

Registered number: 07730920

The Arthur Terry Learning Partnership

Trustees' Report and Financial Statements

For the Year Ended 31 August 2018



**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

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Reference and Administrative Details
For the Year Ended 31 August 2018

Members	Mr Timothy Sewell Mrs Sarah Taylor Mr Mick Waters Mr Alan Wharton (appointed 18 September 2018)
Trustees	Mr Timothy Sewell ² Mrs Maxine Rowley (resigned 31 August 2018) Mr John Vickers, Chair ¹ Mr Jonathan Brake ² Mrs Heather Morris, Vice Chair ¹ Mr Richard Gill, Chief Executive ² Mr Brian Cookson, Chair of Audit (appointed 5 February 2018) ¹
Independent Member	Mr Alan Wharton, Chair of Finance ² 1 member of the Audit Committee 2 member of Finance Committee
Company registered number	07730920
Company name	The Arthur Terry Learning Partnership
Principal and registered office	Kittoe Road Sutton Coldfield West Midlands B74 4RZ
Chief Executive and Accounting Officer	Mr Richard Gill
Finance Director	Mrs Teresa Phipps
Executive team	Mr Richard Gill, Chief Executive Officer Ms Anna Balson, Executive Headteacher, Primary Mrs Teresa Phipps, Finance Director Mr Neil Warner, Executive Headteacher, Secondary
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank Plc 9 Birmingham Road Sutton Coldfield West Midlands B72 1QA

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Reference and Administrative Details of the Multi academy trust, its Trustees and Advisers
For the Year Ended 31 August 2018

Advisers (continued)

Solicitors	Browne Jacobson LLP Victoria House Victoria Square Birmingham B2 4BH
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The Arthur Terry Learning Partnership
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Trustees' Report
For the Year Ended 31 August 2018

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

The trust operates five primary academies, and three secondary academies across Birmingham, Staffordshire and North Warwickshire. Its academies had a roll of 5,500 in March 2018, when Scotch Orchard Primary School joined the partnership.

Structure, governance and management

a. Constitution

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the Arthur Terry Learning Partnership Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Arthur Terry Learning Partnership.

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

b. Members' liability

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

c. Trustees' indemnities

The Trustees of the Trust have been indemnified in respect of their legal liability for financial loss arising as a result of a negligent act, accidental error or omission in the course of their official duties. The limit of this indemnity under the insurance arrangement of £5 million.

d. Method of recruitment and appointment or election of Trustees

The Articles provide that

- The Members may appoint by ordinary resolution up to 8 Trustees (Article 50)
- The total number of Trustees, including the Chief Executive Officer if they so choose to act as Trustee under Article 57, who are employees of the Academy Trust shall not exceed one third of the total number of Trustees (Article 50B)
- In circumstances where Trustees have not appointed Local Governing Bodies in respect of the Academies as envisaged in Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A there shall be a minimum of two Parent Trustees and otherwise such number as the Members shall decide who shall be appointed or elected in accordance with Articles 54 – 56. (Article 53)

The ultimate management of the multi academy trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

The approach to appointing new Trustees would depend upon the nature of the vacancy, as outlined in the Articles. The Trust considers the appropriate skills set of prospective Trustees to enable effective leadership of Trust responsibilities.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

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

The training and induction provided for new trustees will depend upon their existing experience and an audit of their skills. Where required, an induction will provide training on educational, safeguarding, legal and financial matters. All trustees are provided with access to the policies, procedures, minutes, accounts, budgets plans and other documents that they will need to undertake their role as trustees and directors of the Charitable company. As there is normally expected to be only a small number of new trustees each year, induction tends to be informal and is tailored specifically to the individual.

The Academy Insurance indemnifies the Governors. This policy is available for inspection on request.

f. Organisational structure

The company has established a structure to enable its efficient running. The structure consists of six levels:-

- a) Members
- b) Board of Trustees, Finance Committee & Audit Committee
- c) Hub Governing Bodies (Secondary Schools and Primary Schools)
- d) Local Governing Body for each of the schools
- e) Chief Executive, who is the Accounting Officer for the Trust.
- f) Executive Team including a Executive Headteacher (Secondary), Executive Headteacher (Primary), Finance Director, HR Director and Business Director.
- g) Leadership Group for each of the schools

The trustees are responsible for setting general policy, the strategic five year business plan, the budget, monitoring the financial status of the trust, estates, making major decisions about the strategic directions of the company, and senior staff appointments. The trustees are responsible for the monitoring and performance of the Chief Executive.

The Local Governing Bodies are responsible for implementing the Trust policies and implementing the pre-determined schedule of agenda items as detailed by the Trustees, to ensure consistency across the Trust.

The Local Governing Bodies are a mix of parents, staff and co-opted members. At each academy there is a Headteacher/Associate Headteacher and a Leadership Group.

The Audit Committee & Finance Committee are Committees of the Trust Board. The Committees assist the Trust to fulfil its responsibilities, with particular reference to strategic financial planning, monitoring and reporting, internal control, risk management, internal and external audit. All other matters are dealt with by the Trust Board.

g. Arrangement for setting pay and remuneration of key management personnel

The Board of Trustees has adopted a pay policy following consultation with employees in the schools and the school-based representatives of the recognised unions and professional associations.

The Chief Executive Officer (CEO) will be responsible for ensuring appraisal objectives for all Headteachers/Associate Headteachers are set and reviews are undertaken in line with the policy, and to report the outcome to the Pay Committee of each school and the Board of Trustees annually.

The remuneration package for the CEO will determined by the Trust Board, taking in to account all of the permanent responsibilities of the role, any challenges that are specific to the role, and all other relevant considerations. The salary will be based on a fixed salary. In the case of a new appointment, when determining the salary, the Trust Board will consider the requirements of the post and the extent to which the preferred candidate meets those requirements. The Trust Board will ensure that there is appropriate scope to allow for performance-related progress over time, subject to receiving evidence that there has been substantial and sustained high quality of performance having regard to the results of the recent appraisal and achieving the overall expectations and outcomes of the ATLP.

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Trustees' Report (continued)
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h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	6

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£000	
Total cost of facility time	1	
Total pay bill	21,439	
Percentage of total pay bill spent on facility time	0.00	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.00	%
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i. Related parties and other connected charities and organisations

Childrens' Centre

The Governance for Sutton Locality Childrens' Centre has now passed from the Arthur Terry Learning Partnership to Spurgeons, a Christian charity who run a number of services across the UK. The decision not to carry on with the contract which ATLP had run so successfully since 2012 was not made lightly. However, the Trust Board had grave reservations around employment securities and the openness, or lack of, in which BCC were dealing with ongoing questions from existing employees. Clarification was sought but responses were not freely given. As such Four Oaks Children' Centre was decommissioned in January 2018.

John Willmott School

The Arthur Terry Learning Partnership is working as the improvement partner for John Willmott School, who are currently a Birmingham City Council local authority school. John Willmott received an Academy Order in 2015. Since the Autumn term 2016 John Willmott and ATLP have developed a strong and fruitful relationship by working closely together to improve the achievements of young people. ATLP has provided a range of specialised support and intervention in key areas of the core curriculum and senior and middle leadership. ATLP is also providing strategic financial management guidance.

Academy Orders

Academy orders were approved in July 2018 for the following schools to join the Arthur Terry Learning Partnership:

- Curdworth Primary School, Warwickshire
- Nether Stowe Secondary School, Staffordshire
- Two Gates Primary School, Staffordshire

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Trustees' Report (continued)
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The Arthur Terry Learning Partnership is a sponsor to John Willmott Secondary School and Two Gates Primary School. As a sponsor the partnership provides targeted support to the school across various areas of leadership including teaching and learning, governance, finance and budgeting, human resources and estates.

Objectives and Activities

a. Objects and aims

The Company's objects are specifically restricted to the following:

- (a) Advancing for the public benefit education in the United Kingdom ('the area of benefit'), in particular but without prejudice to the generality of the foregoing by
 - (i) Establishing, maintaining, carrying on, managing and developing a school offering a broad and a balanced curriculum,
 - (ii) Providing childcare facilities and adult training to develop the capacity and skills of parents to be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children,
- (b) Promoting in the area of benefit the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged,
- (c) Developing the capacity and skills of those inhabitants of the area of benefit who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society,
- (d) Relieving poverty among the inhabitants of the area of benefit,
- (e) Relieving unemployment in the area of benefit for the benefit of the public in such ways as may by thought fit, including assistance to find employment,
- (f) Advancing the health of the inhabitants of the area of benefit
- (g) Providing recreational and leisure time facilities in the interest of social welfare for the inhabitants of the area of benefit especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances,
- (h) To promote for the benefit of the inhabitants of West Midlands and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

The five-year business plan describes our objectives, purpose and vision. Our plans focus upon ensuring The Arthur Terry Learning Partnership remains a centre for academic excellence at all levels across the partnership. The Arthur Terry Learning Partnership is committed to delivering outstanding provision through collaborative working, local responsibility and accountability, systematic quality assurance and a commitment to continual improvement.

Leaders and managers at all levels are encouraged to innovate in response to a continually changing educational climate and an absolute priority remains to ensure that all children feel safe in an environment where the discipline is firm but fair yet where student voice is heard. Best practice in teaching and learning is widely shared in order to ensure that all children thrive and succeed and make better than expected progress.

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Trustees' Report (continued)
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In setting the objectives, the trustees have given careful consideration to the Academy's general guidance on Public benefit and in particular to its supplementary public benefit guidance on advancing education.

c. Public benefit

The main objectives of the Trust are summarised below;

- To ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care
- To raise the standard of educational achievement of all pupils
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended to maintain close links with industry and commerce, and
- To conduct the Trusts business in accordance with the highest standards of integrity, probity and openness.

To ensure that standards are continually raised the Trust, Hub Governing Bodies, The Local Governing Bodies and the Leadership Groups;

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning and includes book trawls
- Is visited, scrutinised and supported by a School Improvement Partner
- Undertake a rigorous review of attainment using IDSR to measure the progress of students, paying particular regard to their achievement on entry and levels of progress secured.

The Trust recognises that equal opportunities should be an integral part of good practice within the workplace. The Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to a range of areas within the Trust. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment by making support resources available and through training and career development.

d. Strategic Report

Achievements and performance for 2017-18

Primary Schools

Brookvale Primary School

Following their successful OFSTED outcome of Good, Brookvale outcomes were consistently above or in line with national in all areas in EYFS, KS1 and KS2. Brookvale progress scores are showing a three-year improving trend, with Reading the only subject slightly below national at -1.3

Hill West Primary School

Outcomes were consistently above national in all areas in EYFS, KS1 and KS2. Hill West progress scores are showing a three year consistently higher than national trend.

Mere Green Primary School

Outcomes were consistently above or in line with national in all areas in EYFS, KS1 (with the exception of greater depth reading at KS1 at -3% below national) and KS2. Mere Green progress scores are showing a three year consistently higher than national trend.

Scotch Orchard Primary School

Outcomes were increasing in all areas in except EYFS, KS1 writing at all levels, greater depth at -16% below national and maths greater depth -21% below national, KS2 maths greater depth, SPAG greater depth at -16% below national. Scotch Orchard progress scores are showing a three-year increasing trend but are below national in all areas.

Slade Primary School

Outcomes were consistently increasing in all areas in EYFS, KS1 and KS2 (with the exception of expected standard in maths at KS2 at -19% below national) Slade progress scores are showing a three year increasing trend above national with the exception of maths which is -2.1 below national.

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Subject	Measure	2018 National Average	Brookvale	Mere Green	Slade	Hill West	Scotch Orchard
Key Stage 1							
EYFS	GLD	71%	80%	83%	74%	82%	70%
Phonics	At Expected in Year 1	81%	83%	95%	85%	93%	87%
Reading	At Expected	76%	86%	83%	78%	85%	93%
	Greater Depth	25%	29%	22%	26%	28%	27%
Writing	At Expected	68%	82%	83%	73%	82%	67%
	Greater Depth	16%	18%	19%	23%	20%	0%
Mathematics	At Expected	75%	82%	83%	74%	85%	77%
	Greater Depth	21%	29%	24%	22%	25%	0%
Key Stage 2							
Reading	Expected Standard	75%	81%	86%	70%	86%	78%
	Greater Depth	28%	38%	28%	23%	37%	26%
	Average Scaled Score	105	105	107	99	107	105
	Progress Score	0	-1.3	1.3	-0.6	1.2	-1.2
Writing	Expected Standard	78%	88%	92%	77%	92%	81%
	Greater Depth	20%	28%	30%	17%	30%	22%
	Progress Score	0	0.7	2.3	1	1.5	-0.8
Mathematics	Expected Standard	76%	84%	86%	57%	85%	85%
	Greater Depth	24%	31%	30%	13%	51%	19%
	Average Scaled Score	104	106	106	97	108	104
	Progress Score	0	0.3	0.7	-2.1	2.6	-1.5
SPaG	Expected Standard	78%	91%	80%	67%	85%	81%
	Greater Depth	34%	34%	43%	33%	58%	15%
	Average Scaled Score	106	108	108	101	110	105
R, W & M	Expected Standard	64%	75%	70%	53%	83%	70%

Secondary Schools

Schools within the ATLP have had clear successes this financial year and have improved performance on a range of measures and, in particular, in areas that were identified as being vulnerable following EHT and SIP visits throughout 2017/18. All schools continue to be set targets relating to FFT (at FFT50, FFT20 and FFT5 targets, depending on the school) All schools have in-house aspirational targets for all pupils and disadvantaged pupils) These are monitored carefully by a range of audiences and at Key Stage 4 there are regular assessments to ensure greater consistency in the tracking and monitoring of data.

The Arthur Terry School continues to have impressive attainment scores for the headline measures of 4+ English and Maths (79%) and 5+ English and Maths (61%). These figures are expected to be significantly above national average, when this figure is released. The attainment of higher prior learners has remained at 6.4 which is very pleasing, given that this is a key area for the school, in particular as a result of the larger than average higher prior attainers on entry. Attainment scores for English, maths and the EBacc element have all improved, although there has been a decline in the attainment of the 'open element'. At Key Stage 5, another key area of the school's development plan, there have been some pleasing results. The percentage of entries at every grade threshold has risen from 2017 and the average point score has increased from 27.18 to 30.23, resulting in an improvement in the average A Level grade from a 'C-' to a 'C'. Value added is expected to rise also. The progress of disadvantaged learners is still an area of focus for the school and this has declined slightly this year. If one were to take into consideration the 'outliers' (10 pupils out of 30), the progress score would equate to 0. Attendance at the Arthur Terry school continues to be a strength with absence and persistent absence well below the national average.

