

Registered number: 07730920

**The Arthur Terry Learning Partnership**

Trustees' report and financial statements

for the year ended 31 August 2019



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

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**The Arthur Terry Learning Partnership**  
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**Reference and Administrative Details**

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<b>Members</b>	Mr Timothy Sewell Mr Alan Wharton Mrs Sarah Taylor Mr Mick Waters  Mr Timothy Sewell <sup>2</sup> Mr John Vickers, Chair <sup>1</sup> Mr Johnathan Brake <sup>2</sup> Miss Heather Morris, Vice Chair <sup>1</sup> Mr Richard Gill, CEO & Accounting Officer <sup>2</sup> Mr Brian Cookson, Chair of Finance <sup>2</sup> Mrs Katie Hale (appointed 1 September 2019)
	<sup>1</sup> member of the Audit Committee <sup>2</sup> member of Finance Committee
<b>Company registered number</b>	07730920
<b>Company name</b>	The Arthur Terry Learning Partnership
<b>Principal and registered office</b>	Kittoe Road Four Oaks Sutton Coldfield West Midlands B74 4RZ
<b>Chief Executive Officer and Accounting Officer</b>	Mr Richard Gill
<b>Finance Director</b>	Mrs Teresa Phipps
<b>Executive team</b>	Mr Richard Gill, Chief Executive Officer Mrs Teresa Phipps, Finance Director Ms Anna Balson, Executive Headteacher, Primary Mr Neil Warner, Executive Headteacher, Secondary Mrs Susan Pountney, HR Director Miss Sandra Martin, HR Director Miss Michelle Doughty, Director of Estates and Operations
<b>Independent auditor</b>	Dains LLP 15 Colmore Row Birmingham B3 2BH
<b>Bankers</b>	Lloyds Bank Plc 9 Birmingham Road Sutton Coldfield West Midlands B72 1QA

**The Arthur Terry Learning Partnership**  
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**Reference and Administrative Details (continued)**  
**for the year ended 31 August 2019**

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<b>Solicitors</b>	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 2019**

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

The trust operates eight primary academies, and five secondary academies across Birmingham, Staffordshire and North Warwickshire. Its academies had a total roll of 7,663 in the school census in January 2019.

**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 operates as The Arthur Terry Learning Partnership.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

The 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 appointed 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.

**The Arthur Terry Learning Partnership**  
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**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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

**e. Policies 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, governance handbook, 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 governors up to £5,000,000. 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 seven levels:-

- a) Members
- b) Board of Trustees, Finance Committee & Audit Committee
- c) Two 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 consisting of Executive Headteacher (Secondary), Executive Headteacher (Primary), Finance Director, Head of Human Resources and Head of Estates and Operations.
- g) Leadership Group for each of the schools

The trustees are responsible for setting strategic policy around pupil and student educational outcomes, risk management, five-year business plan, three-year budget plan, monitoring the financial status of the trust, estates management, growth, senior staff appointments and monitoring the performance of the Chief Executive Officer.

The local governing bodies are responsible for implementing the trust's policies and implementing the pre-determined schedule of agenda items as detailed by the trustees, to ensure consistency and compliance 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, with delegated responsibilities. 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.

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**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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

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

The board of trustees has adopted a pay policy following consultation with members of the executive team and representatives of recognised unions and professional associations.

The Chief Executive Officer (CEO), in association with the Executive Headteachers, is responsible for ensuring performance objectives for all Headteachers/Associate Headteachers are set and reviews are undertaken in line with the approved policy. The outcome of the reviews and recommendations are reported to the appropriate Pay Committee annually.

The remuneration package for the CEO is 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 is 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.

**h. Trade union facility time**

**Relevant union officials**

Number of employees who were relevant union officials during the year	8
Full-time equivalent employee number	7

**Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	-
1%-50%	8
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time** £000

Total cost of facility time	7
Total pay bill	21,447
Percentage of total pay bill spent on facility time	0.03 %

**Paid trade union activities**

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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**Trustees' report (continued)  
for the year ended 31 August 2019**

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

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

**Coton Green Primary School**

Coton Green Primary School has been working alongside The Arthur Terry Learning Partnership for almost one year and has applied to the Department of Education to join the trust. The partnership currently provides support to the school across various areas of leadership including teaching and learning, governance, finance and budgeting, human resources and estates. It is hoped the school will formally join the trust during the Autumn/Spring term.

**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.



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**Trustees' report (continued)  
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**Objectives and activities (continued)**

**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.

In setting the objectives, the Trustees have given careful consideration to the trust's general guidance on Public benefit and in particular to its supplementary public benefit guidance on advancing education.

**c. Public benefit**

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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 trust's 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, executive team and the school leadership teams;

- 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 and FFT live 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 in 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.

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Trustees' report (continued)  
for the year ended 31 August 2019

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Strategic report

Achievements and performance 2018-19

a. Key performance indicators

• **Maintaining a balanced budget at year-end**

The trustees monitor the financial position on a monthly basis by reviewing financial year-end projections. 2018-19 secured an in year revenue surplus of £578,000.

• **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 rationalisation across a range of staffing areas to achieve consistency.

• **Maintaining current level of reserves**

The trust has maintained a similar level of reserves at the end of this accounting period, despite one of the schools reverting to lagged funding although continuing to grow at a rapid rate.

• **Achieving value for money through effective financial management procedures**

The trust ensures compliance with the requirements of the Academies Financial Handbook. Internal controls are tested by an independent auditor and 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.

Key Performance Indicators (2019-20)

Key Performance Indicator	KPI Target	KPI Actual
<u>Staffing Costs</u>		
% spend of total income	75%	75.5%
% spend on Leadership	13%	14%
<u>Pupil Teacher Ratio</u>		
Secondary Schools	17	16.06
Primary Schools	24.2	21
<u>Teacher Contact Ratio</u>		
Secondary Schools	0.78	0.74

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**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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**Strategic report (continued)**

**Achievements and performance 2018-19 (continued)**

**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 they continue 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. Primary Schools**

**Brookvale Primary School**

Overall, the results represent another good year of attainment and progress. Brookvale have exceeded their FFT50 estimates in most areas so early indications of progress are good. Maths results are looking especially strong with 97% of students meeting the expected standard – 18% above the national average. An area for development could be greater depth in writing, which is 22% below their FFT50 estimate.

**Curdworth Primary School**

The results continue the upwards curve that Curdworth have shown over the past three years. Average scaled scores are above FFT50 estimates in all subjects; a strong indicator that progress scores will again be positive. A particular highlight is the percentage of students reaching the expected standard in writing – 94%. This is 11% above their FFT50 estimate and 16% above the national average.

**Hill West Primary School**

Attainment is again well above the national average in all areas. While this could be expected due to the prior attainment of this cohort, progress is also set to be positive, with most results exceeding FFT50 estimates. One area of development could be students achieving greater depth in writing and achieving a higher standard in grammar, punctuation and spelling, which are both slightly below this benchmark.

**Mere Green Primary School**

Attainment and progress is strong in most measures this year for Mere Green. Maths is a particular highlight, with all measures well above both FFT50 estimates and the national average. The one measure that stands out as an area for development is the percentage of students achieving greater depth in writing. This is 38% below their FFT50 estimate. This will inevitably hit their progress score in this subject this year, which is at odds with their excellent progress scores in this subject over the past three years.

**Scotch Orchard Primary School**

Scotch Orchard have continued their trend of being in line with national average progress and attainment for most measures this year. Maths is the subject that stands out as being well below national averages and FFT50 estimates – only 57% of students reached the expected standard which is 24% below FFT50.

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**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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**Strategic report (continued)**

**Achievements and performance 2018-19 (continued)**

**Slade Primary School**

Slade results are mostly in line with their achievement over the past three years. Attainment is below the national average in most subjects, which is perhaps expected when taking prior attainment into account. However, results in writing are above, both in terms of students reaching the expected standard and achieving greater depth. Reading stands out as the main area for improvement when compared to FFT50 estimates, with their scaled score being 4 points below this benchmark.

**Two Gates Primary School**

Attainment at Two Gates is below national average. This is in line with their results over the past three years. Early indications show their progress is also likely to be in line with progress scores achieved over the past three years, which is below national average. However, past progress scores do rise slightly when looking at their contextual value added. While their CVA scores are still mostly below national average, this does suggest that school and student context is an important factor when assessing these results.

**William MacGregor Primary School**

William MacGregor's results have risen steadily over the past three years, going from below the national average in attainment and progress in 2016 for most measures to above in 2018. Early indications are that results are perhaps not quite as strong this year, but a small cohort size of 29 students does play a role, where slight variation in performance can make a huge difference in figures. It is likely that most measures will not be statistically different from the national average this year with a cohort of this size. Particular highlights are the percentage of students reaching the expected standard in reading and writing, while mathematics progress could take a dip.

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Trustees' report (continued)  
for the year ended 31 August 2019

Strategic report (continued)

Achievements and performance 2018-19 (continued)

		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
<b>EYFS</b>											
Early Years Foundation Stage Profile	% Good Level of Development	71.5	73	73	82	87	77	72	73	83	
	Average Point Score	34.6	35.6	35.1	35.6	36.1	34.9	34	33.7	39.8	
<b>Phonics</b>											
Phonics Screening Test	% Expected Standard by End of Y1	82	83	88	95	92	71	82	81	83	
<b>Key Stage 1</b>											
Reading	% Expected Standard	75	70	89	87	82	73	72	76	83	
	% Greater Depth	26	20	22	28	30	17	28	14	23	
Writing	% Expected Standard	70	63	89	85	80	70	76	64	73	
	% Greater Depth	16	13	22	20	23	10	29	8	17	
Mathematics	% Expected Standard	76	77	78	88	82	77	76	74	83	
	% Greater Depth	22	20	22	27	25	17	24	16	23	
Science	% Expected Standard	83	77	83	88	78	73	76	76	87	
<b>Key Stage 2</b>											
Reading	% Expected Standard	73	78	81	85	91	80	57	66	76	
	% