

The Consortium Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

The Consortium Academy Trust

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The Consortium Academy Trust

Reference and Administrative Details

Members	J Pickerill (appointed 1 September 2017) S Hodgson (appointed 1 September 2017) D Wills (appointed 1 September 2017) M Walker (appointed 1 September 2017) P Johnston (Resigned 1 September 2017) D Myers (resigned 1 September 2017) G Garghan (appointed 1 September 2017) W Birkett Fitt (Resigned 1 September 2017)
Trustees (Directors)	G Barley (appointed 21 May 2018) E Blair (appointed 1 September 2017) M Craven A Crossland R Firth (appointed 1 September 2017) I Furlong, Chair P Hanmer (appointed 1 September 2017) P Hogan B Matson (appointed 1 September 2017) S Milner (appointed 1 September 2017) D Willoughby S Young (Resigned 1 September 2017) J Woodford (Resigned 1 September 2017) J Heselton (Resigned 1 September 2017) P Withers (Resigned 1 September 2017) E Hepburn (Resigned 1 September 2017)
Senior Management Team	D McCready, Headteacher/ CEO S Young, Headteacher K Hind, Director of Finance P Morris, Head of Estates Management J Simpson, Director of HR G Stafford, Company Secretary
Principal and Registered Office	The Consortium Academy Trust Harland Way Cottingham HU16 5PX
Company Registration Number	077665828
Auditors	Forrester Boyd Chartered Accountants 26 South Saint Mary's Gate Grimsby DN31 1LW

The Consortium Academy Trust

Reference and Administrative Details (continued)

Bankers Lloyds Bank
348 Hessle Road
Hull
HU3 3SD

Solicitors Rollits LLP
Citadel House
58 High Street
Hull
HU1 1QE

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, incorporating a strategic report and a directors' report under company law.

The Consortium Academy Trust operate two secondary academies, one primary academy and an all-through academy in East Yorkshire.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 077665828.

The Trustees of The Consortium Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as The Consortium Academy Trust.

The academies trade under the following names:

Cottingham High School (& Sixth Form College)

Croxby Primary School

Hessle High School and Penshurst Primary School, also known as The Hessle Academy

Wolfreton School (& Sixth Form College)

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

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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

Trustees are appointed by the Members and potential Trustees are recruited through the use of a 'skills' matrix to ensure that wherever possible the Trust Board is made up of Trustees from a range of professional backgrounds, each of whom have experience and areas of expertise that will benefit the Trust Board and complement the skill set of the other Trustees.

The composition of the Trust Board was initially made up of Trustees and Governors of the three founding schools. The five resignations at the beginning of the year were Hessle Academy Community Trust Trustees resigning and five new appointments at the beginning of the year were the Trustees and Governors from The Cottingham Trust and Wolfreton School. There was one further new appointment during the period September 2017 to August 2018.

The Hessle Trustees' term of office was extended by one year by the Members at the annual meeting that took place in January 2018 with the other 7 Trustees starting their 4-year term of office upon inception of the Trust on 1 September 2017.

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Policies and procedures adopted for the induction and training of Trustees

Prior to their appointment, new Trustees will meet the Chair of the Trust to discuss their skill set and expectations of both parties. If thought suitable, the Chair will seek approval of the appointment from the Members.

Once approval has been given then copies of 3 ID documents will be taken by the Clerk to verify the individual's identity and the link for an enhanced DBS will be sent to their personal email address.

Once the DBS has come back clear then the Clerk will issue a Trust email account. Trustees will be asked to complete the Governor Data Collection form and the Disclosure of Pecuniary Details form. The Trustee's details will be entered onto the Trust Single Central Record. An ID badge will also be issued.

All Trustees will be issued with the Governor Data Protection Statement, Keeping Children Safe in Education statutory guidance and Child Protection Policy. The Clerk will also issue the Trustee with all the Trust Board and Committee meeting dates for the year.

The Company Secretary will enter the Trustee details on the 'Get Information About Schools' DfE site and also submit the details of the appointment with Companies House.

The Trustees review and update their skills matrix annually. Any learning needs identified on either an individual or board basis are then delivered as necessary to close skills gaps.

Organisational structure

The Academy Trust is governed by members of the Academy Trust and Board of Trustees as per the Memorandum and Articles of Association which are the primary Governing documents of the academy Trust.

Members may appoint up to 13 Trustees. Members and Trustees who were in office 31 August 2018 and served throughout the period are listed on page 1.

The Board of Trustees is responsible for the strategic management and objectives of The Consortium Academy Trust, including approving annual budgets, senior staff appointments and making major decisions about the direction of the academy Trust. The Trustees are responsible for monitoring the performance of the Chief Executive Officer and Executive Leadership Group.

To do this effectively the Board of Trustees has created various sub-committees. Each has clearly defined Terms of Reference, membership and extent of delegated powers devolved to them on behalf of the Board of Trustees.

- Finance and Resources Committee (meets four times per year)
- Progress and Standards Committee (meets three times per year)
- Audit Committee (meets four times per year)

These committees report to the Board of Trustees which meets six times per year.

Academy policies are developed by senior members of the academy Trust staff to reflect both the strategic direction agreed by the Board of Trustees and also statutory requirements. These policies are approved and adopted by the Board of Trustees and implemented as procedures and systems by the Executive Leadership Group and other designated members of staff.

The Head Teachers and Senior Leadership Team within each academy are responsible for the day to day running of the academy (internal organisation, management and control).

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Arrangements for setting pay and remuneration of key management personnel

The Trust Board's Remuneration Committee has delegated responsibilities to oversee this and specifically has the following responsibilities:

- To determine and agree with the Trust Board the framework for the remuneration of the Trust's Chief Executive Officer and other members of the Executive Leadership Group
- To determine the Trust-wide Pay Policy and oversee the process of moderation across the Trust
- To prepare and submit recommendations to the Trustees for the terms of service and remuneration (including pension arrangements) of the executive leaders
- To monitor, evaluate and report (as appropriate) to the Trust Board on the performance of the Chief Executive
- To approve appropriate remuneration packages for any new senior executive leadership appointments
- Having regard to the charitable status of the Trust and in recognition of the fact the Trust receives funding under a funding agreement with the Secretary of State for Education, to ensure the remuneration or other sums paid to a senior executive do not exceed an amount that is reasonable under all circumstances
- To review and note annually the remuneration trends across the Trust

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	3

Percentage of time spent on facility time

Percentage of time

1%-50%

100%

Number of employees

3

1

Percentage of pay bill spent on facility time

Provide the total cost of facility time

Provide the total pay bill

2018

20,512

17,099,100

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Connected organisations, including related party relationships

The Trust is a strategic partner of the Wolds Teaching School Alliance, supporting new entrants to the profession and the professional development of colleagues. This partnership will support the Trust's desire to ensure we have a sustainable recruitment plan for high quality teaching staff.

Objectives and activities

Objects and aims

The principal object and activity of the charitable company to 31 August 2018 was the operation of its academies, providing education for learners of mixed abilities between the ages of 3 and 19.

The Trust has been developed in order to provide the platform to deliver high quality educational experiences for the children and young people within the local community that enhance and improve their life chances, and enable them to make substantial and sustained contributions to society.

The Trust's Vision is to be:

A Trust that promotes academic excellence, where exciting opportunities allow pupils to excel in all that they do, and leave prepared to achieve all their ambitions.

A Trust whose academies deliver the maximum potential for progress through inspirational teaching and learning, and outstanding school to school support.

A Trust with a leading community role, whose academies are the preferred choice for pupils, parents, staff and other professionals.

Objectives, strategies and activities

The main objectives of the Academy Trust during the year ended 31 August are summarised below:

The Consortium Academy Trust will:

- promote excellence for all learners;
- actively encourage shared working, adopting common approaches where it is in the best interests of learners;
- establish robust and transparent systems of accountability;
- delegate decision making to the individual academy level, providing this proves effective;
- provide effective strategic leadership and intervention in academies where this is required.

It is operated through:

- a governance model and membership that provides robust scrutiny, challenge and strategic oversight;
- proven collective expertise and experience in system based improvement in all phases and types of education;
- a flexible resource model that ensures the Trust will be sustainable and have access to high quality financial and support systems that promote and are responsive to growth;
- a range of partnerships to ensure support can be procured and rapidly deployed to meet the needs of all academies; and
- a business model that ensures that our internal school improvement capacity will be rapidly developed within our academies.

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

The academic year 2017/18 has been a successful year for the Trust. In summary:

- At KS1 pupil outcomes at Penshurst are above national values across all 4 measures – Phonics (Y1), Reading, Writing and Maths, while at Croxby outcomes are above national in three measures with the exception being Maths
- At KS2 pupil outcomes are higher than national values in 3 measures – Combined, Reading and Writing and at Penshurst for Writing
- Overall pupil outcomes at KS2 at Croxby Primary have improved significantly since 2016/17
- All three secondary academies are judged 'Good' by Ofsted

All secondary schools at KS4:

- Delivered progress above national values
- Achieved attainment 8 scores above national averages
- Recorded outcomes in Basics at 9 – 5 above national values
- Achieved higher average points scores in Ebacc subjects than national figures

At Sixth Form:

- Student numbers in Y13 fell from 264 to 211
- Pass rates remained high (98%+), despite introduction of reformed vocational qualifications
- 83% of students moved on to study at university

Learner Outcomes:

Primary Headlines - KS1:

	National Average	Croxby	Penshurst
Expected Standard in Phonics (Y1)	82%	93%	88%
Expected Standard in Reading (Y2)	75%	77%	76%
Expected Standard in Writing (Y2)	70%	75%	76%
Expected Standard in Maths (Y2)	76%	75%	80%

Primary Headlines - KS2:

	National Average	Croxby	Penshurst
Expected Standard in Reading, Writing and Maths	64%	67%	61%
Expected Standard in Reading	75%	76%	71%
Expected Standard in Writing (Y2)	78%	78%	81%
Expected Standard in Maths (Y2)	76%	73%	68%
Expected Standard in GPS	78%	76%	77%

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Secondary Headlines - KS4:

The Progress 8 scores below are likely to change once the outcomes of remarks are finalised and the final student numbers verified with the DfE.

Measure	National Average	Cottingham	Hessle	Wolfreton
Progress 8 - all students	-0.33	+0.22	+0.22	+0.07
Progress 8 - girls	+0.22	+0.46	+0.52	+0.52
Progress 8 - boys	-0.25	+0.1	+0.02	-0.15
Progress 8 - disadvantaged	-	-0.39	+0.06	-0.34
Attainment 8	44.3	48.6	48.6	50.8
Basics % 9 - 4	-	71%	68%	76%
Basics % 9 - 5	43.0	48%	47%	44%
Ebacc % entered	38.4	58%	24%	72%
Ebacc average points	4.03	4.36	4.06	4.72
English Progress 8	-	+0.50	0.00	+0.31
Maths Progress 8	-	+0.12	+0.31	-0.21
Ebacc Progress 8	-	+0.22	0.19	+0.38
Open Progress 8	-	+0.29	+0.54	+0.02

Secondary Headlines - Post 16:

	Cottingham	Hessle	Wolfreton
Progress description	Above average	Average	Average
Average grade	C+	B-	C+
A level - average Pts score	32.71	35.27	32.61
AAB in at least 2 subjects	4.0%	12.5%	13.6%
Grade for the best 3 A levels	C+	C+	B-

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Secondary Performance Summary:

- Progress 8 outcomes improved in two academies from 2016/17 - Cottingham and Wolfreton, while Hessle maintained the high standard set in 2016/17. All 3 are above the national figure of -0.03.
- The Progress 8 score in all Trust academies was higher than that in the following categories of schools: LA maintained (P8=-0.03) and academies and free schools (P8=0.03). The P8 score for converter academies nationally was +0.12: both Cottingham and Hessle achieved a Progress 8 score higher than this.
- Progress outcomes for girls are higher in all 3 academies than the national figure of +0.22 and although the progress of boys at Wolfreton is -0.15, this is still above the national figure of -0.25. The progress 8 score of boys at Cottingham and Hessle are positive and above national values.
- The progress made by the Disadvantaged group at Hessle was positive at +0.06 and this represents very good progress.
- In terms of Attainment 8, the national average score of 47.2 was exceeded by all 3 Trust academies, as was the average score achieved in LA maintained schools. Wolfreton exceeded the average score for Converter Academies which was 50.0
- Nationally 38.4% of students were entered for the Ebacc, the proportion entered for the Trust as a whole was significantly above this figure at 52.8%.

Other achievements/progress of note within TCAT during 2017/18

- The Trust was identified by the RSC as the preferred sponsor of South Holderness School following their Ofsted judgement of Inadequate. The school converted in October 2018.
- The Trust was selected for inclusion in the MAT Development Programme by the RSC and partnered with the Thinking Schools Trust.
- A successful application was made to the MAT Development Improvement Fund to secure funding for a Pupil Premium project across Trust academies.
- Hessle High School was identified as a National Support School and Sarah Young accredited as a NLE.
- The Trust has provided support to South Holderness School brokered through the East Riding LA.

