

Company Registration Number: 09613632

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

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

C R Hopkins (resigned as ceceet 11 June 2018, re-appointed 28 September 2018)
Reverend T Leyland (resigned 31 August 2018)
Reverend S Davies
J Bowman
D Grewer
C Shaw (CECET) (appointed 28 September 2018)

Trustees

H L Bowman, (Chair)
S B Cockayne
P R Halifax, (Vice Chair)
M Havelock-Crozier
C R Hopkins (resigned 11 June 2018, re-appointed 28 September 2018)
C Humphries
J Smith
G J Wood
P J Lovern, (Accounting Officer)

Company registered number

09613632

Company name

The Small Schools Multi Academy Trust

Principal and registered office

Crawley Lane
Kings Bromley
Burton On Trent
Staffordshire
DE13 7JE

Company secretary

Mrs A Hodgson

Senior management team

P J Lovern, Accounting Officer
A Hodgson, Business Operations Director
J P Wynn, Head of School
N Jarrett, Head of School
L Denby, Head of School (appointed 1 September 2017, resigned 30 November 2017)
R Mills, Head of School (appointed 26 February 2018)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Independent auditors

Mitten Clarke Audit Limited
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

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
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (Directors) present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates 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. Its academies have a combined pupil capacity of 294 and had a roll of 261 in the October 2016 Census returns.

Structure, governance and management

a. CONSTITUTION

The Small Schools Multi Academy Trust is a company limited by guarantee and an exempt charity.

The Directors are the Trustees of The Small Schools Multi Academy Trust, and are also the Directors of the charitable company for the purposes of company law

The charitable company is known as The Small Schools Multi Academy Trust, and the company's memorandum and articles of association are the primary governing documents of the Trust. The constituent academies of the trust are:

- The Richard Crosse Church of England Primary School
- The St. Mary's Church of England Primary School
- The Howard Primary School

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

b. MEMBERS' LIABILITY

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

c. TRUSTEES' INDEMNITIES

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 Trustees knew to be a breach of Trust or breach of duty, or which was committed by the Trustees 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.

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

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.

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

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

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 three times a year, and the Local Advisory Groups will report to meetings of the Board of Directors once per term.

Each school within the Trust has 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.

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

The Board of Directors and Local Advisory Groups do not exercise a managerial role. The leadership and management across the Academy Trust is delegated by the Board of Director's 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 is responsible for the authorisation of spending within agreed budgets.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

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. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

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

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TRUSTEES' REPORT (continued)
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The following are considered charities and are connected to The Small Schools Multi Academy Trust:

Charity	Function
The Richard Crosse PTA	To organise fundraising and social events to support the work of the school.
The St. Mary's PTFA	To organise fundraising and social events to support the work of the school.
The Howard Friends Association	To organise fundraising and social events to support the work of the school.
The Colton United Trust	To hold the buildings and land in Trust and make financial donations to the school for capital related expenditure from their investments.
The Richard Crosse Foundation	To hold the buildings and land in Trust and make financial donations to the school for capital related expenditure from their investments.

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.

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

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.

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 plays 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 larger enough to cope and small enough to care.

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:

Establish and monitoring a system of governance through an effective Board of Directors and Local Advisory Groups.

- 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.

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- 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.

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.

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

The Trust's main 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
- broad and balanced curriculum

Our most recent Ofsted Inspection reports for St. Mary's and The Howard confirm that these objectives have been achieved.

To ensure that the Trust is financially viable in the long term, and meets all of the requirements of the Academies, we will measure against the following financial key performance indicators:-

- Successful internal audit. This was achieved, with no major weaknesses being identified.
- Successful external audit. This was achieved in 2017.
- % of staff costs to income. Target = 80%
- % of non-staff costs to income. Target = 17%

In order to support the Trust's main objective the following Key Performance Indicators were set.

Attendance – unless all children regularly attend school progress will be limited. The Trust set an attendance target for the 2017 – 2018 academic year of 97%:

The Richard Crosse Church of England Primary School	97.17%
The St. Mary's Church of England Primary School	95.52%
The Howard Primary School	96.55%

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Detailed analysis and reasons for absence are held at school level.

- Pupil, Families and Staff Satisfaction – To ensure that the voice of key partners is heard, the Trust surveyed pupils, parents and employees for their perspective on the schools within the Trust. The results from these surveys were as follows:

Parent Voice

The figures for all three schools have been collated to give the Trust average.

Question	Percentage of positivity 2017	Percentage of positivity 2018
My child feels safe at school	99%	100%
My child is making good progress	100%	100%
The school meets my child's needs	100%	97.0%
The school looks after my child	99%	100%
My child is well taught	100%	100%
The school helps my child to develop skills	100%	98%
There is a good standard of behaviour	94%	94%
Lessons are not disrupted by bad behaviour	81%	89%
The school deals with bullying	81%	88%
The school helps me to support my child's learning	97%	98%
The school responds well to my concerns	95%	98%
The school keeps me well-informed	95%	95%
Parents recommendations of schools	96%	97%
My child is happy at school	99%	100%

In order to further develop the relationships between parents and schools, there will be a full, comprehensive review of TSSMAT/schools communication processes, and their efficacy, in their entirety during the academic year 2018/2019.

