective actions embedded at an early stage, and that relationships and partnerships with parents, the local community and other organisations and groups are maintained and are effective in producing a cohesive and supportive community.

Safeguarding and child protection

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

Financial

The Academy Trust has considerable reliance on continued Government funding through the ESFA (and Local Authority). In the year, approximately 81% of the Academy Trust's income (excluding amounts transferred on conversion from the Local Authority or amounts transferred from other academies joining the Trust) was ultimately Government funded. Whilst this level is expected to continue, 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, particularly in light continuing changes in to the National Funding Formula for schools.

Continuing increases in employment costs, including pension costs association with both the Teachers' Pension Scheme and the Local Government Pension Scheme, and premises costs will also continue to place significant pressure on the Trust's financial position and its ability to deliver balance budgets in the future.

The Trustees review the financial health of the Academy Trust formally at every meeting reviewing performance against budgets.

Staffing

The success of the Academy Trust is reliant on the quality of its staff 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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Financial review (continued)**

Failures in governance and / or management

The risk in this area arises from the potential failure to effectively manage the Academy Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure appropriate measures are in place to mitigate these risks, which includes those relating to fraud and mismanagement of funds.

Fraud and mismanagement of funds

The Academy Trust has engaged Academy Advisory as internal auditors and Cooper Parry, the external auditor, to perform a program of work aimed at checking and reviewing 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 to develop their skills in this area.

At the balance sheet date, the Academy Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on the Academy Trust's liquidity.

The Trustees recognise that the LGPS deficit represents a significant potential liability to the Academy Trust. However, as the Trustees consider the Academy Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

**d. Financial review**

The majority of the Academy Trust's income is received from the Education and Skills Funding Agency ('ESFA') in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 and the associated expenditure of these grants are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA and other organisations / funders and these are shown as restricted fixed asset funds in the Statement of Financial Activities. The balance of the restricted fixed asset fund is reduced by the depreciation charges on the assets acquired using these funds.

For the year ended 31 August 2019, the Academy Trust's total income (excluding capital grants) was £1,833,000 (2018: £1,554,000) while the total expenditure (excluding depreciation, spend on Diocesan Improvements and LGPS FRS102 pension cost charges) was £1,800,000 (2018: £1,569,000).

The free revenue reserves of £164,000 (2018: £174,000) has been achieved despite the general funding pressures and increased staffing related costs incurred in the year, which has been due to the tight expenditure control implemented by management and the Trustees during the year.

The key financial policies reviewed and adopted during the period included the Financial Procedures Policies and Manual, which lays out the framework for the Academy Trust's financial management, including financial responsibilities of the Board of Trustees, Chief Executive Officer, Headteachers, managers, budget holders and other staff, as well as the delegated authorities for spending.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Fundraising**

The Academy Trust raises funds for specific projects that will enhance the learning experience and environment for existing and future students, where funds cannot be accessed via existing channels such as government education funding.

Fundraising is primarily undertaken by staff or parents, no professional fundraisers or commercial participators work with the Trust currently. Fundraising is undertaken in line with the Fundraising Regulator's Code of Fundraising Practice and is monitored by the central finance function of the Trust.

The Academy Trust is mindful of the requirement to protect the public, particularly vulnerable people, from unreasonably intrusive or persistent fundraising approaches or undue pressure to donate. No complaints have been received in respect of fundraising activities, the general complaints policy of the trust would be applicable if so.

**Plans for future periods**

Our Trust's Strategic Plan is

To ensure that all children make at least 'Good' progress so that all academies continue to improve and are judged at least 'Good' by Ofsted

- To ensure that the quality of teaching over time is improving and is at least 'Good' with no 'Inadequate' teaching
- To ensure that leadership across the Trust at all levels is consistently 'Good' or better
- To ensure that the curriculum is broad and balanced, real and purposeful, and inspires children to learn
- To ensure that Governance provides the necessary rigour, challenge, and support to allow our schools to thrive
- To ensure that the Trust is financially viable in the long term, and meets all of the requirements of the Academies Financial Handbook
- Continue to develop our employees and recruit high performing teachers
- Continually monitor our curriculum, and develop the opportunities for outdoor learning
- To ensure that a complete set of Policies and Procedures are in place and embedded across the Trust
- To review the skill set of our existing Board of Directors, and where necessary identify training needs
- To increase the number of schools within the Trust
- To increase the membership of good and outstanding schools, so that the capacity to support each other increases
- To ensure the Trust continues to develop future leaders from within who are able to lead schools within the Trust
- To ensure the Trust continues to develop and grow its own teachers from within, and who are able to transfer from school to school
- To continue to generate sufficient income from traded services to support the work of the Trust
- To continue to develop our extended school and wrap around care provision across the Trust
- To expand and develop the Trust so that it remains sustainable and high-performing, consistent with its values and core purpose

**Funds held as custodian on behalf of others**

The Academy Trust and its Trustees do not act as Custodian Trustees of any other charity.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Disclosure of information to auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2019 and signed on its behalf by:

H L Bowman  
Chair of Trustees



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
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**GOVERNANCE STATEMENT**

**Scope of responsibility**

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Small Schools 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 10 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
H L Bowman, Chair	9	10
P R Halifax, Vice Chair	8	10
S B Cockayne	7	10
M Havelock-Crozier	7	10
C R Hopkins	3	5
C Humphries	6	10
J Smith	7	10
G J Wood	8	10
P J Lovern, Accounting Officer	10	10
C Bradshaw-Smith	0	0

The Board of Trustees reviewed the Trust's governance structure during the year to evaluate its impact and effectiveness. The Board of Trustees has a wide range of skills that contribute to the successful governance of the Trust and are satisfied that the current structure in place is appropriate and effective for the Trust.

**Review of value for money**

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- combining the cost of purchases across all schools
- sharing of staff across all schools
- sharing of resources across all schools
- shared training sessions
- supplier review
- reviewed insurance and joined the Governments Risk Protection Arrangement Scheme

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**GOVERNANCE STATEMENT (CONTINUED)**

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Small Schools Multi Academy Trust for the year 1 September 2018 to 31 August 2019 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 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 academy trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 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 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 Trustees 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 Academy Advisory as internal auditor.

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

- review of and testing of income recognition and recording systems and procedures
- review of and testing of payroll systems and procedures
- review of and testing of procurement systems and procedures
- review of and testing of bank control procedures
- Review of management information preparation procedures, including information prepared for and presented to the Board of Trustees

On a bi-annual basis, the internal auditor reports to the board of Trustees on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The auditor has delivered their program of work during the year ended 31 August 2019 as planned. While no significant internal control weaknesses were identified from the work completed, the Trustees and management have developed an action plan to continue to strengthen and improve internal controls over the next 12 months.

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**GOVERNANCE STATEMENT (CONTINUED)**

**Review of effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.


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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on their behalf by:

H L Bowman  
Chair of Trustees



P J Lovern  
Accounting Officer





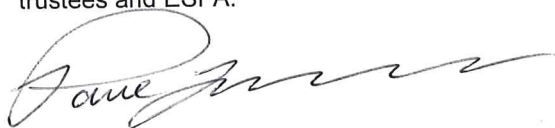
**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As accounting officer of The Small Schools Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the 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 2018.

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.



P J Lovern  
Accounting Officer  
Date: 11 December 2019

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:

H L Bowman  
Chair of Trustees



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
SMALL SCHOOLS MULTI ACADEMY TRUST**

**Opinion**

We have audited the financial statements of The Small Schools Multi Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 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 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy 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.



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
SMALL SCHOOLS MULTI ACADEMY TRUST (CONTINUED)**

**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. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
SMALL SCHOOLS MULTI ACADEMY TRUST (CONTINUED)**

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the 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 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 academy trust 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Atkins FCA (senior statutory auditor)  
for and on behalf of

**Cooper Parry Group Limited**  
Chartered Accountants  
Statutory Auditor  
One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

11 December 2019

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 26 September 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Small Schools Multi Academy Trust during the year 1 September 2018 to 31 August 2019 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 The Small Schools 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 The Small Schools Multi Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Small Schools Multi Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Small Schools Multi Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Small Schools Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 July 2015 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

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

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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


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

The work undertaken to draw our conclusions included:

- Reviewing the internal control policies and procedures implemented by the Academy Trust and evaluating their design and effectiveness to understand how the Academy Trust has complied with the framework of authorities;
- Reviewing the minutes of meetings of the Trustees, relevant sub-committees and other evidence made available to us, relevant to our consideration of regularity;
- Enquiries of the Accounting Officer, including reviewing the work undertaken by the Accounting Officer in relation to their Statement on Regularity, Propriety and Compliance; and
- Detailed testing of the income and expenditure of the Academy Trust based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit of the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**Conclusion**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Cooper Parry Group Limited**

One Central Boulevard  
Blythe Valley Business Park  
Solihull  
West Midlands  
B90 8BG

Date: 11 December 2019



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
	Note					
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer from local authority on conversion		12	(334)	-	(322)	-
Donations and capital grants		44	-	38	82	761
Charitable activities	4	41	1,617	-	1,658	1,413
Other trading activities	5	119	-	-	119	95
<b>Total income</b>		<u>216</u>	<u>1,283</u>	<u>38</u>	<u>1,537</u>	<u>2,269</u>
<b>Expenditure on:</b>						
Raising funds	6	36	-	-	36	45
Charitable activities	6	81	2,403	51	2,535	1,632
<b>Total expenditure</b>		<u>117</u>	<u>2,403</u>	<u>51</u>	<u>2,571</u>	<u>1,677</u>
<b>Net income/(expenditure)</b>		<u>99</u>	<u>(1,120)</u>	<u>(13)</u>	<u>(1,034)</u>	<u>592</u>
Transfers between funds	19	(121)	121	-	-	-
<b>Other recognised gains/(losses):</b>						
Actuarial (losses) / gains on defined benefit pension schemes	27	-	(298)	-	(298)	99
<b>Net movement in funds</b>		<u>(22)</u>	<u>(1,297)</u>	<u>(13)</u>	<u>(1,332)</u>	<u>691</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		174	124	1,132	1,430	739
Net movement in funds		(22)	(1,297)	(13)	(1,332)	691
<b>Total funds carried forward</b>		<u>152</u>	<u>(1,173)</u>	<u>1,119</u>	<u>98</u>	<u>1,430</u>

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

The notes on pages 41 to 68 form part of these financial statements.



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 09613632**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Intangible assets	13	3	5
Tangible assets	14	1,022	1,067
<b>Current assets</b>			
Stocks	15	2	2
Debtors	16	50	241
Cash at bank and in hand		420	755
		<u>472</u>	<u>998</u>
Creditors: amounts falling due within one year	17	(203)	(172)
<b>Net current assets</b>		<u>269</u>	<u>826</u>
<b>Total assets less current liabilities</b>		<u>1,294</u>	<u>1,898</u>
Creditors: amounts falling due after more than one year	18	(11)	-
<b>Net assets excluding pension liability</b>		<u>1,283</u>	<u>1,898</u>
Defined benefit pension scheme liability	27	(1,185)	(468)
<b>Total net assets</b>		<u><u>98</u></u>	<u><u>1,430</u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	1,119	1,132
Restricted income funds	19	12	592
Pension reserve	19	(1,185)	(468)
<b>Total restricted funds</b>	19	<u>(54)</u>	<u>1,256</u>
<b>Unrestricted income funds</b>	19	152	174
<b>Total funds</b>		<u><u>98</u></u>	<u><u>1,430</u></u>

The financial statements on pages 38 to 68 were approved by the trustees, and authorised for issue on 11 December 2019 and are signed on their behalf, by:

H L Bowman  
Chair of Trustees

*Heather Bowman*

The notes on pages 41 to 68 form part of these financial statements.





**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £000	2018 £000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	(384)	(19)
<b>Cash flows from investing activities</b>	23	36	545
<b>Cash flows from financing activities</b>	22	13	-
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		(335)	526
Cash and cash equivalents at the beginning of the year		755	229
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the year</b>	24	<u>420</u>	<u>755</u>

The notes on pages 41 to 68 from part of these financial statements



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.2 Going concern**

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

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.3 Income**

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

- **Grants**

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

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

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, 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 academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Intangible fixed assets and amortisation**

Intangible assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Purchased computer software      -    5 years



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets and depreciation**

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Leasehold land	- 125 years
Leasehold buildings	- 50 years
Leasehold improvements	- 10 years
Furniture and fixtures	- 5 years

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

In addition to the long leasehold land and buildings the academy trust also occupies property held under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The academy trust is not able to exercise control over this property and therefore no fixed asset has been recognised in these financial statements.

**1.7 Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities 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 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.

**1.10 Cash at bank and in hand**

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



**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.11 Liabilities and provisions**

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

**1.12 Financial instruments**

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

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

**THE SMALL SCHOOLS MULTI ACADEMY TRUST**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**1. Accounting policies (continued)**

**1.14 Pensions**

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

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

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

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

**1.15 Fund accounting**

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

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

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



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**2. Critical accounting estimates and areas of judgement**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2019. 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.

Tangible fixed assets are depreciated over their economic useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Critical areas of judgement:

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

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

The academy trust occupies land and buildings held under Church supplemental agreements. The freehold titles to this property are held by The Richard Crosse School Foundation, The Official Trustee of Charity Lands (the trustee of the charity known as Colton United Schools) and Colton United Schools of St Marys House. Under Church supplemental agreements the academy trust is permitted occupancy of the premises with a notice period of two years, and no rental is payable under this arrangement. The Trustees do not consider that the academy trust is able to exercise control over the property and therefore the property does not meet the definition of an asset of the academy trust and has not been recognised as a fixed asset in these financial statements. Accordingly, improvements to property held under Church supplemental agreements are expensed in the year cost is incurred. The market value of the donated facilities has not been recognised in the financial statements as the Trustees consider that no reliable measure is available.

The Trustees have considered the use of the donations relating the use of some of the Trust's school playing fields and do not consider the value of the donation to be material. Therefore no income or expenditure has been recognised in the financial statements.

The Trustees have considered the treatment of catering expenditure and concluded that the element that is not funded by the Universal Free School Meal Restricted Grant should be categorised as an unrestricted cost.

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**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Transfer from local authority on conversion (see note 25)	12	(334)	(322)	-
Donations	44	-	44	8
Capital Grants	-	38	38	753
<b>Total 2019</b>	<u>56</u>	<u>(296)</u>	<u>(240)</u>	<u>761</u>
<b>Total 2018</b>	<u>8</u>	<u>753</u>	<u>761</u>	

**4. Funding for the academy's educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	1,319	1,319	1,121
Start up grants	-	25	25	-
Other DfE / ESFA grants	-	162	162	138
	<u>-</u>	<u>1,506</u>	<u>1,506</u>	<u>1,259</u>
<b>Other Government grants</b>				
Local authority grants	-	80	80	87
	<u>-</u>	<u>80</u>	<u>80</u>	<u>87</u>
<b>Other funding</b>				
Other income from the academy trust's educational operations	41	31	72	67
<b>Total 2019</b>	<u>41</u>	<u>1,617</u>	<u>1,658</u>	<u>1,413</u>
<b>Total 2018</b>	<u>45</u>	<u>1,368</u>	<u>1,413</u>	



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**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Hire of facilities	1	1	1
Other income	118	118	94
<b>Total 2019</b>	<u>119</u>	<u>119</u>	<u>95</u>

**6. Expenditure**

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on fundraising trading activities:					
Direct costs	36	-	-	36	45
Academy's educational operations:					
Direct costs	1,155	38	140	1,333	1,102
Allocated support costs	309	116	777	1,202	530
<b>Total 2019</b>	<u>1,500</u>	<u>154</u>	<u>917</u>	<u>2,571</u>	<u>1,677</u>
<b>Total 2018</b>	<u>1,286</u>	<u>97</u>	<u>294</u>	<u>1,677</u>	

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**7. Analysis of expenditure by activities**

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Academy's educational operations	1,333	1,202	2,535	1,632
<b>Total 2019</b>	<u>1,333</u>	<u>1,202</u>	<u>2,535</u>	<u>1,632</u>
<b>Total 2018</b>	<u>1,102</u>	<u>530</u>	<u>1,632</u>	

**Analysis of support costs**

	Total funds 2019 £000	Total funds 2018 £000
Pension income	18	13
Staff costs	309	300
Depreciation	11	4
Technology costs	12	10
Premises costs	105	50
Other support costs	88	92
Governance costs	24	23
Improvements to Diocesan property	635	38
<b>Total 2019</b>	<u>1,202</u>	<u>530</u>

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**8. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b> <b>£000</b>	<b>2018</b> <b>£000</b>
Operating lease rentals	2	5
Depreciation of tangible fixed assets	47	36
Amortisation of intangible assets	2	3
Fees paid to auditor for:		
- audit	8	6
- other services	2	6
	<u>          </u>	<u>          </u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019 £000</b>	<b>2018 £000</b>
Wages and salaries	1,128	1,003
Social security costs	96	81
Pension costs	276	202
	<u>1,500</u>	<u>1,286</u>

**b. Staff numbers**

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

	<b>2019 No.</b>	<b>2018 No.</b>
Teachers	18	16
Administration and support	30	26
Management	5	5
	<u>53</u>	<u>47</u>

**c. Higher paid staff**

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

	<b>2019 No.</b>	<b>2018 No.</b>
In the band £60,001 - £70,000	1	-
In the band £80,001 - £90,000	-	1
	<u>-</u>	<u>1</u>

**d. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £364,000 (2018: £334,000).



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**10. Central services**

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

- Management and financial services
- Educational services
- Catering services
- Centralised insurance, IT licensing and transport costs

The academy trust charges for these services on the following basis:

Pupil numbers per the 2018 autumn census.

The actual amounts charged during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
The Richard Crosse C E Primary School	125	129
The St. Mary's C E Primary School	81	85
The Howard Primary School	66	60
Anson C E Primary School	8	-
<b>Total</b>	<b>280</b>	<b>274</b>

**11. 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 principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
P J Lovern, Accounting Officer	Remuneration	60 - 65	80 - 85
	Pension contributions paid	10 - 15	10 - 15

During the year ended 31 August 2019, no trustee expenses have been incurred (2018 - £NIL).

**12. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £56 (2018 - £57). The cost of this insurance is included in the total insurance cost.

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**13. Intangible assets**

	<b>Computer software £000</b>
<b>Cost</b>	
At 1 September 2018	13
	<hr/>
At 31 August 2019	13
	<hr/>
<b>Amortisation</b>	
At 1 September 2018	8
Charge for the year	2
	<hr/>
At 31 August 2019	10
	<hr/>
<b>Net book value</b>	
At 31 August 2019	3
	<hr/> <hr/>
At 31 August 2018	5
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Plant and machinery £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2018	977	42	148	1,167
Additions	2	-	-	2
At 31 August 2019	<u>979</u>	<u>42</u>	<u>148</u>	<u>1,169</u>
<b>Depreciation</b>				
At 1 September 2018	44	24	32	100
Charge for the year	24	8	15	47
At 31 August 2019	<u>68</u>	<u>32</u>	<u>47</u>	<u>147</u>
<b>Net book value</b>				
At 31 August 2019	<u>911</u>	<u>10</u>	<u>101</u>	<u>1,022</u>
At 31 August 2018	<u>933</u>	<u>18</u>	<u>116</u>	<u>1,067</u>

**15. Stocks**

	2019 £000	2018 £000
School uniform	<u>2</u>	<u>2</u>

**16. Debtors**

	2019 £000	2018 £000
Trade debtors	1	6
Prepayments and accrued income	44	233
Tax recoverable	5	2
	<u>50</u>	<u>241</u>

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**17. Creditors: Amounts falling due within one year**

	<b>2019 £000</b>	<b>2018 £000</b>
Loans	2	-
Trade creditors	31	21
Other taxation and social security	29	23
Other creditors	28	23
Accruals and deferred income	113	105
	<u>203</u>	<u>172</u>
	<b>2019 £000</b>	<b>2018 £000</b>
<b>Deferred Income</b>		
Deferred income at 1 September 2018	34	37
Resources deferred during the year	38	34
Amounts released from previous periods	(34)	(37)
<b>Deferred income at 31 August 2019</b>	<u>38</u>	<u>34</u>

Creditors includes £38,000 (2018: £37,000) of income which has been deferred during the year. The Academy received Universal Free School Meals Income of £32,000 (2018: £22,000) in July 2018 which was a prepayment of income for the period September 2019 to March 2020. Other income received in advance related to school trips and AEN funding.

**18. Creditors: Amounts falling due after more than one year**

	<b>2019 £000</b>	<b>2018 £000</b>
Loans	<u>11</u>	<u>-</u>

Included within loans is a Salix loan of £13,000 for LED lighting for Anson C E Primary School.

The loan is provided with zero interest, payable over 8 years.



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**19. Statement of funds**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Fund	174	216	(117)	(121)	-	152
<b>Restricted general funds</b>						
General annual grant (GAG)	-	1,319	(1,397)	78	-	-
Start up grant	-	25	(13)	-	-	12
Other DfE / ESFA grants	-	162	(162)	-	-	-
Improvements to Diocesan property	592	-	(635)	43	-	-
Other restricted funds	-	111	(111)	-	-	-
Pension reserve	(468)	(334)	(85)	-	(298)	(1,185)
	<u>124</u>	<u>1,283</u>	<u>(2,403)</u>	<u>121</u>	<u>(298)</u>	<u>(1,173)</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	940	-	(31)	-	-	909
DfE / ESFA capital grants	170	38	(11)	-	-	197
Other capital expenditure	22	-	(9)	-	-	13
	<u>1,132</u>	<u>38</u>	<u>(51)</u>	<u>-</u>	<u>-</u>	<u>1,119</u>
<b>Total Restricted funds</b>	<u>1,256</u>	<u>1,321</u>	<u>(2,454)</u>	<u>121</u>	<u>(298)</u>	<u>(54)</u>
<b>Total funds</b>	<u><u>1,430</u></u>	<u><u>1,537</u></u>	<u><u>(2,571)</u></u>	<u><u>-</u></u>	<u><u>(298)</u></u>	<u><u>98</u></u>

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**19. Statement of funds (continued)**

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

**Restricted funds**

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education & Skills Funding Agency and local authorities, which are used for charitable purposes.

The improvements to Diocesan property fund relates to DfE/ESFA Condition Improvement Funding (CIF) received for properties occupied under supplemental agreements with Diocesan bodies. As described more fully in the Accounting Policies, these properties are not recognised on the balance sheet, and the Trust has accounted for the monies as restricted revenue funds. Costs of improvement are charged against this fund.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

**Unrestricted funds**

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

**Restricted fixed asset funds**

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

Transfers between unrestricted funds and restricted funds relate to charitable expenditure being in excess of restricted income.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
The Richard Crosse C E Primary School	133	721
The St. Mary's C E Primary School	53	96
The Howard Primary School	(34)	(51)
Anson C E Primary School	-	-
Central Services	12	-
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	164	766
Restricted fixed asset fund	1,119	1,132
Pension reserve	(1,185)	(468)
	<hr/>	<hr/>
<b>Total</b>	<b>98</b>	<b>1,430</b>
	<hr/> <hr/>	<hr/> <hr/>

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

The following academy is carrying a net deficit on its portion of the funds as follows:

	<b>Deficit £000</b>
The Howard Primary School	(34)

The deficit at The Howard Primary School is due to long term sickness, recruitment issues and SEN issues which caused significant unexpected additional costs.

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

The Board has taken the decision that where an individual school is temporarily in deficit, the MAT will use its reserves to support until such time as the deficit is cleared.

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff costs £000</b>	<b>Other support staff costs £000</b>	<b>Educational supplies £000</b>	<b>Other costs excluding depreciation £000</b>	<b>Total 2019 £000</b>	<b>Total 2018 £000</b>
The Richard Crosse C E Primary School	374	59	16	665	1,114	588
The St. Mary's C E Primary School	275	40	8	98	421	362
The Howard Primary School	204	24	7	65	300	301
Anson C E Primary School	141	33	8	45	227	-
Central services	161	122	2	173	458	387
<b>Academy trust</b>	<b>1,155</b>	<b>278</b>	<b>41</b>	<b>1,046</b>	<b>2,520</b>	<b>1,638</b>

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**19. Statement of funds (continued)**

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
General Funds	174	148	(45)	(103)	-	174
<b>Restricted general funds</b>						
General annual grant (GAG)	-	1,121	(1,239)	118	-	-
Other DfE / ESFA grants	-	138	(138)	-	-	-
Improvements to Diocesan property	-	592	-	-	-	592
Local authority grants	-	125	(125)	-	-	-
Other restricted funds	-	22	(22)	-	-	-
Pension reserve	(497)	-	(70)	-	99	(468)
	<u>(497)</u>	<u>1,998</u>	<u>(1,594)</u>	<u>118</u>	<u>99</u>	<u>124</u>
<b>Restricted fixed asset funds</b>						
Transfer on conversion	958	-	(18)	-	-	940
DfE / ESFA capital grants	82	115	(12)	(15)	-	170
Other capital expenditure	21	9	(8)	-	-	22
	<u>1,061</u>	<u>124</u>	<u>(38)</u>	<u>(15)</u>	<u>-</u>	<u>1,132</u>
<b>Total Restricted funds</b>	<u>564</u>	<u>2,122</u>	<u>(1,632)</u>	<u>103</u>	<u>99</u>	<u>1,256</u>
<b>Total funds</b>	<u>738</u>	<u>2,270</u>	<u>(1,677)</u>	<u>-</u>	<u>99</u>	<u>1,430</u>



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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	1,022	1,022
Intangible fixed assets	-	-	3	3
Current assets	152	226	94	472
Creditors due within one year	-	(203)	-	(203)
Creditors due in more than one year	-	(11)	-	(11)
Provisions for liabilities and charges	-	(1,185)	-	(1,185)
<b>Total</b>	<b>152</b>	<b>(1,173)</b>	<b>1,119</b>	<b>98</b>

**Analysis of net assets between funds - prior year**

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	1,067	1,067
Intangible fixed assets	-	-	5	5
Current assets	174	764	60	998
Creditors due within one year	-	(172)	-	(172)
Provisions for liabilities and charges	-	(468)	-	(468)
<b>Total</b>	<b>174</b>	<b>124</b>	<b>1,132</b>	<b>1,430</b>

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**21. Reconciliation of net (expenditure)/income to net cash flow from operating activities**

	<b>2019 £000</b>	<b>2018 £000</b>
Net (expenditure)/income for the year (as per statement of financial activities)	(1,034)	592
<b>Adjustments for:</b>		
Amortisation	2	3
Depreciation	47	35
Capital grants from DfE and other capital income	(38)	(744)
Defined benefit pension scheme obligation inherited	334	-
Defined benefit pension scheme cost less contributions payable	67	57
Defined benefit pension scheme finance cost	18	13
Decrease in debtors	191	33
Increase/(decrease) in creditors	29	(8)
<b>Net cash used in operating activities</b>	<b>(384)</b>	<b>(19)</b>

**22. Cash flows from financing activities**

	<b>2019 £000</b>	<b>2018 £000</b>
Cash inflows from new borrowing	13	-
<b>Net cash provided by financing activities</b>	<b>13</b>	<b>-</b>

**23. Cash flows from investing activities**

	<b>2019 £000</b>	<b>2018 £000</b>
Purchase of tangible fixed assets	(2)	(9)
Capital grants from DfE Group	38	554
<b>Net cash provided by investing activities</b>	<b>36</b>	<b>545</b>

**24. Analysis of cash and cash equivalents**

	<b>2019 £000</b>	<b>2018 £000</b>
Cash in hand	420	755
<b>Total cash and cash equivalents</b>	<b>420</b>	<b>755</b>

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**25. Conversion to an academy trust**

On 1 April 2019 Anson C E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Small Schools Multi Academy Trust from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the statement of financial activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Cash - representing budget surplus on LA funds	12	-	12
Pension liability	-	(334)	(334)
<b>Net assets/(liabilities)</b>	<u>12</u>	<u>(334)</u>	<u>(322)</u>

Anson C E Primary School occupies Dicesan land & buildings under church supplemental agreements which permit occupancy of the premises with a notice period of two years. The academy trust is not able to exercise control over this property and therefore no tangible fixed asset has been recognised in these financial statements on conversion.

**26. Capital commitments**

	2019 £000	2018 £000
Contracted for but not provided in these financial statements	<u>-</u>	<u>592</u>

**27. Pension commitments**

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 Staffordshire Pension Fund. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £28,000 were payable to the schemes at 31 August 2019 (2018 - £23,000) and are included within creditors.

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**27. Pension commitments (continued)**

**Teachers' Pension Scheme**

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

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

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £160,000 (2018 - £102,000).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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



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**27. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £113,000 (2018 - £86,000), of which employer's contributions totalled £91,000 (2018 - £69,000) and employees' contributions totalled £ 22,000 (2018 - £17,000). The agreed contribution rates for future years are 20.2% for employers and 5.5% to 12.5% for employees.

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

**Principal actuarial assumptions**

	2019 %	2018 %
Rate of increase in salaries	2.70	2.80
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.2	24.1
Females	24.8	26.4

**Sensitivity analysis**

	2019 £000
Discount rate -0.5%	294
CPI rate +0.5%	244
Salary increase rate +0.5%	43

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**27. Pension commitments (continued)**

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	725	391
Corporate bonds	235	106
Property	85	45
Cash and other liquid assets	21	17
<b>Total market value of assets</b>	<u>1,066</u>	<u>559</u>

The actual return on scheme assets was £40,000 (2018 - £21,000).

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

	2019 £000	2018 £000
Current service cost	(145)	(126)
Past service cost	(13)	-
Interest income	21	12
Interest cost	(39)	(25)
<b>Total amount recognised in the Statement of Financial Activities</b>	<u>(176)</u>	<u>(139)</u>

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

	2019 £000	2018 £000
<b>Opening defined benefit obligation</b>	1,027	945
Conversion of academy trusts	675	-
Current service cost	145	126
Interest cost	39	25
Employee contributions	22	17
Actuarial losses/(gains)	338	(78)
Benefits paid	(8)	(8)
Past service costs	13	-
<b>Closing defined benefit obligation</b>	<u>2,251</u>	<u>1,027</u>

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**27. Pension commitments (continued)**

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Opening fair value of scheme assets</b>	559	448
Conversion of academy trusts	341	-
Interest income	21	12
Actuarial gains	40	21
Employer contributions	91	69
Employee contributions	22	17
Benefits paid	(8)	(8)
<b>At 31 August</b>	<u>1,066</u>	<u>559</u>

**28. Operating lease commitments**

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts payable</b>		
Within 1 year	2	1
Between 1 and 5 years	2	1
<b>Total</b>	<u>4</u>	<u>2</u>

**29. 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.

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**30. Related party transactions**

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

An amount of £2,382 (2018: £4,000) was spent with Principal HR Partner Limited. The Director of this business is also one of the Trustees of The Small Schools Multi Academy Trust. The amount outstanding is £264 (2018 : £nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2018. The element above £2,500 in the previous year was provided 'at no more than cost' and Principal HR Partner Limited provided a statement of assurance confirming this.

An amount of £Nil (2018: £1,000) was spent with Educational Consultancy Limited for educational consultancy work. The Director of the business is a member of The Small Schools Multi Academy Trust. The amount outstanding is £nil (2018: £nil).

During the year the Trust paid employee benefits (including employer pension contributions) to close family members of key management personnel and trustees for their services to the Trust of £26,419 (2018: £17,447).

During the year The Richard Crosse School Foundation made donations to the academy trust totalling £32,954 free of restrictions or terms. Two of the Trustees of the Small Schools Multi Academy Trust are also Trustees of the foundation and have significant influence over the foundation.