Strategic priorities for 2017/18

The Trust has identified 5 key development priorities for the next two years:

Key Priority 1 - Establish the systems, protocols and procedures that ensure the Trust functions effectively and is financially sustainable

Key Priority 2 - Design and implement a common Academy Improvement model for the Trust in order to secure effective improvement in all academies

Key Priority 3 - Develop and embed a Trust wide approach to Teaching and Learning that supports progress, motivates learners and improves outcomes for all groups of learners in all academies

Key Priority 4 - Establish, implement and embed a common approach across the Trust to the use of data, assessment and monitoring to support teaching and learning

Key Priority 5 - Provide opportunities for all staff within the Trust to have access to relevant professional development activities in order to develop and retain a highly effective and skilled workforce

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Key Performance Indicators

The Trust uses the following key performance indicators:

- % spent on staffing is below 80%
- The level of general reserves held is equivalent to one month's payroll costs
- Trust academies are judged at least 'good' in all areas by Ofsted

For the year to 31 August 2018:

- % of spending on staffing is 77% which is within our target. Redundancy and restructuring programmes were undertaken in 3 of our 4 academies in order to correctly align staffing with the current needs of the Trust. This will ensure this ratio can be maintained in the coming years.
- The level of general reserves held is 67% of the target of one month's payroll costs (£974,618 compared to £1,460,248). The need to increase the reserves held has been incorporated into academy level budgets for the forthcoming years.

The latest Ofsted ratings for the Trust, including the academies which have joined in 2018/19 are as follows:

- Good 4 academies
- No designation (sponsored academies) 2 academies

Going concern

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

Financial review

The Trust has expanded from comprising one through school to being a multi academy trust with the addition of two secondary academies and one primary academy in 2017/18.

The Trust's principal source of funding is grant income from the ESFA, which is designated on an annual basis and the use of which is restricted.

The in-year deficit for unrestricted funds and restricted general funds excluding pension benefit movements is £90,520. There have been overspends in several Trust academies and redundancy and restructuring programmes were undertaken in 3 of our 4 academies which will generate the savings required in the forthcoming years.

Unrestricted and restricted general reserves, excluding the pension fund at 31 August 2018 are £974,618. This does not meet the Trust's reserves policy of one month's payroll costs of £1,460,248. The reserves are reduced by a deficit brought in on conversion by one of our academies. This is being repaid to the ESFA over 3 years.

Net assets, excluding the pension liability, is £98,384,587, of which £96,784,383 relates to fixed assets, including land and buildings.

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Reserves policy

The Trust has a policy to hold general reserves equal to one month's payroll costs. This is to cover unexpected costs such as urgent maintenance required to our sites and buildings and to help manage shrinking budgets. The Trust's current level of restricted general reserves is £484,176 and unrestricted general reserves is £490,442 making a total surplus of £974,618. This is below the reserves policy of £1,460,248. In year surpluses required in order to meet the target reserves level have been incorporated into budget planning for the forthcoming years.

The restricted fixed asset fund of £97,409,969 includes £96,784,383 which can only be realised on disposal of fixed assets. The remainder relates to capital grant income from the CIF fund which has been received in the year but not yet spent.

Investment policy

The Trust's investment policy is to invest excess funds in cash management accounts and/or term deposit or instant access deposit accounts. This approach is taken to maximise investment income whilst fulfilling the working capital requirements of the Trust.

Principal risks and uncertainties

The Trust has implemented a Risk Management Strategy to ensure that there is a framework in place for managing the risks the Trust and its academies face. The strategy complies with risk management best practice and helps the Trust to achieve its objectives in the most effective way.

The risk register provides a means of evaluating the risks faced against agreed criteria. This register is split into two sections: The strategic risks faced by the Trust and the risks faced by individual academies. The strategic risk register is reviewed regularly by the Executive Leadership Group and the Audit Board, while the academy registers are the responsibility of Headteachers and Local Governing Bodies.

The main strategic risks identified include:

- One or more academy within the Trust fails to deliver good educational outcomes
- One or more academy within the Trust fails to deliver a balanced budget, or overspends within the year
- Site and buildings at one or more academy within the Trust are not fit for purpose
- Failure to comply with GDPR

The Trust's strategic plan is designed to mitigate these risks and to support this the following actions have been taken:

- From 2018/19 the Trust has appointed a Director of Education to develop and run the Trust's Academy Improvement Partner Programme.
- A cloud based, Trust wide accounting system has been implemented to streamline budget monitoring and improve Trust oversight of academy level activity.
- Expenditure is monitored against budget on a monthly basis at academy and Trust level.
- A Trust wide premises plan is being developed to schedule works well in advance and to ensure all areas of the Trust are given appropriate attention.
- The Trust has worked with professional advisors to develop a Data Protection Policy which complies with GDPR. A DPO has been appointed, as well as DP links within each academy who have all undertaken GDPR training.

Fundraising

A small level of fundraising is carried out at the Trust. It is not carried out by a commercial participator or professional fundraiser. No complaints have been received about the fundraising carried out at the Trust.

The Trust does not heavily promote fundraising activities and there is no undue pressure placed on a person to give money or other property. The fundraising activities are not formally monitored due to the small scale of activities carried out.

The Consortium Academy Trust

Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Plans for future periods

The Trust continues to grow and two new schools joined the Trust at the start of the 2018/19 academic year with Howden School joining as a Converter Academy on 1 September 2018 and The Holderness Academy joining as a sponsored academy on 1 October 2018.

The Trust is also working in partnership with three Associate Member schools:

- Swinemoor Primary School – an Outstanding primary in Beverley
- St Anne’s School and Sixth Form College – an Outstanding Special school located in Welton
- Winifred Holtby Academy – an 11-16 school located in Hull

It is envisaged that these schools will join the Trust in due course should conditions permit.

In addition, the Trust hopes to expand the primary phase over the next year.

In terms of Central Services, the following plans are in place:

- The implementation of a Trust marketing strategy to continue to build the brand
- An appointment of an Administrative Assistant
- The inaugural Trust Conference for teaching staff
- Expansion of opportunities for collaborative working across the Trust to support development of policies and procedures
- The implementation of a Trust recruitment procedure
- The outsourcing of payroll to an external provider
- The continued development of centralised services provision for Finance and Human Resources
- The production of a Trust-wide strategic plan for IT including the appointment of a strategic lead within the Central Services team
- The creation of a 5-year Strategic Business plan covering all aspects of the Trust’s work
- Continued development of the Academy Improvement Programme

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Trustees Annual Report for the Year Ended 31 August 2018 (continued)

Auditor

In so far as the Trustees are aware:

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

Trustees Annual Report , incorporating the Directors' Report and Strategic Report, was approved by order of the members of the Board of Trustees as company Directors on 10 December 2018 and signed on its behalf by:



I Furlong
Trustee

The Consortium Academy Trust

Governance Statement

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to Chief Executive Officer (CEO), 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 Consortium Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees Annual Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
I Furlong	8	8
G Barley	2	2
E Blair	7	7
M Craven	7	8
A Crossland	4	6
R Firth	7	7
P Hanmer	6	6
P Hogan	7	7
B Matson	5	7
S Milner	5	7
D Willoughby	6	6

Governance reviews

The Finance and Resource Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure the appropriate and effective use of Trust funds, to ensure appropriate financial procedures and controls are in place, to approve and monitor key HR policies and to have oversight of Health & Safety and capital works within the Trust. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
M Craven	4	4
I Furlong	3	4
B Matson	3	4
S Milner	2	4

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to ensure probity in the financial decision making and procedures of the Trust, to commission and receive internal and external reports and ensure the recommendations are enacted and to call the CEO and Finance & Resources Committee to account for their decisions and actions. Attendance at meetings during the year was as follows:

The Consortium Academy Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
R Firth	4	4
P Hanmer	3	4
P Hogan	2	4
I Furlong	1	1
D Willoughby	2	3

Review of value for money

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

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

- Commencing joint procurement projects across the Trust, including a reprographics contract
- Providing HR and Finance support to academies from Central Services, reducing the cost of external SLAs
- Realigning job roles and responsibilities to ensure they are suitable for the current requirements of our academies.

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 Consortium Academy Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- to appoint an internal auditor. The Trustees have appointed Smailes Goldie as internal auditor.

The Consortium Academy Trust

Governance Statement (continued)

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 payroll systems
- Testing of purchase systems
- Testing of bank reconciliations and bank systems
- Testing of income recording systems

Termly, the internal auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

There were no material control or other issues reported by the Internal Auditor to date.

Review of effectiveness

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

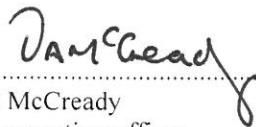
- the work of the responsible officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and Finance and Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 10 December 2018 and signed on its behalf by:



I Furlong
Trustee



D McCready
Accounting officer

The Consortium Academy Trust

Statement on Regularity, Propriety and Compliance

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

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

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



D McCready
Accounting Officer

10 December 2018

The Consortium Academy Trust

Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with the Annual Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the Board on 10 December 2018 and signed on its behalf by:



I Furlong
Trustee

The Consortium Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Consortium Academy Trust

Opinion

We have audited the financial statements of The Consortium Academy Trust (the 'Academy Trust') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust's in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report (incorporating the Strategic report and the Directors' Report), other than the financial statements and our auditor's 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.

The Consortium Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of The Consortium Academy Trust (continued)

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' Annual Report (incorporating the Strategic report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' 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 Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters where 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 directors' 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 [set out on page 19], the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

The Consortium Academy Trust

**Independent Auditor's Report on the Financial Statements to the Members of The Consortium
Academy Trust (continued)**



.....
Kevin Hopper FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Chartered Accountants, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
DN31 1LW

10 December 2018

The Consortium Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Consortium Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 29 June 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 Consortium Academy Trust during the period 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 Consortium Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Consortium 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 Consortium Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Consortium Academy Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Consortium Academy Trust's funding agreement with the Secretary of State for Education dated 29 August 2018 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 from 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluation the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management Personnel.

Conclusion

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

The Consortium Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to The Consortium Academy Trust and the Education & Skills Funding Agency (continued)



Kevin Hopper FCA, Reporting Accountant
For and on behalf of Forrester Boyd Chartered Accountants

26 South Saint Mary's Gate
Grimsby
DN31 1LW

10 December 2018

The Consortium Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	681,393	(1,440,893)	28,790,429	28,030,929
Transfer on conversion	31	-	(1,792,544)	37,014,587	35,222,043
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	13,831	21,142,318	-	21,156,149
Other trading activities	4	134,832	212,211	-	347,043
Investments	5	3,972	-	-	3,972
Total		<u>834,028</u>	<u>18,121,092</u>	<u>65,805,016</u>	<u>84,760,136</u>
Expenditure on:					
Raising funds	6	356,706	-	-	356,706
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	22,505,170	2,042,160	24,547,330
Total		<u>356,706</u>	<u>22,505,170</u>	<u>2,042,160</u>	<u>24,904,036</u>
Net income/(expenditure)		477,322	(4,384,078)	63,762,856	59,856,100
Transfers between funds		(4,794)	(65,930)	70,724	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	2,203,000	-	2,203,000
Net movement in funds/(deficit)		472,528	(2,247,008)	63,833,580	62,059,100
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017 as restated		<u>17,914</u>	<u>(901,816)</u>	<u>33,576,389</u>	<u>32,692,487</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>490,442</u>	<u>(3,148,824)</u>	<u>97,409,969</u>	<u>94,751,587</u>

Comparative figures are stated on page 26.

The Consortium Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account) As Restated

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	-	194,996	912,264	1,107,260
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	7,939,519	-	7,939,519
Other trading activities	4	17,914	98,330	-	116,244
Investments	5	-	3,339	-	3,339
Total		<u>17,914</u>	<u>8,236,184</u>	<u>912,264</u>	<u>9,166,362</u>
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	8,225,397	575,589	8,800,986
Total		-	<u>8,225,397</u>	<u>575,589</u>	<u>8,800,986</u>
Net income		17,914	10,787	336,675	365,376
Transfers between funds		(115,183)	(116,741)	231,924	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	25	-	647,000	-	647,000
Gains/losses on revaluation of fixed assets		-	-	569,072	569,072
Net movement in (deficit)/funds		(97,269)	541,046	1,137,671	1,581,448
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		<u>115,183</u>	<u>(1,442,862)</u>	<u>32,438,718</u>	<u>31,111,039</u>
Total funds/(deficit) carried forward at 31 August 2017		<u>17,914</u>	<u>(901,816)</u>	<u>33,576,389</u>	<u>32,692,487</u>

The Consortium Academy Trust

(Registration number: 077665828)
Balance Sheet as at 31 August 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Intangible assets	12	-	27,852
Tangible assets	13	<u>96,784,383</u>	<u>33,548,537</u>
		<u>96,784,383</u>	<u>33,576,389</u>
Current assets			
Debtors	14	1,139,648	831,659
Cash at bank and in hand		<u>2,340,186</u>	<u>1,216,683</u>
		3,479,834	2,048,342
Creditors: Amounts falling due within one year	15	<u>(1,629,514)</u>	<u>(1,107,066)</u>
Net current assets		<u>1,850,320</u>	<u>941,276</u>
Total assets less current liabilities		98,634,703	34,517,665
Creditors: Amounts falling due after more than one year	16	<u>(250,116)</u>	<u>(57,178)</u>
Net assets excluding pension liability		98,384,587	34,460,487
Pension scheme liability	25	<u>(3,633,000)</u>	<u>(1,768,000)</u>
Net assets including pension liability		<u>94,751,587</u>	<u>32,692,487</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		484,176	866,184
Restricted fixed asset fund		97,409,969	33,576,389
Restricted pension fund		<u>(3,633,000)</u>	<u>(1,768,000)</u>
		94,261,145	32,674,573
Unrestricted funds			
Unrestricted general fund		<u>490,442</u>	<u>17,914</u>
Total funds	17	<u>94,751,587</u>	<u>32,692,487</u>

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue on 10 December 2018 and signed on their behalf by:



I Furlong
Trustee

The Consortium Academy Trust

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	As restated 2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	1,508,582	337,129
Cash transferred on conversion to an academy trust		(1,028,592)	-
Cash flows from investing activities	22	707,827	(230,821)
Cash flows from financing activities	21	<u>(64,314)</u>	<u>-</u>
Change in cash and cash equivalents in the year		1,123,503	106,308
Cash and cash equivalents at 1 September		<u>1,216,683</u>	<u>1,110,375</u>
Cash and cash equivalents at 31 August	23	<u><u>2,340,186</u></u>	<u><u>1,216,683</u></u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

General information

The academy Trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

The Consortium Academy Trust
Harland Way
Cottingham
HU16 5PX

These financial statements were authorised for issue by the Board on 10 December 2018.

Statement of accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their 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 financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

The financial statements cover the individual entity The Consortium Academy Trust.

The Consortium Academy Trust meets the definition of a public benefit entity under FRS 102.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

Income

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

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Transfer of existing academies into the trust

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Intangible fixed assets

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 on a straight line basis over its expected useful life as follows:

Tangible fixed assets

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

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

Asset class	Depreciation method and rate
Leasehold land	125 years straight line
Leasehold buildings	50 years straight line
Computer equipment	10% - 33% straight line
Plant and machinery	20% straight line
Motor vehicles	20% straight line

Liabilities

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

Provisions

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

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

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Long term leasehold properties:

The land and buildings are held on a 125 year lease with East Riding Yorkshire Council. They were recognised as an asset on conversion and are being depreciated accordingly.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at the transaction price less any provision for impairment. Prepayments are not financial instruments.

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

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

Taxation

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

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

Pension benefits

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

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

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

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency accounting

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 27.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2017/18 Total £	As restated 2016/17 Total £
Other voluntary income					
Educational trips and visits	345,832	-	-	345,832	94,211
Transfer from academy trust on conversion	335,561	(1,463,117)	27,973,745	26,846,189	-
Capital grants	-	-	816,684	816,684	912,264
Other donations	-	22,224	-	22,224	100,785
	<u>681,393</u>	<u>(1,440,893)</u>	<u>28,790,429</u>	<u>28,030,929</u>	<u>1,107,260</u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	2017/18 Total £	As restated 2016/17 Total £
DfE/ESFA revenue grants				
General Annual Grant	-	19,244,224	19,244,224	6,961,752
Pupil Premium	-	810,252	810,252	398,214
Other ESFA income	-	595,500	595,500	216,893
	-	20,649,976	20,649,976	7,576,859
Other government grants				
Local Authority Funding	-	492,342	492,342	314,254
Other Government Grants	-	-	-	48,406
	-	492,342	492,342	362,660
Non-government grants and other income				
Catering Income	13,831	-	13,831	-
Total grants	13,831	21,142,318	21,156,149	7,939,519

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	120,210	-	120,210	17,914
Catering income	-	29,292	29,292	-
Other sales	14,622	182,919	197,541	98,330
	134,832	212,211	347,043	116,244

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Short term deposits	3,972	3,972	3,339

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure

	Non Pay Expenditure			2017/18 Total £	As restated 2016/17 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	12,282	-	344,424	356,706	-
Academy's educational operations					
Direct costs	14,521,911	-	1,002,131	15,524,042	6,219,602
Allocated support costs	<u>3,660,792</u>	<u>3,513,221</u>	<u>1,849,275</u>	<u>9,023,288</u>	<u>2,581,384</u>
	<u>18,194,985</u>	<u>3,513,221</u>	<u>3,195,830</u>	<u>24,904,036</u>	<u>8,800,986</u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017/18	As restated 2016/17
	£	£
Operating lease rentals	105,420	38,033
Depreciation	1,814,675	549,463
Amortisation of intangible fixed assets	8,303	26,126
Fees payable to auditor - audit	14,500	10,150
Fees payable to auditor - other services	2,500	-
(Gain)/loss on disposal of intangible fixed assets	22,911	-
(Gain)/loss on disposal of fixed assets	904	2,237
	904	2,237

7 Charitable activities

	2017/18	As restated 2016/17
	£	£
Direct costs - educational operations	15,524,042	6,219,602
Support costs - educational operations	9,023,288	2,581,384
	24,547,330	8,800,986

	Educational operations	2017/18 Total	As restated 2016/17 Total
	£	£	£
Analysis of support costs			
Support staff costs	3,660,792	3,660,792	872,755
Depreciation	1,814,675	1,814,675	418,368
Technology costs	188,825	188,825	48,273
Premises costs	1,698,546	1,698,546	739,278
Other support costs	1,633,288	1,633,288	492,560
Governance costs	27,162	27,162	10,150
Total support costs	9,023,288	9,023,288	2,581,384

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2017/18 £	2016/17 £
Staff costs during the year were:		
Wages and salaries	13,534,477	4,864,918
Social security costs	1,329,564	457,816
Operating costs of defined benefit pension schemes	2,888,550	889,268
	17,752,591	6,212,002
Supply staff costs	270,618	24,153
Staff restructuring costs	171,776	46,097
	18,194,985	6,282,252
	2018 £	2017 £
Staff restructuring costs comprise:		
Other restructuring costs	171,776	46,097

Staff numbers

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

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	271	96
Administration and support	305	89
Management	33	6
	609	191

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	4	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	-
£110,001 - £120,000	2	-
£120,001 - £130,000	-	1
	-	1

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £620,187 (2017: £353,873).

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Central services

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

- Finance and Human Resource activities
- Estates Management activities
- School Improvement activities

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

- Top slice based on GAG

The actual amounts charged during the year were as follows:

	2018
	£
Cottingham High School & Sixth Form College	190,968
Croxby Primary School	54,109
Hessle High School & Sixth Form College and Penshurst Primary	269,867
Wolfreton School & Sixth Form College	265,645
	<hr/>
	780,589
	<hr/> <hr/>

10 Related party transactions - trustees' remuneration and expenses

No Trustees' received remuneration or other benefits for the period ended 31 August 2018.

There were no Trustees' expenses paid for the period ended 31 August 2018.

11 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 £2,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Intangible fixed assets

	Computer software £	Total £
Cost		
At 1 September 2017	53,978	53,978
Additions	3,362	3,362
Disposals	(57,340)	(57,340)
	-	-
At 31 August 2018	-	-
Amortisation		
At 1 September 2017	26,126	26,126
Charge for the year	8,303	8,303
Eliminated on disposals	(34,429)	(34,429)
	-	-
At 31 August 2018	-	-
Net book value		
At 31 August 2018	-	-
At 31 August 2017	27,852	27,852

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Tangible fixed assets

	As restated Leasehold land and buildings £	Computer equipment £	Motor vehicles £	Plant and machinery £	As restated Total £
Cost					
At 1 September 2017	33,924,960	570,775	42,090	258,597	34,796,422
Additions	-	69,153	40,314	-	109,467
Disposals	-	(8,407)	(4,800)	(5,715)	(18,922)
Transfers on conversion	64,660,000	41,058	7,253	233,647	64,941,958
At 31 August 2018	<u>98,584,960</u>	<u>672,579</u>	<u>84,857</u>	<u>486,529</u>	<u>99,828,925</u>
Depreciation					
At 1 September 2017	716,466	416,864	21,822	92,733	1,247,885
Charge for the year	1,610,423	70,416	15,278	118,558	1,814,675
Eliminated on disposals	-	(7,503)	(4,800)	(5,715)	(18,018)
At 31 August 2018	<u>2,326,889</u>	<u>479,777</u>	<u>32,300</u>	<u>205,576</u>	<u>3,044,542</u>
Net book value					
At 31 August 2018	<u>96,258,071</u>	<u>192,802</u>	<u>52,557</u>	<u>280,953</u>	<u>96,784,383</u>
At 31 August 2017	<u>33,208,494</u>	<u>153,911</u>	<u>20,268</u>	<u>165,864</u>	<u>33,548,537</u>

Included within leasehold land and buildings is £96,258,071 (2017: £33,208,494) relating to long leasehold land and buildings.

14 Debtors

	2018 £	2017 £
Trade debtors	92,152	125,468
VAT recoverable	114,023	61,865
Other debtors	7,674	233
Prepayments	237,609	108,141
Accrued grant and other income	688,190	535,952
	<u>1,139,648</u>	<u>831,659</u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	345,464	-
Other taxation and social security	324,934	106,086
Other creditors	163,815	36,894
Accruals	465,989	666,409
Deferred income	53,832	199,060
Pension scheme creditor	275,480	98,617
	<u>1,629,514</u>	<u>1,107,066</u>

Included within other creditors is a deficit on conversion amount repayable of £128,628 to be paid over 3 years and £8,168 relating to a salix loan which is to be paid over 8 years.

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	199,060	81,362
Resources deferred in the period	53,832	199,060
Amounts released from previous periods	(199,060)	(81,362)
Deferred income at 31 August 2018	<u>53,832</u>	<u>199,060</u>

The amounts shown as deferred income relate to trip income in the current year and lottery funding, free school meal grants and rates reclaim in the prior year.

16 Creditors: amounts falling due after one year

	2018	2017
	£	£
Other creditors	<u>250,116</u>	<u>57,178</u>

Included within long term creditors is a deficit on conversion amount repayable of £192,938 to be paid over 3 years and £57,178 relating to a salix loan to be paid over 8 years.

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds

	As restated Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	866,184	19,244,224	(19,377,983)	(108,335)	624,090
Pupil Premium	-	810,252	(810,252)	-	-
Other ESFA grants	-	595,500	(589,560)	-	5,940
Transfer on Conversion Cottingham High School	-	244,883	(244,883)	-	-
Transfer on Conversion Croxby Primary	-	135,471	(135,471)	-	-
Transfer on Conversion Wolfreton High School	-	(373,015)	-	64,314	(308,701)
Local Authority Funding	-	492,342	(492,342)	-	-
Other income	-	234,435	(49,679)	(21,909)	162,847
	<u>866,184</u>	<u>21,384,092</u>	<u>(21,700,170)</u>	<u>(65,930)</u>	<u>484,176</u>
Restricted fixed asset funds					
Transfer on Conversion	-	64,988,332	(1,168,444)	-	63,819,888
DfE/ ESFA Capital Grants	-	816,684	(226,877)	48,815	638,622
Transfer from Other Funds	-	-	-	21,909	21,909
Capital Fund	<u>33,576,389</u>	<u>-</u>	<u>(646,839)</u>	<u>-</u>	<u>32,929,550</u>
	33,576,389	65,805,016	(2,042,160)	70,724	97,409,969
Restricted pension funds					
Pension Reserve	<u>(1,768,000)</u>	<u>(3,263,000)</u>	<u>(805,000)</u>	<u>2,203,000</u>	<u>(3,633,000)</u>
Total restricted funds	32,674,573	83,926,108	(24,547,330)	2,207,794	94,261,145
Unrestricted funds					
Unrestricted general funds	<u>17,914</u>	<u>834,028</u>	<u>(356,706)</u>	<u>(4,794)</u>	<u>490,442</u>
Total funds	<u><u>32,692,487</u></u>	<u><u>84,760,136</u></u>	<u><u>(24,904,036)</u></u>	<u><u>2,203,000</u></u>	<u><u>94,751,587</u></u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £	As restated Incoming resources £	As restated Resources expended £	As restated Gains, losses and transfers £	As restated Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	727,138	6,961,752	(6,705,965)	(116,741)	866,184
Pupil Premium	-	398,214	(398,214)	-	-
Other ESFA grants	-	216,893	(216,893)	-	-
Local Authority Funding	-	314,254	(314,254)	-	-
Other government grants	-	48,406	(48,406)	-	-
Other income	-	296,665	(296,665)	-	-
	<u>727,138</u>	<u>8,236,184</u>	<u>(7,980,397)</u>	<u>(116,741)</u>	<u>866,184</u>
Restricted fixed asset funds					
Capital Fund	32,438,718	912,264	(575,589)	800,996	33,576,389
Restricted pension funds					
Pension Reserve	<u>(2,170,000)</u>	<u>-</u>	<u>(245,000)</u>	<u>647,000</u>	<u>(1,768,000)</u>
Total restricted funds	30,995,856	9,148,448	(8,800,986)	1,331,255	32,674,573
Unrestricted funds					
Unrestricted general funds	<u>115,183</u>	<u>17,914</u>	<u>-</u>	<u>(115,183)</u>	<u>17,914</u>
Total funds	<u><u>31,111,039</u></u>	<u><u>9,166,362</u></u>	<u><u>(8,800,986)</u></u>	<u><u>1,216,072</u></u>	<u><u>32,692,487</u></u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

	Balance at 1 September 2016 £	As restated Incoming resources £	As restated Resources expended £	As restated Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	727,138	26,205,976	(26,083,948)	(225,076)	624,090
Pupil Premium	-	1,208,466	(1,208,466)	-	-
Other ESFA grants	-	812,393	(806,453)	-	5,940
Transfer on Conversion Cottingham High School	-	244,883	(244,883)	-	-
Transfer on Conversion Croxby Primary	-	135,471	(135,471)	-	-
Transfer on Conversion Wolfreton High School	-	(373,015)	-	64,314	(308,701)
Local Authority Funding	-	806,596	(806,596)	-	-
Other government grants	-	48,406	(48,406)	-	-
Other income	-	531,100	(346,344)	(21,909)	162,847
	<u>727,138</u>	<u>29,620,276</u>	<u>(29,680,567)</u>	<u>(182,671)</u>	<u>484,176</u>
Restricted fixed asset funds					
Transfer on Conversion	-	64,988,332	(1,168,444)	-	63,819,888
DfE/ ESFA Capital Grants	-	816,684	(226,877)	48,815	638,622
Transfer from Other Funds	-	-	-	21,909	21,909
Capital Fund	<u>32,438,718</u>	<u>912,264</u>	<u>(1,222,428)</u>	<u>800,996</u>	<u>32,929,550</u>
	32,438,718	66,717,280	(2,617,749)	871,720	97,409,969
Restricted pension funds					
Pension Reserve	<u>(2,170,000)</u>	<u>(3,263,000)</u>	<u>(1,050,000)</u>	<u>2,850,000</u>	<u>(3,633,000)</u>
Total restricted funds	30,995,856	93,074,556	(33,348,316)	3,539,049	94,261,145
Unrestricted funds					
Unrestricted general funds	<u>115,183</u>	<u>851,942</u>	<u>(356,706)</u>	<u>(119,977)</u>	<u>490,442</u>
Total funds	<u><u>31,111,039</u></u>	<u><u>93,926,498</u></u>	<u><u>(33,705,022)</u></u>	<u><u>3,419,072</u></u>	<u><u>94,751,587</u></u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy. The academy trust was not subject to a limit on GAG carry forward.

Pupil Premium Grant may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved capital allocated directly by the DfE must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

Restricted Pension Funds represents the LGPS pension deficit.

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	2018 £	As restated 2017 £
Cottingham High School & Sixth Form College	644,432	-
Croxby Primary School	31,344	-
Hessle High School & Sixth Form College and Penshurst Primary	762,766	884,098
Wolfreton School & Sixth Form College	(496,902)	-
Central services	32,978	-
Total before fixed assets and pension reserve	974,618	884,098
Restricted Fixed Asset Fund	97,409,969	33,576,389
Pension Reserve	(3,633,000)	(1,768,000)
Total	94,751,587	32,692,487

Wolfreton School & Sixth Form College is carrying a net deficit of £496,902 on these funds because:

There was a brought forward deficit on conversion of £385,880 and time is needed to make relevant changes.

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

The Trust is repaying the deficit brought into the Trust on conversion by Wolfreton to the ESFA via reductions in the GAG funding over 36 months. The deficit will be repaid by February 2021. Future budget planning incorporates this and addresses the need for the academy to make a positive contribution to reserves from 2021/22.

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 £
Cottingham High School & Sixth Form College	3,139,012	778,913	181,564	1,219,728	5,319,217	-
Croxby Primary School	990,223	158,572	14,047	263,823	1,426,665	-
Hessle High School & Sixth Form College and Penshurst Primary	5,238,928	848,894	275,308	1,585,860	7,948,990	8,251,523
Wolfreton School & Sixth Form College	4,815,193	974,570	105,474	1,504,658	7,399,895	-
Central services	338,555	240,125	-	403,049	981,729	-
Academy Trust	14,521,911	3,001,074	576,393	4,977,118	23,076,496	8,251,523

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	96,784,383	96,784,383
Current assets	490,442	2,298,460	690,932	3,479,834
Current liabilities	-	(1,621,346)	(8,168)	(1,629,514)
Creditors over 1 year	-	(192,938)	(57,178)	(250,116)
Pension scheme liability	-	(3,633,000)	-	(3,633,000)
Total net assets	490,442	(3,148,824)	97,409,969	94,751,587

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	As restated Total funds £
Intangible fixed assets	-	-	27,852	27,852
Tangible fixed assets	-	-	33,548,537	33,548,537
Current assets	17,914	1,965,082	65,346	2,048,342
Current liabilities	-	(1,098,898)	(8,168)	(1,107,066)
Creditors over 1 year	-	-	(57,178)	(57,178)
Pension scheme liability	-	(1,768,000)	-	(1,768,000)
Total net assets	17,914	(901,816)	33,576,389	32,692,487

19 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	113,853	1,000
Amounts due between one and five years	179,056	25,000
	292,909	26,000

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2017/18	As restated 2016/17
	£	£
Net income	59,856,100	365,376
Amortisation	8,303	26,126
Depreciation	1,814,675	549,463
Capital grants from DfE and other capital income	(816,684)	(912,264)
Interest receivable	(3,972)	(3,339)
Defined benefit pension scheme obligation inherited	3,263,000	-
Defined benefit pension scheme cost less contributions payable	672,000	198,000
Defined benefit pension scheme finance cost	133,000	47,000
Increase in debtors	(307,989)	(649,678)
Increase in creditors	779,700	714,208
Loss on disposal of intangible fixed assets	22,911	-
Loss on disposal of tangible fixed assets	904	2,237
Cash transferred on conversion to an academy trust	1,028,592	-
Fixed assets transferred on conversion	<u>(64,941,958)</u>	<u>-</u>
Net cash provided by Operating Activities	<u>1,508,582</u>	<u>337,129</u>

21 Cash flows from financing activities

	2017/18	2016/17
	£	£
Repayments of borrowing	<u>(64,314)</u>	<u>-</u>
Net cash used in financing activities	<u>(64,314)</u>	<u>-</u>

22 Cash flows from investing activities

	2017/18	As restated 2016/17
	£	£
Dividends, interest and rents from investments	3,972	3,339
Purchase of intangible fixed assets	(3,362)	(53,978)
Purchase of tangible fixed assets	(109,467)	(1,103,970)
Proceeds from sale of tangible fixed assets	-	11,524
Capital funding received from sponsors and others	<u>816,684</u>	<u>912,264</u>
Net cash provided by/(used in) investing activities	<u>707,827</u>	<u>(230,821)</u>

23 Analysis of cash and cash equivalents

	2018	2017
	£	£
Cash at bank and in hand	<u>2,340,186</u>	<u>1,216,683</u>
Total cash and cash equivalents	<u>2,340,186</u>	<u>1,216,683</u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

25 Pension and similar obligations

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

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

Contributions amounting to £ 275,396 (2017: £98,617) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £1,530,698 (2017: £561,861). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £803,000 (2017 - £327,000), of which employer's contributions totalled £619,000 (2017 - £257,000) and employees' contributions totalled £184,000 (2017 - £70,000). The agreed contribution rates for future years are 16.4 - 19.2 per cent for employers and 5-7 per cent 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 %
Rate of increase in salaries	2.50	2.60
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>2.80</u>	<u>2.50</u>

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

	2018	2017
Retiring today		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>

Sensitivity analysis

	2018 £	2017 £
0.5% decrease in real discount rate	2,182,000.00	780,000.00
Mortality assumption – 1 year increase	621,000.00	226,000.00
0.5% increase in salary increase rate	450,000.00	125,000.00
0.5% increase in the pension increase rate	<u>1,701,000.00</u>	<u>643,000.00</u>

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

	2018 £	2017 £
Equities	8,560,000	2,751,000
Corporate bonds	1,546,000	504,000
Property	1,427,000	426,000
Cash and other liquid assets	<u>356,000</u>	<u>194,000</u>
Total market value of assets	<u>11,889,000</u>	<u>3,875,000</u>

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Pension and similar obligations (continued)

The actual return on scheme assets was £742,000 (2017 - £420,000).

Amounts recognised in the statement of financial activities

	2017/18	As restated 2016/17
	£	£
Current service cost	1,291,000	455,000
Interest income	(268,000)	(70,000)
Interest cost	401,000	117,000
	<u>1,424,000</u>	<u>502,000</u>
Total amount recognised in the SOFA	<u>1,424,000</u>	<u>502,000</u>

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

	2017/18	2016/17
	£	£
At start of period	5,643,000	5,356,000
Transferred in on existing academies joining the trust	9,815,000	-
Current service cost	1,291,000	455,000
Interest cost	401,000	117,000
Employee contributions	184,000	70,000
Actuarial (gain)/loss	(1,729,000)	(297,000)
Benefits paid	(83,000)	(58,000)
	<u>15,522,000</u>	<u>5,643,000</u>
At 31 August	<u>15,522,000</u>	<u>5,643,000</u>

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

	2017/18	2016/17
	£	£
At start of period	3,875,000	3,186,000
Transferred in on existing academies joining the trust	6,552,000	-
Interest income	268,000	70,000
Actuarial gain/(loss)	474,000	350,000
Employer contributions	619,000	257,000
Employee contributions	184,000	70,000
Benefits paid	(83,000)	(58,000)
	<u>11,889,000</u>	<u>3,875,000</u>
At 31 August	<u>11,889,000</u>	<u>3,875,000</u>

26 Related party transactions

There were no related party transactions in the year.

27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the academy trust received £33,758 and disbursed £32,901 from the fund. An amount of £5,852 is included in other creditors relating to undistributed funds that will be used for students in 2018/19.

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

28 Transfer of existing academies into the Trust

Cottingham High School

	Value reported by transferring academy trust £	Transfer in recognised £
Tangible fixed assets		
Leasehold land and buildings	27,880,000	27,880,000
Furniture and equipment	<u>47,369</u>	<u>47,369</u>
	<u>27,927,369</u>	<u>27,927,369</u>
Other assets		
Debtors due in less than one year	293,460	293,460
Cash in bank and in hand	<u>893,121</u>	<u>893,121</u>
	1,186,581	1,186,581
Liabilities		
Creditors due in less than one year	(559,761)	(559,761)
Pensions		
Pensions – pension scheme liabilities	<u>(1,708,000)</u>	<u>(1,708,000)</u>
Net assets	<u><u>26,846,189</u></u>	<u><u>26,846,189</u></u>

29 Events after the end of the reporting period

On the 1 September 2018 Howden School joined the Trust and on 1 October 2018 The Holderness Academy joined the Trust.

30 Prior Period Adjustment

A prior period adjustment has been made to correct the depreciation charge for the year. The decrease to net reserves is £310,372.

31 Conversion to an academy trust

On 1 October 2017 the Croxby Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Consortium Academy Trust from the East Riding Yorkshire Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

The Consortium Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

31 Conversion to an academy trust (continued)

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Other tangible fixed assets	-	-	5,380,000	5,380,000
On LA funds	-	135,471	-	135,471
Net assets	<u>-</u>	<u>135,471</u>	<u>5,380,000</u>	<u>5,515,471</u>

The above net assets include £135,471 that were transferred as cash.

On 1 September 2017 the Wolfreton High School & Sixth Form College converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Consortium Academy Trust from the East Riding Yorkshire Council Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities and an analysis of their recognition in the SOFA.

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Leasehold land and buildings	-	-	31,400,000	31,400,000
Other tangible fixed assets	-	-	234,587	234,587
On LA funds	-	(385,880)	-	(385,880)
On other school funds	12,865	-	-	12,865
Net assets	<u>12,865</u>	<u>(385,880)</u>	<u>31,634,587</u>	<u>31,261,572</u>

The above net assets include £Nil that were transferred as cash.

Not included above is a pension deficit transferred on conversion from both schools totalling £1,555,000. This cannot be split between each school as a combined actuary report for the Trust was produced.