Stockland Green School continues to build upon its successes, following a very pleasing Ofsted report which graded the school as 'Good' from 'Requires Improvement' in 2017. Progress 8 has increased from -0.16 to +0.11 and there have been some significant increases in progress for English (-0.02 to +0.19, maths (+0.04 to +0.26), EBacc (+0.06 to +0.32) and the Open element (-0.6 to -0.26) The Open element still remains an area for development, despite improvements. Attainment for higher, middle and lower prior attaining pupils has increased significantly from 2017 and the headline measures for 4+ English and Maths rose from 54% to 61% and 5+ English and Maths rose from 26% to 47%) It is also pleasing to note the increase in the more able pupils. Attendance has improved further at the school, rising from 94.9% in 2017 to 95% in 2018 and persistent absence falling from 12.2% to 11.3%.

The Coleshill School has had some improvements in the key headlines measure of 4+ English and Maths and 5+ English and Maths, rising from 61% to 66% and 26% to 49% respectively. Attainment for higher prior attaining pupils has increased and there has been improvements in attainment for English, Maths, EBacc and the open element. Progress, however, has declined in English, EBacc and the Open element, but improved in Maths. The progress of disadvantaged pupils remains a clear area for the school to improve. 12 'outliers' would move the progress of these pupils from -0.77 to -0.4, but this is still below the national figure of disadvantaged and significantly below the national average for 'other' pupils. The school has a very clear and comprehensive strategy for DA pupils this academic year and this is being monitored and quality assured by the EHT and SIP. A two day 'Leadership Review' is scheduled for late November to assess the capacity of senior and middle leaders and identify strengths and areas for development in readiness for an expected Ofsted inspection. Attendance remains a real strength of the school and has risen further to 96%, which is well above the national average and persistent absence has fallen yet again from 9.3% to 6.7%.

Measure	Arthur Terry	Stockland Green	Coteshill
Key Stage 4			
Progress 8 Score	0.16	0.11	-0.23
Progress 8 Score - Upper Confidence Interval	0.33	0.33	-0.02
Progress 8 Score - Lower Confidence Interval	0.00	-0.11	-0.44
Progress 8 Score - English Element	0.34	0.19	-0.20
Progress 8 Score - Maths Element	0.30	0.26	-0.08
Progress 8 Score - English Baccalaureate Element	0.27	0.32	-0.17
Progress 8 Score - Open Element	-0.16	-0.26	-0.50
Attainment 8 Score	52.88	42.77	45.31
Attainment 8 Score - English Element	11.53	9.45	9.83
Attainment 8 Score - Maths Element	10.70	8.46	9.14
Attainment 8 Score - English Baccalaureate Element	15.68	12.71	13.12
Attainment 8 Score - Open Element	14.97	12.14	13.09
4+ in English and Maths	79%	61%	65%
5+ in English and Maths	61%	47%	48%
4+ English Baccalaureate	39%	24%	24%
5+ English Baccalaureate	26%	13%	12%
English Baccalaureate APS	4.86	3.90	4.11
5+ Grade 7 or above GCSE	21%	9%	10%
Key Stage 5			
% of Entries at A*-A	18.1%	n/a	6.0%
% of Entries at A*-B	42.8%	n/a	25.1%
% of Entries at A*-C	74.4%	n/a	55.1%
% of Entries at A*-D	90.2%	n/a	76.6%
% of Entries at A*-E	97.2%	n/a	91.6%
Average Point Score per Entry	30.23	n/a	24.18
Average Grade per Entry	C	n/a	D+
AAB+ with two in Facilitating Subjects	6.4%	n/a	0.0%

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Trustees' Report (continued)
For the Year Ended 31 August 2018

a. Key performance indicators

• Maintaining a balanced budget at year-end

The Trustees monitor the financial position on a half-termly basis by reviewing financial year-end projections. 2017-18 secured a balanced budget with revenue reserves of £4,777,000.

• Benchmarking expenditure against other similar organisations

Benchmarking information has been reviewed by trustees to make comparative judgements on the efficiency of each school. Trustees have continued to reduce staffing costs as opportunities arise to reduce the percentage of income allocated to staffing resources. Extensive work has been undertaken to drive efficiency across the partnership, this has included a centralised approach to procurement of large contracts, the provision of benchmarking data for governors to challenge school leaders and plans for rationalisation/consistency across a range of areas in the Trust including staffing structures.

• Maintaining current level of reserves

The Trust has increased its level of reserves at the end of this accounting period.

• Achieving value for money through effective financial management procedures

The Trust complies with the requirements of the Academies Financial Handbook. Visits by an independent external Responsible Officer have verified procedures of financial management and internal control to achieve value for money.

• Maintain a positive cash flow with sufficient cash balances to cover monthly expenditure

Monitoring of cash flow throughout the year has secured sufficient cash balances to ensure cash balances to cover monthly expenditure.

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the multi 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 Accounting Policies.

c. Financial review

The majority of the Trust's income is received from the Department for Education via the Education and Skills Funding Agency in the form of the General Annual Grant (GAG); the use of which is restricted to particular purposes i.e. the objectives of the Academy Trust. The GAG received during the period covered by this report and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

Priorities identified in the ATLP Business Plan are as follows:-

- Achievement in our academies will build on the previous personal best with year-on-year improved progress for students of all abilities across the ATLP.
- Recruitment, training and development of all staff will result in delivery of an outstanding provision to all of our students.
- Leadership & governance across the ATLP will be outstanding and succession planning effective in securing leaders of high calibre across the Learning Partnership
- A sustainable educational and business plan will be in place that supports the academies to meet their core objective of delivering outstanding education for every child.

The in-year surplus for the financial period is £1,355,000 as detailed in the 2017-18 financial statements. The combined General Restricted Fund and Unrestricted Fund show a carry forward surplus, excluding the actuarial losses on defined benefit pension schemes, of £4,777,000. This surplus is the result of budget control procedures, which have been embedded in the Trust's daily financial management in accordance with the

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Trustees' Report (continued)
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Academies Financial Handbook. The Trust operates a detailed Finance Policy, linked specifically to the Academies Financial Handbook to ensure adequate controls and parameters are incorporated. In addition, all staff members receive a summary of the Trust's Financial Regulations, specifically relevant for all staff members.

a. Reserves policy

The level of reserves held takes into account the nature of income and expenditure streams, the need to match them with commitments, including future capital projects and the nature of reserves. The Trustees will keep the level of reserves under review.

Reserves at the end of the period are £52,193,000 but £47,416,000 are represented by fixed assets and the Local Government Pension Scheme deficit.

The restricted fund reserves will be used to fund current commitments, designated building maintenance projects and provision of an all-weather pitch at one school to enable external play space for pupils, as well as expenditure required to implement the Aims and Objectives of the Academy Trust as outlined in the Business Plan. £1,901,809 is designated for funds ringfenced for planned capital improvements or specifically designated expenditure.

The reserves statement states the trust will endeavour to retain 2.5% in reserves.

b. Material investments policy

The Trust does not hold any investments. Overnight or 7-day deposits would be considered if appropriate and cash flow allows. During the accounting period no overnight or 7-day deposits have been made. Most of the academy's income is obtained from the ESFA in the form of recurrent grants. The Trust makes significant investment in providing resources appropriate to the aims and objectives of the Trust.

c. Principal risks and uncertainties

The Trustees annually agree determined areas of principle risk for the Trust and then charge each Local Governing Body to conduct an annual review of the Trust's Risk Register to consider whether risk review procedures cover fundamental strategic and reputational, operational, compliance, financial and other risks to achieving the school's objectives. Review of risks to the Trust are undertaken on a regular basis.

- 'Requiring Improvement' or 'Special Measures' Ofsted outcome
- Fall in student numbers
- Breach of Data Protection
- Litigation and legislative changes
- Pension deficit
- Fall in levels of academic achievement
- Failure to met academic objectives
- Detrimental media publicity
- Failure of internal financial controls
- Impact of changes to funding formula
- Excessive increases to employer costs
- Health and safety of students and staff
- Weak governance
- Business continuity

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Trustees' Report (continued)
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Fundraising

The Trust does not operate a high level of fundraising activities and is very mindful to avoid unreasonably intrusive or persistent fundraising approaches. Fundraising in the trust is generally limited to 'non-uniform' charity days where schools request a donation from the parent/carer. The beneficiary of the donations is always made know to parents in advance of the event; it may be to support a local charity of the students' choice or to financially support a specified event being organised by the school or students. Contributions are not compulsory. Some of the schools within the trust seek voluntary donations at the beginning of each academic year to support student activities.

Local charitable trusts sometime make donations to schools through specific targeted bids to local trusts. Schools have benefitted through a range of successful bids to support extended provision of resources to our schools.

Plans for future periods

a. Future developments

The last school to join the Trust was Scotch Orchard Primary School, on 1st March 2018. The Trust is currently working as a school improvement partner for The John Willmott School in Sutton Coldfield and Two Gates Primary School in Tamworth. The intention is for John Willmott School to formally be incorporated in 2018/19. Trustees engage with schools in the geographical area with a view to future growth of the partnership. School improvement and likeminded aims and objectives are key for developing relationships with other schools keen to be involved in the learning partnership. William Macgregor Primary School joined the Trust on 1st September 2018 and the following schools are due to formally be incorporated in November/December 2018:- Curdworth Primary School in Warwickshire, Nether Stowe Secondary School and Two Gates Primary School, both in Staffordshire.

The Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps when leaving school to employment or continuing in training or formal education.

Funds held as custodian

Funds held as custodian trustee on behalf of others include, Toy Library, Cluster and Children's Centre.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The multi academy trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The multi academy trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the multi academy trust's Equal opportunities policy, the multi academy trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

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Trustees' Report (continued)
For the Year Ended 31 August 2018

Full details of these policies are available from the multi academy trust's offices.

Disclosure of information to auditors

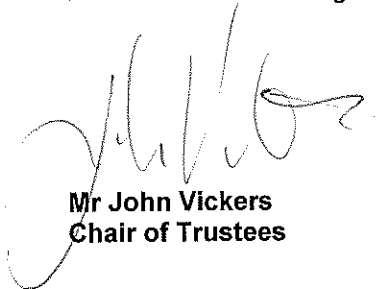
Insofar as the Trustees are aware:

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

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Members.

The Trustees' report was approved by order of the board of trustees, as the company directors, on 10 December 2018 and signed on its behalf by:



Mr John Vickers
Chair of Trustees

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Arthur Terry Learning Partnership and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Timothy Sewell, Chair of Finance	6	6
Mrs Maxine Rowley (resigned 31 August 2018)	2	6
Mr John Vickers, Chair	6	6
Mr Jonathan Brake	3	6
Mrs Heather Morris, Vice Chair	6	6
Mr Richard Gill, Chief Executive	5	6
Mr Brian Cookson (appointed 5 February 2018), Chair of Audit	3	3

Governance Reviews

The Trust undertook a review of its governance arrangements during the 2016-17 financial year. These were formally implemented with effect from 17th July 2017. The new structure is to meet the requirements of the competency framework for governance enabling implementation of the Trust Board's strategy whilst holding school leaders to account. The aim is to develop governance to the highest level to ensure actions contribute to deliver school improvement and mitigate risk.

The structure now includes a reduced number of Members and Directors. All Members and Directors are completely independent from local Governing Bodies. The Trust now has separate Committees for the Finance and Audit functions. The Audit Committee undertook a self-evaluation of its performance during the Summer term. The outcome has informed a personalised training and development session for all trustees and members with a focus on their roles and responsibilities around finance, audit and risk. The training is due to be held in October 2018. An additional level of governance has been introduced at a Hub level; there are currently two Hubs, primary and secondary.

Each local governing body meets six times a year and part of their responsibility is to monitor budgeted income and expenditure. Each monitoring report details the projected outturn for the year-end. Each local governing body reviews a draft budget for the forthcoming financial year in the first half of the Summer term and reviews and approves a final budget plan for the forthcoming year in the second half of the Summer term. The local governing body has responsibility to ensure budgets are planned to ensure financial stability and sustainability, whilst also focusing on efficiency and value for money.

The Finance Director summarises relevant information to be presented to the Finance Committee three times annually. The forecast financial position for each school is 'RAG' rated throughout the financial year. All new approved budgets are also 'RAG' rated to ensure consistency and close monitoring of any potentially vulnerable budgets. The whole process of financial governance is totally inclusive to enable the appropriate level of challenge.

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Governance Statement (continued)

challenge.

The **Finance Committee** is a sub-committee of the main board of trustees. Its purpose is to assist the Trust in fulfilling its oversight responsibilities with particular reference to financial reporting and internal control.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Timothy Sewell	2	2
Mr Richard Gill, Chief Executive	2	2
Mr Jonathan Brake	2	2
Mr Alan Wharton (Independent member, not a Trustee, resigned March 2018)	1	2
Mr Brian Cookson (appointed July 2018)	1	1

The **Audit Committee** is a sub-committee of the main Trust Board. Its purpose is to assist the Trust in fulfilling its oversight responsibilities with particular reference to risk management and external audit.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Brian Cookson , Chair of Audit	3	3
Mr John Vickers , Chair	1	1
Mrs Heather Morris, Vice Chair	3	3
Mrs Maxine Rowley	0	3

Mr Richard Gill (Chief Executive & Accounting Officer) and Mrs Teresa Phipps (Finance Director) both attend the Audit Committee but are not voting members.

Review of Value for Money

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

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

Continuing to develop strategies to raise educational outcomes for its children and young people by extending its partnership working, through collaboration by sharing skills and expertise cross curricular and cross phase (primary and secondary). The Trust has benefited from extensive continuing professional development ranging from changes to curriculum, improving student attainment, assessment, behaviour for learning, performance management and performance related pay. All of these areas of training have been provided in-house to achieve best value. This has two-fold value for money benefits; financial saving and development and investment in our own staff.

The Trust's appointment of a Finance Director has given the Accounting Officer, and the Trust Board increased confidence in the quality assurance of financial management and stringent systems of internal control. The responsibility of the now separate Audit and Finance Committees provides additional financial monitoring and oversight of internal controls; this has undoubtedly strengthened the consistency and challenge to local governing bodies. Governors, Headteachers and Finance staff across the whole partnership have continued to benefit from in-house training to increase the consistency of financial management and strategic long-term budget planning. Governors, trustees and headteachers are aware of the government's strategy to drive efficiency and financial health of academies.

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Governance Statement (continued)

within operations, estates, finance and human resources management. Consultation with staff colleagues will begin in the new academic year.

A range of centrally procured services and contracts have successfully been implemented to ensure consistency of service and additional value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Arthur Terry Learning Partnership for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

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

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Dains LLP, the external auditors, to perform additional checks.

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

Payroll
Purchasing
Bank Reconciliations
Fixed Assets

On an annual basis, the external auditors report 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' financial responsibilities.

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Governance Statement (continued)

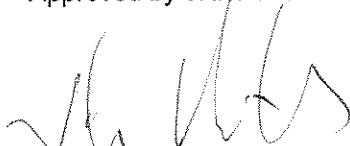
Review of Effectiveness

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

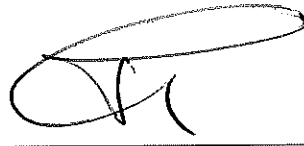
- the work of the external auditors;
- the work of the Finance Managers and the Finance Director within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 their behalf, by:



Mr John Vickers
Chair of Trustees



Mr Richard Gill
Chief Executive and Accounting Officer

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Arthur Terry Learning Partnership 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 ESEFA.



Mr Richard Gill
Chief Executive and Accounting Officer

Date: 10 December 2018

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2018

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

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

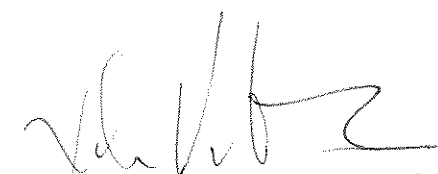
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

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



Mr John Vickers
Chair of Trustees

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of The Arthur Terry Learning Partnership

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the multi 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 & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of The Arthur Terry Learning Partnership

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the multi academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the multi academy trust or to cease

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Independent Auditors' Report on the Financial Statements to the Members of The Arthur Terry Learning Partnership

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditors
Chartered Accountants

Birmingham
10 December 2018

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The Arthur Terry Learning Partnership and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 24 September 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 Arthur Terry Learning Partnership during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Arthur Terry Learning Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Arthur Terry Learning Partnership 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 Arthur Terry Learning Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Arthur Terry Learning Partnership's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Arthur Terry Learning Partnership's funding agreement with the Secretary of State for Education dated 1 May 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to The Arthur Terry Learning Partnership and the Education & Skills Funding Agency (continued)

Conclusion

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



Dains LLP

Statutory Auditors
Chartered Accountants

Birmingham

10 December 2018

The Arthur Terry Learning Partnership
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Income from:						
Donations and capital grants:						
Transfer from local authority on conversion	2	7	(274)	2,929	2,662	-
Other donations and capital grants	2	147	-	1,240	1,387	757
Charitable activities:	3					
Funding for the multi academy trust's educational operations		472	27,061	-	27,533	25,886
Children's centre		29	121	-	150	199
Teaching Schools		-	2,553	-	2,553	1,444
Other trading activities	4	525	-	-	525	520
Investments	5	4	-	-	4	3
Total income		1,184	29,461	4,169	34,814	28,809
Expenditure on:						
Charitable activities:						
Multi-academy trust's educational operations		924	27,350	1,395	29,669	27,890
Children's centre		-	171	-	171	193
Teaching schools		-	1,976	-	1,976	1,301
Total expenditure	6	924	29,497	1,395	31,816	29,384
Net income / (expenditure) before transfers		260	(36)	2,774	2,998	(575)
Transfers between Funds	18	(31)	(50)	81	-	-
Net income / (expenditure) before other recognised gains and losses		229	(86)	2,855	2,998	(575)
Actuarial gains on defined benefit pension schemes	24	-	2,546	-	2,546	782
Net movement in funds		229	2,460	2,855	5,544	207
Reconciliation of funds:						
Total funds brought forward		1,849	(11,136)	55,936	46,649	46,442
Total funds carried forward		2,078	(8,676)	58,791	52,193	46,649

The Arthur Terry Learning Partnership
(A company limited by guarantee)
Registered number: 07730920

Balance Sheet
As at 31 August 2018

	Note	£000	2018 £000	£000	2017 £000
Fixed assets					
Tangible assets	14		58,584		55,976
Current assets					
Debtors	15	905		579	
Cash at bank and in hand		5,991		5,165	
		6,896		5,744	
Creditors: amounts falling due within one year	16	(1,713)		(2,330)	
Net current assets			5,183		3,414
Total assets less current liabilities			63,767		59,390
Creditors: amounts falling due after more than one year	17		(199)		(32)
Net assets excluding pension scheme liabilities			63,568		59,358
Defined benefit pension scheme liability	24		(11,375)		(12,709)
Net assets including pension scheme liabilities			52,193		46,649
Funds of the academy					
Restricted funds:					
Restricted income funds	18	2,699		1,573	
Restricted fixed asset funds	18	58,791		55,936	
Restricted funds excluding pension liability		61,490		57,509	
Pension reserve		(11,375)		(12,709)	
Total restricted funds			50,115		44,800
Unrestricted income funds	18		2,078		1,849
Total funds			52,193		46,649

The financial statements on pages 27 to 59 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:


Mr John Vickers, Chair
Chair of Trustees

The notes on pages 30 to 59 form part of these financial statements.

The Arthur Terry Learning Partnership
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	880	1,653
Cash flows from investing activities:			
Dividends, interest and rents from investments		4	3
Purchase of tangible fixed assets		(1,052)	(685)
Capital grants from DfE Group		784	569
Net cash used in investing activities		(264)	(113)
Cash flows from financing activities:			
Repayments of borrowings		(16)	(7)
Cash inflows from new borrowing		226	-
Net cash provided by/(used in) financing activities		210	(7)
Change in cash and cash equivalents in the year		826	1,533
Cash and cash equivalents brought forward		5,165	3,632
Cash and cash equivalents carried forward	21	5,991	5,165

The notes on pages 30 to 59 form part of these financial statements.

1. Statement of accounting policies

General Information

Arthur Terry Learning Partnership is a company limited by guarantee incorporated in England and Wales. The registered number of the company is 07730920 and its registered office is Kittoe Road, Sutton Coldfield, West Midlands, B74 4RZ.

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

1.1 Basis of preparation

The financial statements of the multi 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 Arthur Terry Learning Partnership constitutes a public benefit entity as defined by FRS 102.

The multi academy trust's functional and presentational currency is GBP. The financial statements are rounded to the nearest £000.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the multi academy trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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.

1.3 Company status

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

1. Statement of accounting policies (continued)

1.4 Income

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

Grants

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 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 grant are reflected in the balance 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.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Sponsorship income

Sponsorship income provided to the multi academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Transfer on conversion

Where assets and liabilities are received by the 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 risk and rewards of ownership pass to the multi academy trust. An equal amount of income is recognised as a transfer on conversion within Donations and capital grant income to the net assets received.

1. Statement of accounting policies (continued)

1.5 Expenditure

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

Assets costing more than £1,000 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 assets on a straight-line basis, over their expected useful life, as follows:

Longterm leasehold land	-	over the life of the lease
Longterm leasehold property	-	2% Straight line
Fixture and fittings	-	10% Straight line
Motor vehicles	-	25% Reducing balance
Computer equipment	-	30% Straight line

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.

1. Statement of accounting policies (continued)

1.7 Leased Assets

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.8 Taxation

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

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

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

1. Statement of accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

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

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

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

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

1. Statement of accounting policies (continued)

1.14 Fund accounting

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

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.15 Conversion to an academy trust

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

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

Further details of the transaction are set out in note 22.

1. Statement of accounting policies (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment

The preparation of the financial statements in conformity with generally accepted accounting principals requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Depreciation and residual values

The Trustees have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

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

2. Income from donations and capital grants

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Transfer from local authority on conversion	7	(274)	2,929	2,662	-
Donations	147	-	-	147	188
Capital Grants	-	-	1,240	1,240	569
	147	-	1,240	1,387	757
	154	(274)	4,169	4,049	757
Total 2017	188	-	569	757	

3. Income from charitable activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Multi Academy Trust's educational operations	472	27,061	27,533	25,886
Children's Centre	29	121	150	199
Teaching school	-	2,553	2,553	1,444
	501	29,735	30,236	27,529
Total 2017	319	27,210	27,529	

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

Funding for Multi Academy Trust's educational operations

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	24,312	24,312	23,028
Pupil premium	-	1,104	1,104	1,072
Other EFA Income	-	513	513	412
	-	25,929	25,929	24,512
Other government grants				
Other Government grants	-	634	634	656
	-	634	634	656
Other funding				
School trip income	472	-	472	317
School meals income	-	111	111	113
Other income	-	387	387	288
	472	498	970	718
	472	27,061	27,533	25,886
Total 2017	317	25,569	25,886	

4. Income from other trading activities

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Lettings income	70	-	70	70
Other income	174	-	174	305
Salary and expenditures recharges	105	-	105	51
Academy consultancy income	176	-	176	94
	525	-	525	520
Total 2017	469	51	520	

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

5. Income from investment income

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest	4	-	4	3
Total 2017	3	-	3	

6. Expenditure

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Multi Academy Trust's Educational Operations					
Direct costs	19,438	115	2,860	22,413	21,011
Allocated support costs	2,764	3,392	1,100	7,256	6,879
Children's Centre:					
Direct costs	133	-	38	171	193
Teaching school:					
Direct costs	269	-	1,634	1,903	1,261
Allocated support costs	55	-	18	73	40
	<u>22,659</u>	<u>3,507</u>	<u>5,650</u>	<u>31,816</u>	<u>29,384</u>
Total 2017	<u>21,313</u>	<u>2,280</u>	<u>5,791</u>	<u>29,384</u>	

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

7. Charitable activities

	Total funds 2018 £000	Total funds 2017 £000
Direct costs - educational operations		
Wages and salaries	14,150	14,032
National insurance	1,480	1,228
Pension cost	3,228	2,750
Pension deficit cost	326	269
Educational expenses	1,579	1,421
Examination fees	313	210
Staff development and recruitment	142	110
School fund and trips costs	500	475
Insurance	115	119
Agency staff	580	397
	<u>22,413</u>	<u>21,011</u>
Support costs - educational operations		
Wages and salaries	2,228	1,982
National insurance	164	159
Pension cost	372	307
Depreciation	1,373	1,284
Maintenance of premises and equipment	1,633	1,540
Rent and rates	245	222
Heat and light	435	399
Travelling	58	29
Catering	328	536
Technology costs	162	143
Office expenses	231	270
Governance	27	8
	<u>7,256</u>	<u>6,879</u>
	<u>29,669</u>	<u>27,890</u>
Other activities		
Childrens centre and Teaching schools direct costs	2,074	1,454
Childrens centre and Teaching schools support costs	73	40
	<u>2,147</u>	<u>1,494</u>
	<u><u>31,816</u></u>	<u><u>29,384</u></u>

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

8. Net income/(expenditure)

This is stated after charging:

	2018	2017
	£000	£000
Depreciation of tangible fixed assets		
- owned by the charity	1,373	1,284
Operating lease rentals	35	17
	<u> </u>	<u> </u>

9. Auditors' remuneration

	2018	2017
	£000	£000
Fees payable to the multi academy trust's auditor for the audit of the multi academy trust's annual accounts	26	24
Fees payable to the multi academy trust's auditor in respect of: Other services	4	3
	<u> </u>	<u> </u>

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

10. Staff

a. Staff costs

Staff costs were as follows:

	2018	2017
	£000	£000
Wages and salaries	16,727	16,455
Social security costs	1,673	1,387
Pension costs	3,651	3,057
	<u>22,051</u>	<u>20,899</u>
Agency staff costs	580	397
Staff restructuring costs	28	17
	<u>22,659</u>	<u>21,313</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,500 (2017 - £17,161) to two individuals. Individually, the payments were £5,000 made on 22 December 2017 and £10,500 made on 15 June 2018.

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	308	321
Non-teaching staff	374	319
Management	55	46
	<u>737</u>	<u>686</u>

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	9	10
In the band £70,001 - £80,000	4	7
In the band £80,001 - £90,000	3	-
In the band £90,001 - £100,000	-	1
In the band £100,001 - £110,000	1	1
In the band £110,001 - £120,000	1	-

One of the above employees participated in the Local Government Pension Scheme and the rest of the employees participated in the Teachers' Pension Scheme.

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

10. Staff costs (continued)

e. Key management personnel

The key management personnel of the academy trust compare the trustees and the Executive team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £457,236 (2017 - £203,790).

11. Central services

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

- Human resources
- Educational services
- Financial services
- Operations
- Legal and Governance
- Others as arising

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

Flat percentage of General Annual Grant (4.5%).

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Arthur Terry School	351	367
Stockland Green School	200	200
Slade Primary School	83	82
Brookvale Primary School	43	43
Hill West Primary School	72	72
Mere Green Primary School	88	75
The Coleshill School	224	196
Scotch Orchard Primary School	16	-
	<hr/> 1,077 <hr/>	<hr/> 1,035 <hr/>
Total		

12. Trustees' and Officers' Insurance

In accordance with normal commercial practice the multi academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £892 (2017 - £977).

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

13. Trustees' remuneration and expenses

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

		2018	2017
		£000	£000
Richard Gill (Chief Executive and Trustee)	Remuneration	115-120	105-110
	Pension contributions paid	20-25	10-15

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, expenses totalling £1,812 (2017 - £NIL) were reimbursed to 1 Trustee (2017 - 0).

14. Tangible fixed assets

	Long term leasehold land and buildings £000	Fixture and fittings £000	Motor vehicles £000	Computer equipment £000	Assets under construction £000	Total £000
Cost						
At 1 September 2017	59,549	947	35	809	75	61,415
Additions	597	202	-	253	-	1,052
Transfers on conversion	2,929	-	-	-	-	2,929
At 31 August 2018	63,075	1,149	35	1,062	75	65,396
Depreciation						
At 1 September 2017	4,640	216	24	559	-	5,439
Charge for the year	1,069	110	3	191	-	1,373
At 31 August 2018	5,709	326	27	750	-	6,812
Net book value						
At 31 August 2018	57,366	823	8	312	75	58,584
At 31 August 2017	54,909	731	11	250	75	55,976

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Notes to the Financial Statements
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15. Debtors

	2018	2017
	£000	£000
Trade debtors	73	43
VAT recoverable	230	83
Prepayments and accrued income	602	453
	<u>905</u>	<u>579</u>

16. Creditors: Amounts falling due within one year

	2018	2017
	£000	£000
Other loans	50	7
Trade creditors	27	47
Other taxation and social security	403	390
Other creditors	338	334
Accruals and deferred income	895	1,552
	<u>1,713</u>	<u>2,330</u>
	2018	2017
	£000	£000
Deferred income		
Deferred income at 1 September 2017	1,008	439
Resources deferred during the year	815	931
Amounts released from previous years	(1,008)	(362)
	<u>815</u>	<u>1,008</u>

At the balance sheet date the multi-acadmey trust was holding funds received in advance for educational grants and trips booked for the autumn term 2018.

Other loans is made up of interest free "Salix" loans from the ESFA. These loans are repayable in half yearly instalments of £24,966 until 2024.

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Notes to the Financial Statements
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17. Creditors: Amounts falling due after more than one year

	2018 £000	2017 £000
Other loans	199	32

Included within the above are amounts falling due as follows:

	2018 £000	2017 £000
Between one and two years		
Other loans	50	7
Between two and five years		
Other loans	126	21
Over five years		
Other loans	23	4

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £000	2017 £000
Repayable by instalments	23	4

Other loans is made up of interest free "Salix" loans from the ESFA. These loans are repayable in half yearly installments of £24,966 until 2024.

18. Statement of funds

	Balance at 1 September 2017 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000 £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000 £000
Designated funds						
Designated Fund	650	-	-	1,252	-	1,902
General funds						
General Funds	1,199	1,155	(924)	(1,254)	-	176
Children's Centre	-	29	-	(29)	-	-
	1,199	1,184	(924)	(1,283)	-	176
Total Unrestricted funds	1,849	1,184	(924)	(31)	-	2,078

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Notes to the Financial Statements
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18. Statement of funds (continued)

Restricted funds

	Balance at 1 September 2017	Income £000	Expenditure £000	Gains, losses and transfers £000	Gains/ (Losses)	Balance at 31 August 2018 £000
General Annual Grant (GAG)	1,411	24,310	(23,663)	(81)	-	1,977
Children's Centre	19	121	(171)	31	-	-
Other DfE / EFSA grants	-	1,618	(1,618)	-	-	-
Other government grants	-	634	(634)	-	-	-
Teaching schools	143	2,555	(1,976)	-	-	722
Other income	-	497	(497)	-	-	-
Pension reserve	(12,709)	(274)	(938)	-	2,546	(11,375)
	<u>(11,136)</u>	<u>29,461</u>	<u>(29,497)</u>	<u>(50)</u>	<u>2,546</u>	<u>(8,676)</u>

Restricted fixed asset funds

	Balance at 1 September 2017	Income £000	Expenditure £000	Gains, losses and transfers £000	Gains/ (Losses)	Balance at 31 August 2018 £000
Schools Condition Allocation (SCA)	-	1,062	-	(606)	-	456
Other Fixed Asset funds	55,936	3,107	(1,395)	687	-	58,335
	<u>55,936</u>	<u>4,169</u>	<u>(1,395)</u>	<u>81</u>	<u>-</u>	<u>58,791</u>
Total restricted funds	<u>44,800</u>	<u>33,630</u>	<u>(30,892)</u>	<u>31</u>	<u>2,546</u>	<u>50,115</u>
Total of funds	<u>46,649</u>	<u>34,814</u>	<u>(31,816)</u>	<u>-</u>	<u>2,546</u>	<u>52,193</u>

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

Designated funds

This fund represents funds which the Trustees have earmarked for future projects.

Restricted general funds

This fund represents grants and other income received for the multi academy trust's operational activities and development.

Pension reserve

The pension reserve included within restricted general funds represents the multi academy trust's share of the pension liability arising on the LGPS pension fund.

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

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

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Notes to the Financial Statements
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18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	Total 2017 £000
Arthur Terry Learning Partnership	1,208	691
Arthur Terry School	704	380
Stockland Green School	1,460	1,390
Slade Primary School	311	224
Brookvale Primary School	84	7
Hill West Primary School	113	95
Mere Green School	581	438
The Coleshill School	269	197
Scotch Orchard School	47	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	4,777	3,422
Restricted fixed asset fund	58,791	55,936
Pension reserve	(11,375)	(12,709)
	<hr/>	<hr/>
Total	52,193	46,649
	<hr/> <hr/>	<hr/> <hr/>

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

18. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
Arthur Terry Learning Partnership	525	759	914	132	2,330	432
Arthur Terry School	6,229	923	387	1,280	8,819	9,846
Stockland Green School	2,868	424	474	1,103	4,869	4,847
Slade Primary School	1,309	239	327	362	2,237	2,057
Brookvale Primary School	650	176	130	168	1,124	1,156
Hill West Primary School	1,239	220	138	355	1,952	1,916
Mere Green Primary School	1,278	271	305	358	2,212	2,006
The Coleshill School	3,411	792	654	539	5,396	4,537
Scotch Orchard School	317	32	18	99	466	-
	<u>17,826</u>	<u>3,836</u>	<u>3,347</u>	<u>4,396</u>	<u>29,405</u>	<u>26,797</u>

Statement of funds - prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Designated funds						
Designated Fund	966	-	(172)	(144)	-	650
General funds						
General Funds	804	979	(728)	144	-	1,199
Total Unrestricted funds	<u>1,770</u>	<u>979</u>	<u>(900)</u>	<u>-</u>	<u>-</u>	<u>1,849</u>

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18. Statement of funds (continued)

Restricted funds

	Balance at 1 September 2016 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000 £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General Annual Grant (GAG)	815	23,028	(22,181)	(251)	-	1,411
Children's Centre	15	197	(193)	-	-	19
Other DfE / EFSA grants	-	1,485	(1,485)	-	-	-
Other government grants	-	657	(657)	-	-	-
Teaching schools	-	1,444	(1,301)	-	-	143
Other income	-	450	(450)	-	-	-
Pension reserve	(12,687)	-	(804)	-	782	(12,709)
	<u>(11,857)</u>	<u>27,261</u>	<u>(27,071)</u>	<u>(251)</u>	<u>782</u>	<u>(11,136)</u>

Restricted fixed asset funds

	Balance at 1 September 2016 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000 £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Other Fixed Asset funds	56,529	569	(1,413)	251	-	55,936
	<u>56,529</u>	<u>569</u>	<u>(1,413)</u>	<u>251</u>	<u>-</u>	<u>55,936</u>
Total restricted funds	<u>44,672</u>	<u>27,830</u>	<u>(28,484)</u>	<u>-</u>	<u>782</u>	<u>44,800</u>
Total of funds	<u>46,442</u>	<u>28,809</u>	<u>(29,384)</u>	<u>-</u>	<u>782</u>	<u>46,649</u>

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

	Balance at 1 September 2016 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000 £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Designated funds						
Designated Fund	966	-	(172)	1,108	-	1,902
	<u>966</u>	<u>-</u>	<u>(172)</u>	<u>1,108</u>	<u>-</u>	<u>1,902</u>
General funds						
General Funds	804	2,134	(1,652)	(1,110)	-	176
Children's Centre	-	29	-	(29)	-	-
	<u>804</u>	<u>2,163</u>	<u>(1,652)</u>	<u>(1,139)</u>	<u>-</u>	<u>176</u>
Total Unrestricted funds	<u>1,770</u>	<u>2,163</u>	<u>(1,824)</u>	<u>(31)</u>	<u>-</u>	<u>2,078</u>
Restricted funds						
	Balance at 1 September 2016 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000 £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General Annual Grant (GAG)	815	47,338	(45,844)	(332)	-	1,977
Children's Centre	15	318	(364)	31	-	-
Other DfE / EFSA grants	-	3,103	(3,103)	-	-	-
Other government grants	-	1,291	(1,291)	-	-	-
Teaching schools	-	3,999	(3,277)	-	-	722
Other income	-	947	(947)	-	-	-
Pension reserve	(12,687)	(274)	(1,742)	-	3,328	(11,375)
	<u>(11,857)</u>	<u>56,722</u>	<u>(56,568)</u>	<u>(301)</u>	<u>3,328</u>	<u>(8,676)</u>

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18. Statement of funds (continued)

Restricted fixed asset funds

	Balance at 1 September 2016 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000 £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Schools Condition Allocation (SCA)	-	1,062	-	(606)	-	456
Other Fixed Asset funds	56,529	3,676	(2,808)	938	-	58,335
	<u>56,529</u>	<u>4,738</u>	<u>(2,808)</u>	<u>332</u>	<u>-</u>	<u>58,791</u>
	<u>44,672</u>	<u>61,460</u>	<u>(59,376)</u>	<u>31</u>	<u>3,328</u>	<u>50,115</u>
Total of funds	<u>46,442</u>	<u>63,623</u>	<u>(61,200)</u>	<u>-</u>	<u>3,328</u>	<u>52,193</u>

19. Analysis of net assets between funds

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	58,586	58,586
Current assets	2,078	4,304	513	6,895
Creditors due within one year	-	(1,605)	(109)	(1,714)
Creditors due in more than one year	-	-	(199)	(199)
Provisions for liabilities and charges	-	(11,375)	-	(11,375)
	<u>2,078</u>	<u>(8,676)</u>	<u>58,791</u>	<u>52,193</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	55,977	55,977
Current assets	1,849	3,447	446	5,742
Creditors due within one year	-	(1,874)	(455)	(2,329)
Creditors due in more than one year	-	-	(32)	(32)
Provisions for liabilities and charges	-	(12,709)	-	(12,709)
	<u>1,849</u>	<u>(11,136)</u>	<u>55,936</u>	<u>46,649</u>

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

	2018 £000	2017 £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	2,998	(575)
Adjustment for:		
Depreciation charges	1,373	1,284
Dividends, interest and rents from investments	(4)	(3)
(Increase)/decrease in debtors	(326)	123
(Decrease)/increase in creditors	(653)	589
Capital grants from DfE and other capital income	(784)	(569)
Adjust for: cash transferred on conversion	(7)	-
Defined benefit pension scheme cost less contributions payable	938	804
Net gain on assets and liabilities from local authority on conversion	274	-
Gift of property on conversion	(2,929)	-
Net cash provided by operating activities	880	1,653

21. Analysis of cash and cash equivalents

	2018 £000	2017 £000
Cash in hand	5,991	5,165
Total	5,991	5,165

22. Conversion to an academy trust

On 1 March 2018 Scotch Orchard School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Arthur Terry Learning Partnership from Staffordshire County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Budget surplus on LA funds	7	-	-	7
LGPS pension deficit	-	(274)	-	(274)
Net assets/(liabilities)	7	(274)	-	(267)

The above net liabilities include £7,000 transferred as cash.

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23. Capital commitments

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

	2018	2017
	£000	£000
Contracted for but not provided in these financial statements	367	355

24. Pension commitments

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

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

Contributions amounting to £338,155 were payable to the schemes at 31 August 2018 (2017 - £333,594) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- 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%.

24. Pension commitments (continued)

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 £1,850,766 (2017 - £1,809,855).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £1,431,000 (2017 - £1,181,000), of which employer's contributions totalled £1,159,000 (2017 - £925,000) and employees' contributions totalled £272,000 (2017 - £256,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% to 11.4% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.75 %	2.55 %
Rate of increase in salaries	3.13 %	3.60 %
Rate of increase for pensions in payment / inflation	2.30 %	2.60 %
Inflation assumption (CPI)	2.30 %	2.60 %

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

	2018	2017
Retiring today		
Males	22.2	22.2
Females	24.5	24.5
Retiring in 20 years		
Males	24.2	24.2
Females	26.6	26.7

	At 31 August	At 31 August
Sensitivity analysis	2018	2017
	£000	£000
Discount rate +0.1%	(1,736)	(567)
Discount rate -0.1%	1,748	578
Mortality assumption - 1 year increase	342	(113)
Mortality assumption - 1 year decrease	(342)	113
CPI rate +0.1%	1,386	461

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24. Pension commitments (continued)

CPI rate -0.1% (1,377) (452)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	8,425	7,335
Gilts	1,402	1,550
Corporate bonds	379	932
Property	1,186	-
Cash and other liquid assets	475	501
Other	1,428	1,210
	<u>13,295</u>	<u>11,528</u>
Total market value of assets	<u>13,295</u>	<u>11,528</u>

The actual return on scheme assets was £232,945 (2017 - £1,531,000).

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

	2018 £000	2017 £000
Current service cost	(1,771)	(1,457)
Interest income	317	211
Interest cost	(643)	(480)
Admin expenses	(4)	(3)
	<u>(2,101)</u>	<u>(1,729)</u>
Total	<u>(2,101)</u>	<u>(1,729)</u>
Actual return on scheme assets	<u>233</u>	<u>1,531</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	24,237	21,876
Transferred in on existing academies joining the trust	534	-
Current service cost	1,771	1,457
Interest cost	639	480
Employee contributions	272	256
Actuarial (gains)/losses	(2,620)	388
Benefits paid	(162)	(220)
	<u>24,671</u>	<u>24,237</u>
Closing defined benefit obligation	<u>24,671</u>	<u>24,237</u>

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24. Pension commitments (continued)

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

	2018	2017
	£000	£000
Opening fair value of scheme assets	11,528	9,189
Transferred in on existing academies joining the trust	260	-
Return on plan assets (excluding net interest on the net defined pension liability)	317	211
Actuarial gains/(losses)	(74)	1,170
Employer contributions	1,159	925
Employee contributions	272	256
Benefits paid	(162)	(220)
Administration expenses	(4)	(3)
	<u>13,296</u>	<u>11,528</u>

25. Operating lease commitments

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

	2018	2017
	£000	£000
Amounts payable - Land and building:		
Within 1 year	961	937
Between 1 and 5 years	4,206	4,101
After more than 5 years	20,061	21,889
Total	<u>25,228</u>	<u>26,927</u>
Amounts payable - Other		
Within 1 year	94	123
Between 1 and 5 years	31	77
Total	<u>125</u>	<u>200</u>

The commitment under land and buildings represents the total amount payable under the BSF / PFI contracts that the multi-academy trust is subject to.

26. Related party transactions

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 13.

27. Controlling party

The multi academy trust is controlled by the board of members.

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28. Teaching school trading account

	2018	2018	2017	2017
	£000	£000	£000	£000
Income				
Direct income				
Grant income	2,054		1,007	
Other income				
Fundraising and other income	501		437	
Total income		2,555		1,444
Expenditure				
Direct expenditure				
Direct staff costs	296		270	
Staff development	4		-	
Other direct costs	1,603		991	
Total Direct expenditure	1,903		1,261	
Other expenditure				
Other staff costs	27		26	
Recruitment and support	3		-	
Other support costs	43		14	
Total Other expenditure	73		40	
Total expenditure		1,976		1,301
Surplus from all sources		579		143
Teaching school balances at 1 September 2017		143		-
Teaching school balances at 31 August 2018		722		143