Staff Climate

When surveyed, 100% of the staff said they were proud to be a member of staff in TSSMAT. All staff felt that leaders do all they can to improve teaching, and that TSSMAT is well led and managed.

Trust Growth

Anson Church of England Aided Primary School made a formal application in May 2018, to the Regional School's Commissioner to join TSSMAT.

b. GOING CONCERN

After making appropriate enquiries, the Board of Directors 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.

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TRUSTEES' REPORT (continued)
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c. REVIEW OF ACTIVITIES

Our Objective

To provide an outstanding education in all schools within the Trust that will improve outcomes for all our children.

What we did

We continued to develop our leadership team and reviewed job descriptions and roles and responsibilities. Heads of School at The St. Mary's Church of England Primary School and The Richard Crosse Church of England Primary School were promoted to the position of Headteacher to allow the Executive Headteacher to concentrate on the roles of Chief Executive Officer and Accounting Officer. Following the resignation of Mrs L Denby at The Howard Primary School, the Trust recruited Miss R Mills to become the Headteacher. Trust responsibilities were assigned to individuals in line with specific skill sets and experience. Experienced high performing teachers have been recruited to compliment our existing high quality teams. During the year, there were fluctuations in staffing due to employees returning from maternity leave, the restructuring of staffing at The Howard due to a child with additional need requiring specialist support, and a member of staff gaining a promoted position at a school within a different geographical area. We were able to recruit high calibre staff to vacant posts.

We continue to invest in our staff by providing high quality continuous professional development. This has been achieved by commissioning external consultants and trainers, and by using in-house expertise.

The St. Mary's Church of England Primary School had a short one day Ofsted inspection on 24th April 2018 whereby, the Inspector confirmed that the school is judged as a good school with outstanding features. The report praised the work of the School and the Multi Academy Trust, and went on to say:

- 'The Executive Headteacher and Directors provide you with support and challenge in equal measure. They have a wealth of skills and expertise to call upon. They have a clear understanding of their statutory functions and responsibilities. The well-being of pupils and staff is at the centre of their work. They are committed and enthusiastic about their work. Through regular meetings, the Directors track the impact of developments across the school and the progress that the pupils are making. Directors check out what they have been told by visiting the school to see for themselves.'

The Howard Primary School was given a full inspection on 12th & 13th June 2018 led by Steven Cartledge. The school was judged to be a good school in all areas, and this report also praised the work of the school and the Trust. The report stated that:

- All leaders, including Directors, ensure that there are high aspirations for every pupil.
- The Trust provides highly effective support to the school. The three schools within the multi Academy Trust work closely together to share good practice. This benefits all pupils.
- Governance is effective. Directors carefully evaluate the schools development and are well informed about pupils' progress. They hold leaders firmly to account

The Impact

Foundation Stage

At The Richard Crosse C. Of E. Primary School, the results at the end of the Early Years were good with 85% achieving a good level of development.

The results at The St. Mary's C. of E. Primary School were below the national average with 67% achieving a good level of development. This was due to a small cohort, being only six in number.

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At The Howard, 86% achieved a good level of development, which was much improved on the previous year.

Year 1 Phonics Screening

At The Richard Crosse Church of England Primary School, the results of the phonics screening were not as good as the previous year, with 80% of children achieving the expected standard. This was due to an increased number of children with SEN in the cohort. All children who retook the screening check in Year Two achieved the expected standard.

At The St. Mary's Church of England Primary School, 77% achieved the expected standard. This was below the national average, and was attributed to a small cohort with a high number of SEN. All children who retook the screening check in Year Two achieved the expected standard.

At The Howard Primary School, 91% of the children in Year 1 achieved the expected standard, which was much improved on the previous year.

Year 2

The results for Year 2 were good at Richard Crosse in reading, writing and maths, being well above the national average at the expected level in all subjects. The children have a sound foundation on which to start Key Stage 2. The percentage of children achieving greater depth in all areas was also above the national average.

The results for Year 2 at The St. Mary's Church of England Primary School were broadly in line with national averages in all areas.

At The Howard, due to the size of the cohort and the number of children within the cohort on the SEN register, the results for this group were below the national average.

Writing, Grammar, punctuation and spelling – Spelling continues to be a whole Trust focus.

Year 6

Results at all three schools were broadly in line with national averages.

Richard Crosse – The results were pleasing with 84% of the cohort achieving the expected standard or higher in reading, writing and maths combined, compared with 64% nationally. Progress in reading and maths was broadly average however, progress in writing was well above average. The average scaled score in reading was 108.3, which was well above the national average. The average scaled score for maths was 104.6, which was broadly in line with the national average. Mathematics is a school focus for the academic year 2018/2019.

The progress score for disadvantaged pupils was well above the national average for non-disadvantaged pupils in reading and writing, and was above the national average for non-disadvantaged children in maths.

St. Mary's – A similarly pleasing picture this year at St. Mary's, 83% of the pupils achieved the expected standard in reading, writing and maths combined. The average scaled score in reading was 109.8, which was well above the national average. The average scaled score for maths was 104.3, which was broadly in line with the national average. Mathematics is a school focus for the academic year 2018/2019.

The Howard – The results at The Howard were much improved on the previous year. The progress in reading, writing and maths was broadly average. 60% of the cohort achieved the expected standard or higher in reading, writing and maths combined, which was slightly below the national average of 64%, however there were three children within this cohort on the SEN register and two of which had an Education Health Care Plan. The average scaled score in reading was 108.3, which was well above the national average. The average scaled score for maths was 104.3, which was broadly in line with the national average. Mathematics is a school focus for the academic year 2018/2019.

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TRUSTEES' REPORT (continued)
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Lessons learnt

We believe that the following has helped to improve our end of Key Stage 2 results:

- The children's' educational journey needs to be solid throughout Key Stage 2 and underachievement tackled by school leaders at all levels early on.
- Reading is a strength across the Trust. The results in mathematics need to mirror this.
- All children should be exposed to high quality teaching, and children on the SEN register shouldn't be held back by less exposure to the full requirements of the curriculum.
- Teaching Assistants should not only work with one ability group.
- Writing and spelling were a Trust focus, and this has had a positive impact on the children's' ability to write.
- We continue to utilise the strengths of individual teachers across the Trust.

Financial review

a. RESERVES POLICY

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement, and by the Education Funding Agency.

The policy of the Academy Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies. This is not a fixed amount or percentage.

For fixed asset funds, the Business Operations Director and Accounting Officer will propose a capital reserve schedule to the Directors identifying the need to replace assets and the related sums required each year. This is not a fixed amount or percentage. They will agree the value of capital reserves to be created in a year as part of the budget approval process. Spend of the capital reserve fund will only occur as agreed budgeted spend, which is approved by the Directors as part of the budget process.

As at 31 August 2018 the Academy Trust has total reserves of £1,428,300 which consisted of restricted fixed asset funds of £1,132,125, pension deficit of £468,000, restricted funds of £591,530 and free reserves of £173,645.

Restricted funds of £591,530 consist entirely of unspent Condition Improvement Fund (CIF) capital grant received in respect of property occupied under supplemental agreement.

Free reserves consists of unrestricted funds of £173,645.

The Trust feels that the value of reserves held as at 31 August 2018, are sufficient in value to enable the Trust to deliver the priorities identified during the budget setting process for the 2018 - 2019 academy year and beyond.

b. INVESTMENTS POLICY AND POWERS

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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c. PRINCIPAL RISKS AND UNCERTAINTIES

The Trust assesses the risks arising from its operations, and examines the likelihood and materiality of each risk. The Trust operates a risk register, which describes the control mechanisms in place to manage or mitigate each risk, assesses the level of risk, and identifies other actions that may help reduce the risk further. The risk register is reviewed annually by the Board of Directors.

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

The deficit on the Local Government Pension Scheme of £468,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

The Trust addresses the risk of misappropriation of funds through theft, fraud or other means by:-

- utilising the services of external accountants and auditors,
- ensuring that segregation of duties are utilised wherever possible,
- using industry-standard financial packages such as P S Financials (Purchasing and Finance) and Parent Pay (Cashless payments system),
- carrying out internal checks (i.e. Business Operations Director checks / Accounting Officer checks / Finance Director checks).

d. FINANCIAL REVIEW

Income for the period was £2,268,193 compared to £1,399,962 in 2017. £1,258,975 (2017 - £1,220,358) of income was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants and other trading activities including third party lettings and funds generated by extended school activities. In 2018 capital grants were £753,495 compared to £14,931 in 2017. The significant level of capital grants recognised in 2018 is due to two successful bids for condition improvement fund grants during the year.

Expenditure supports the Academy Trust key objectives to deliver quality education to our pupils and community. Total expenditure for the period was £1,676,553 compared to £1,611,735 in 2017, with the largest element of this expenditure being attributed to staff costs, totalling £1,286,351 (2017 - £1,264,801) for the period. The depreciation and amortisation charge on assets of £38,508 has been included. Net income before actuarial gains on defined benefit pension schemes for the year was £691,640.

The Trust element of the Pension fund that forms part of the Local Government Pension Scheme was valued at 31 August 2018, showing a net liability of £468,000 (2017 - £497,000).

As at 31 August 2018, the net book value of tangible fixed assets was £1,066,951 (2017 - £1,038,929) and the movement in tangible fixed assets are shown in Note 14 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the Trust.

The Trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the Trust conforms to the requirements of propriety, regularity and sound financial management.

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

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

The Board of Directors are accountable for the allocation of resources to meet the objectives set out in the School Improvement Plan. The Accounting Officer together with the Board of Directors is responsible for reviewing the Financial Procedures on an annual basis. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Board of Directors.

Plans for future periods

a. FUTURE DEVELOPMENTS

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

To enable us to fulfil the objectives outlined within our Strategic Plan we aim to:

- 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 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

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


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

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware;
- the Directors 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 Directors, as the company directors, on 30.11.18 and signed on its behalf by:



H L Bowman
Chair of Trustees

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

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, 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 Directors 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 Directors 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 Directors has formally met 14 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Trustee	Meetings attended	Out of a possible
H L Bowman, (Chair)	12	14
S B Cockayne	13	14
P R Halifax, (Vice Chair)	10	14
M Havelock-Crozier	7	14
C R Hopkins	0	14
C Humphries	5	14
J Smith	10	14
G J Wood	10	14
P J Lovern, (Accounting Officer)	14	14

Colin Hopkins as CECET representative is required to be listed as a Director but is not required to attend Directors meetings.

The Trust carried out one Governance review during the financial year 2017 - 2018. The review demonstrated that the structure was fit for purpose based on the skill set of the current board.

The next Governance review is scheduled for the Summer Term 2019.

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

GOVERNANCE STATEMENT (continued)

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 Directors 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 reviews

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The Board of Directors 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 Directors 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

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 Directors;
- regular reviews by the finance and general purpose committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

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

GOVERNANCE STATEMENT (continued)

The Board of Directors 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:

- testing of overall accounts and financial health
- testing of purchasing and procurement
- testing of payroll and HR
- testing of revenue and debtors
- testing of cash and banking
- testing of journals and other areas

On an annual basis, the internal auditor reported to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. There were no material control issues arising as a result of the work undertaken.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the 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 Business Operations Director 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 Directors on 30/11/18 . and signed on their behalf, by:



H L Bowman
Chair of Trustees



P J Lovern
Accounting Officer

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

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

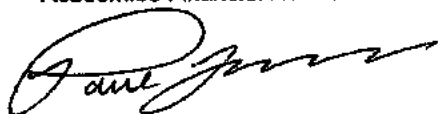
As Accounting Officer of The Small Schools Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received 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 2017.

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

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Publishing information about governance structures

During the year the Academy Trust had not published on its website some of the details required by the Academies Financial Handbook 2017.



P J Lovern
Accounting Officer

30/11/18

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

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

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 Directors 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 Directors are required to:

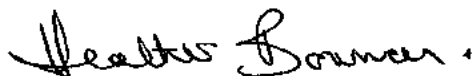
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Directors 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 Directors 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 Directors 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 Directors on 30.11.18 and signed on its behalf by:



H L Bowman
Chair of Trustees

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

**INDEPENDENT AUDITORS' 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') (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure accounts, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 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 AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
SMALL SCHOOLS MULTI ACADEMY TRUST**

OTHER INFORMATION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

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 or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Mitten Clarke Audit Limited

Ashley M Conway (Senior statutory auditor)
for and on behalf of
Mitten Clarke Audit Limited, Statutory Auditor
Chartered Accountants
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

Date: 18/12/2018 .

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

INDEPENDENT REPORTING ACCOUNTANTS' 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 29 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Small Schools Multi Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Small Schools Multi Academy Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE SMALL SCHOOLS MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on control activities which are relevant to regularity; and
- on a sample basis, substantive testing of individual transactions.

CONCLUSION

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

Publishing information about governance structures

During the year the Academy Trust has not published on its website some of the details required by the Academies Financial Handbook 2017.

Mitten Clarke Audit Limited

Mitten Clarke Audit Limited
Chartered Accountants
The Glades
Festival Way
Festival Park
Stoke on Trent
Staffordshire
ST1 5SQ

Date: *18/12/2018*

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 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	7,689	629,084	124,411	761,184	20,837
Charitable activities	3	44,683	1,367,534	-	1,412,217	1,305,986
Other trading activities	4	95,536	-	-	95,536	72,934
Investments	5	256	-	-	256	205
TOTAL INCOME		148,164	1,996,618	124,411	2,269,193	1,399,962
EXPENDITURE ON:						
Raising funds		44,852	-	-	44,852	1,382
Charitable activities		-	1,555,639	38,508	1,594,147	1,610,353
Other expenditure		-	37,554	-	37,554	-
TOTAL EXPENDITURE	6	44,852	1,593,193	38,508	1,676,553	1,611,735
NET BEFORE TRANSFERS		103,312	403,425	85,903	592,640	(211,773)
Transfers between Funds	19	(103,531)	118,105	(14,574)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(219)	521,530	71,329	592,640	(211,773)
Actuarial gains on defined benefit pension schemes	24	-	99,000	-	99,000	73,000
NET MOVEMENT IN FUNDS		(219)	620,530	71,329	691,640	(138,773)
RECONCILIATION OF FUNDS:						
Total funds brought forward		173,864	(497,000)	1,060,796	737,660	4,039,617
Prior year adjustment		-	-	-	-	(3,163,184)
TOTAL FUNDS CARRIED FORWARD		173,645	123,530	1,132,125	1,429,300	737,660

THE SMALL SCHOOLS MULTI ACADEMY TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 09613632

**BALANCE SHEET
AS AT 31 AUGUST 2018**

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Intangible assets	13		4,792		7,292
Tangible assets	14		1,066,951		1,038,929
			<u>1,071,743</u>		<u>1,046,221</u>
CURRENT ASSETS					
Stocks	15	1,450		1,450	
Debtors	16	241,124		82,957	
Cash at bank and in hand		754,631		229,177	
		<u>997,205</u>		<u>313,584</u>	
CREDITORS: amounts falling due within one year	17	(171,648)		(125,145)	
NET CURRENT ASSETS			<u>825,557</u>		<u>188,439</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,897,300</u>		<u>1,234,660</u>
Defined benefit pension scheme liability	24		(468,000)		(497,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,429,300</u>		<u>737,660</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	591,530			
Restricted fixed asset funds	19	1,132,125		1,060,796	
Restricted income funds excluding pension liability		<u>1,723,655</u>		<u>1,060,796</u>	
Pension reserve		(468,000)		(497,000)	
Total restricted income funds			<u>1,255,655</u>		<u>563,796</u>
Unrestricted income funds	19		173,645		173,864
TOTAL FUNDS			<u>1,429,300</u>		<u>737,660</u>

The financial statements on pages 26 to 54 were approved by the Trustees, and authorised for issue, on 30.11.18 and are signed on their behalf, by:

Heather Bowman

H L Bowman
Chair of Trustees

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	21	<u>(19,328)</u>	<u>(134,974)</u>
Cash flows from investing activities:			
Interest received		256	205
Purchase of tangible fixed assets		(9,030)	(357)
Capital grants from DfE Group		553,654	14,931
Net cash provided by investing activities		<u>544,780</u>	<u>14,779</u>
Change in cash and cash equivalents in the year		525,454	(120,195)
Cash and cash equivalents brought forward		<u>229,177</u>	<u>349,372</u>
Cash and cash equivalents carried forward	22	<u><u>754,631</u></u>	<u><u>229,177</u></u>

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

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

The Small Schools Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

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

1.3 Going concern

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

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

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

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

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

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

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

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

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

Other expenditure includes donations to The Richard Crosse School Foundation Trustees by way of improvements to property held under supplemental agreements.

All expenditure is inclusive of irrecoverable VAT.

1.6 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 fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Purchased computer software - 5 years

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment. Batches of items below £2,000 are capitalised where they form part of one project and together cost more than £2,000 collectively.

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

Depreciation is provided on all tangible fixed assets 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
Plant and equipment	-	Not depreciated

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

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.

1.8 Operating leases

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

1.9 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.

1.10 Debtors

Trades and other debtors are recognised at the settlement amount after any trade discount offered.

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

1. ACCOUNTING POLICIES (continued)

1.11 Cash at Bank and in hand

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

1.12 Liabilities and provisions

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

1.13 Financial Instruments

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

Financial assets - trade debtors are basic financial instruments. Debt instruments measured at amortised cost are detailed in note 19. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.14 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.15 Pensions

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

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

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

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

1.16 Fund accounting

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

The 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. 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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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	7,689	-	-	7,689	5,906
Capital Grants	-	629,084	124,411	753,495	14,931
	<u>7,689</u>	<u>629,084</u>	<u>124,411</u>	<u>761,184</u>	<u>20,837</u>
<i>Total 2017</i>	<u>5,906</u>	<u>-</u>	<u>14,931</u>	<u>20,837</u>	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General annual grant (GAG)	-	1,120,867	1,120,867	1,104,066
Other DfE / ESFA grants	-	138,108	138,108	116,292
	<u>-</u>	<u>1,258,975</u>	<u>1,258,975</u>	<u>1,220,358</u>
Other government grants				
Local authority grants	-	87,016	87,016	35,582
	<u>-</u>	<u>87,016</u>	<u>87,016</u>	<u>35,582</u>
Other funding				
Other incoming resources	44,683	21,543	66,226	50,046
	<u>44,683</u>	<u>21,543</u>	<u>66,226</u>	<u>50,046</u>
	<u>44,683</u>	<u>1,367,534</u>	<u>1,412,217</u>	<u>1,305,986</u>
<i>Total 2017</i>	<u>29,620</u>	<u>1,276,366</u>	<u>1,305,986</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Other income	89,074	-	89,074	61,582
Hire of facilities	1,029	-	1,029	1,629
Music tuition	5,433	-	5,433	9,723
	<u>95,536</u>	<u>-</u>	<u>95,536</u>	<u>72,934</u>
<i>Total 2017</i>	<u>72,934</u>	<u>-</u>	<u>72,934</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Short term deposits	256	-	256	205
	<u>205</u>	<u>-</u>	<u>205</u>	
<i>Total 2017</i>	<u>205</u>	<u>-</u>	<u>205</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading	44,218	-	634	44,852	1,382
Academy's educational operations:					
Direct costs	941,151	34,656	123,957	1,099,764	1,129,132
Support costs	300,982	62,649	130,752	494,383	481,221
	<u>1,286,351</u>	<u>97,305</u>	<u>255,343</u>	<u>1,638,999</u>	<u>1,611,735</u>
<i>Total 2017</i>	<u>1,264,801</u>	<u>69,167</u>	<u>277,767</u>	<u>1,611,735</u>	

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NOTES TO THE FINANCIAL STATEMENTS
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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Direct costs 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Academy's educational operations	1,099,764	494,383	1,594,147	1,610,353
<i>Total 2017</i>	<u>1,129,132</u>	<u>481,221</u>	<u>1,610,353</u>	

Analysis of direct costs

	Academy's educational operations £	Total 2018 £	Total 2017 £
Educational supplies	54,795	54,795	61,340
Examination fees	-	-	2,565
Staff development	6,586	6,586	8,232
Other direct costs	37,757	37,757	37,860
Technology costs	24,818	24,818	23,247
Wages and salaries	767,629	767,629	757,300
National insurance	67,681	67,681	75,410
Pension cost	105,841	105,841	130,608
Depreciation	34,657	34,657	32,570
	<u>1,099,764</u>	<u>1,099,764</u>	<u>1,129,132</u>
<i>At 31 August 2017</i>	<u>1,129,132</u>	<u>1,129,132</u>	

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

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of support costs

	Academy's educational operations	Total 2018	<i>As restated</i> Total 2017
	£	£	£
Pension scheme interest cost	13,000	13,000	11,000
Support staff costs	300,982	300,982	293,251
Depreciation	3,851	3,851	3,619
Recruitment and support	420	420	340
Maintenance of premises and equipment	17,123	17,123	16,232
Technology costs	10,046	10,046	5,310
Cleaning	5,372	5,372	3,138
Rent and rates	8,316	8,316	10,265
Insurance	18,666	18,666	22,713
Transport and security	856	856	940
Catering	25,986	25,986	27,594
Other support costs	89,765	89,765	86,819
	<u>494,383</u>	<u>494,383</u>	<u>481,221</u>
<i>At 31 August 2017</i>	<u>481,221</u>	<u>481,221</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets: - owned by the charity	36,008	33,690
Amortisation of intangible fixed assets	2,500	2,500
Auditors' remuneration - audit	6,000	6,000
Auditors' remuneration - other services	2,000	2,000
Auditors' remuneration - assurance services	4,000	4,000
Operating lease rentals	5,362	5,252
	<u>53,870</u>	<u>53,442</u>

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

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,003,145	951,030
Social security costs	81,316	86,363
Operating costs of defined benefit pension schemes	201,891	212,641
	<u>1,286,351</u>	<u>1,250,034</u>
Agency staff costs	-	6,535
Staff development	-	8,232
	<u>1,286,351</u>	<u>1,264,801</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	16	17
Administration and support	26	24
Management	5	5
	<u>47</u>	<u>46</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	0	1

The above employee participated in the Teacher's Pension Scheme. During the year ended 31 August 2018 employer's pension contributions for these staff amount to £13,696 (2017: £15,165).

d. Key management personnel

The key management personnel of the academy trust comprise the directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £333,904 (2017: £345,833).

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

10. CENTRAL SERVICES

The academy 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 charges for these services on the following basis:

Pupil numbers per the 2017 autumn census.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
The Richard Crosse C E Primary School	128,787	-
The St. Mary's C E Primary School	84,944	-
The Howard Primary School	60,283	-
	<u>274,014</u>	<u> </u>
Total	<u>274,014</u>	<u> </u>

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

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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mr P Lovern	Remuneration	80,000-85,000	90,000-95,000
	Pension contributions paid	10,000-15,000	15,000-20,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £57 (2017 - £149).

13. INTANGIBLE FIXED ASSETS

	Computer software £
Cost	
At 1 September 2017 and 31 August 2018	12,500
Amortisation	
At 1 September 2017	5,208
Charge for the year	2,500
At 31 August 2018	7,708
Carrying amount	
At 31 August 2018	4,792
At 31 August 2017	7,292

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NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	977,250	42,448	83,661	1,103,359
Additions	-	-	64,030	64,030
At 31 August 2018	977,250	42,448	147,691	1,167,389
Depreciation				
At 1 September 2017	30,107	15,482	18,841	64,430
Charge for the year	14,550	8,490	12,968	36,008
At 31 August 2018	44,657	23,972	31,809	100,438
Net book value				
At 31 August 2018	932,593	18,476	115,882	1,066,951
At 31 August 2017	947,143	26,966	64,820	1,038,929

15. STOCKS

	2018 £	2017 £
School uniform	1,450	1,450

16. DEBTORS

	2018 £	2017 £
Trade debtors	6,481	4,456
Other debtors	2,005	27,739
Prepayments and accrued income	232,638	50,762
	241,124	82,957

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

17. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	20,500	33,924
Other taxation and social security	23,313	19,621
Other creditors	22,910	19,314
Accruals and deferred income	104,925	52,286
	171,648	125,145
	171,648	125,145
	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	36,598	36,533
Resources deferred during the year	33,581	36,598
Amounts released from previous years	(36,533)	(36,533)
Deferred income at 31 August 2018	33,646	36,598
	33,646	36,598

Creditors includes £36,646 (2017: £36,598) of income which has been deferred during the year. The Academy received Universal Free School Meals Income of £22,306 (2017: £25,748) in July 2018 which was a prepayment of income for the period September 2018 to March 2019. Other income received in advance related to school trips and AEN funding.

18. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	6,481	4,456
	6,481	4,456
Financial liabilities measured at amortised cost	20,500	33,924
	20,500	33,924

Financial assets measured at amortised cost comprises trade debtors.

Financial liabilities measured at amortised cost comprises trade creditors.

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

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	173,864	148,164	(44,852)	(103,531)	-	173,645
Restricted funds						
General Annual Grant (GAG)	-	1,120,867	(1,238,972)	118,105	-	-
Other DfE / ESFA grants	-	729,638	(138,108)	-	-	591,530
Local Authority grants	-	124,570	(124,570)	-	-	-
Other restricted funds	-	21,543	(21,543)	-	-	-
Pension reserve	(497,000)	-	(70,000)	-	99,000	(468,000)
	(497,000)	1,996,618	(1,593,193)	118,105	99,000	123,530
Restricted fixed asset funds						
DfE / ESFA capital grants	81,869	115,381	(12,341)	(14,674)	-	170,135
Transfer on conversion	957,822	-	(18,211)	-	-	939,611
Other capital expenditure	21,305	9,030	(7,956)	-	-	22,379
	1,060,796	124,411	(38,508)	(14,674)	-	1,132,125
Total restricted funds	563,796	2,121,029	(1,631,701)	103,531	99,000	1,255,655
Total of funds	737,660	2,269,193	(1,676,553)	-	99,000	1,429,300

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 other DfE/ESFA grants balance at 31 August 2018 consists entirely of Condition Improvement Fund (CIF) capital grant received in respect of property occupied under supplemental agreement.

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 that it could carry forward at 31 August 2018.

Unrestricted funds

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

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19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education & 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.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Richard Crosse C E Primary School	720,639	115,145
The St. Mary's C E Primary School	95,838	56,464
The Howard Primary School	(51,302)	(26,010)
Central services	-	28,265
Total before fixed asset fund and pension reserve	765,175	173,864
Restricted fixed asset fund	1,132,125	1,060,796
Pension reserve	(468,000)	(497,000)
Total	1,429,300	737,660

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

Name of academy	Amount of deficit £
The Howard Primary School	(51,302)

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 is taking the following action to return the academies to surplus:

These issues have now been resolved. 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.

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19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
The Richard Crosse C E Primary School	390,121	75,210	22,805	99,511	587,647	679,241
The St. Mary's C E Primary School	245,763	48,335	15,937	52,007	362,042	409,964
The Howard Primary School	203,912	26,120	14,976	56,227	301,235	372,841
Central services	101,354	145,124	3,765	66,879	317,122	113,501
	<u>941,150</u>	<u>294,789</u>	<u>57,483</u>	<u>274,624</u>	<u>1,568,048</u>	<u>1,575,547</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds						
General Fund	284,802	108,665	(61,248)	(158,355)	-	173,864
Restricted funds						
General Annual Grant (GAG)	3,339	1,104,066	(1,265,760)	158,355	-	-
Other DfE / ESFA grants	5,589	116,292	(121,881)	-	-	-
Local Authority grants	-	35,582	(35,582)	-	-	-
Other restricted funds	8,649	20,426	(29,075)	-	-	-
Pension reserve	(508,000)	-	(62,000)	-	73,000	(497,000)
	<u>(490,423)</u>	<u>1,276,366</u>	<u>(1,514,298)</u>	<u>158,355</u>	<u>73,000</u>	<u>(497,000)</u>

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19. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE / ESFA capital grants	80,433	14,931	(13,695)	-	-	81,669
Transfer on conversion	975,123	-	(17,301)	-	-	957,822
Other capital expenditure	26,498	-	(5,193)	-	-	21,305
	<u>1,082,054</u>	<u>14,931</u>	<u>(36,189)</u>	<u>-</u>	<u>-</u>	<u>1,060,796</u>
Total restricted funds	<u>591,631</u>	<u>1,291,297</u>	<u>(1,550,487)</u>	<u>158,355</u>	<u>73,000</u>	<u>563,796</u>
Total of funds	<u>876,433</u>	<u>1,399,962</u>	<u>(1,611,735)</u>	<u>-</u>	<u>73,000</u>	<u>737,660</u>

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers In/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Fund	284,802	256,829	(106,100)	(261,886)	-	173,645
Restricted funds						
General Annual Grant (GAG)	3,339	2,224,933	(2,504,732)	276,460	-	-
Other DfE / ESFA grants	5,589	845,930	(259,989)	-	-	591,530
Local Authority grants	-	160,152	(160,152)	-	-	-
Other restricted funds	8,649	41,969	(50,618)	-	-	-
Pension reserve	(508,000)	-	(132,000)	-	172,000	(468,000)
	<u>(490,423)</u>	<u>3,272,984</u>	<u>(3,107,491)</u>	<u>276,460</u>	<u>172,000</u>	<u>123,530</u>
Restricted fixed asset funds						
DfE / ESFA capital grants	80,433	130,312	(26,036)	(14,574)	-	170,135
Transfer on conversion	975,123	-	(35,512)	-	-	939,611
Other capital expenditure	26,498	9,030	(13,149)	-	-	22,379
	<u>1,082,054</u>	<u>139,342</u>	<u>(74,697)</u>	<u>(14,574)</u>	<u>-</u>	<u>1,132,125</u>
	<u>591,631</u>	<u>3,412,326</u>	<u>(3,182,188)</u>	<u>261,886</u>	<u>172,000</u>	<u>1,255,655</u>
Total of funds	<u>876,433</u>	<u>3,669,155</u>	<u>(3,288,288)</u>	<u>-</u>	<u>172,000</u>	<u>1,429,300</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	4,792	4,792
Tangible fixed assets	-	-	1,066,951	1,066,951
Current assets	173,645	763,178	60,382	997,205
Creditors due within one year	-	(171,648)	-	(171,648)
Provisions for liabilities and charges	-	(468,000)	-	(468,000)
	<u>173,645</u>	<u>123,530</u>	<u>1,132,125</u>	<u>1,429,300</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	7,292	7,292
Tangible fixed assets	-	-	1,038,929	1,038,929
Current assets	173,864	125,145	14,575	313,584
Creditors due within one year	-	(125,145)	-	(125,145)
Provisions for liabilities and charges	-	(497,000)	-	(497,000)
	<u>173,864</u>	<u>(497,000)</u>	<u>1,060,796</u>	<u>737,660</u>

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

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	592,640	(211,773)
Adjustment for:		
Depreciation charges	38,508	36,190
Investment income	(256)	(205)
Decrease in debtors	32,744	34,991
Decrease in creditors	(8,497)	(41,246)
Capital grants from DfE and other capital income	(744,465)	(14,931)
Defined benefit pension scheme cost less contributions payable	57,000	51,000
Defined benefit pension scheme finance cost	13,000	11,000
Net cash used in operating activities	<u>(19,326)</u>	<u>(134,974)</u>

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22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	754,631	229,177
Total	754,631	229,177

23. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	591,803	-

24. PENSION COMMITMENTS

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

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

Contributions amounting to £22,127 were payable to the schemes at 31 August 2018 (2017 - £19,314) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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24. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £101,944 (2017 - £103,895).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £86,000 (2017 - £72,000), of which employer's contributions totalled £69,000 (2017 - £57,000) and employees' contributions totalled £17,000 (2017 - £15,000). 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:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.80 %	2.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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24. PENSION COMMITMENTS (continued)

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

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

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	391,000	340,000
Corporate bonds	106,000	54,000
Property	45,000	36,000
Cash and other liquid assets	17,000	18,000
Total market value of assets	559,000	448,000

The actual return on scheme assets was £21,000 (2017 - £72,000).

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

	2018 £	2017 £
Current service cost	(126,000)	(108,000)
Interest income	12,000	7,000
Interest cost	(25,000)	(18,000)
Total	(139,000)	(119,000)

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24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening defined benefit obligation	945,000	809,000
Current service cost	126,000	108,000
Interest cost	25,000	18,000
Employee contributions	17,000	15,000
Actuarial (gains)/losses	(78,000)	(1,000)
Benefits paid	(8,000)	(4,000)
	<u>1,027,000</u>	<u>945,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	448,000	301,000
Interest income	12,000	7,000
Actuarial gains	21,000	72,000
Employer contributions	69,000	57,000
Employee contributions	17,000	15,000
Benefits paid	(8,000)	(4,000)
	<u>559,000</u>	<u>448,000</u>

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	1,484	1,573
Between 1 and 5 years	520	2,860
	<u>2,004</u>	<u>4,433</u>
Total	<u>2,004</u>	<u>4,433</u>

26. 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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27. 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.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

An amount of £3,853 (2017: £2,055) was spent with Principal HR Partner Limited. The Director of this business is also one of the Directors of The Small Schools Multi Academy Trust. The amount outstanding is £nil (2017: £nil). In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017. The element above £2,500 has been provided 'at no more than cost' and Principal HR Partner Limited has provided a statement of assurance confirming this.

An amount of £1,000 (2017: £1,500) 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 (2017: £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 £17,747 (2017: £nil).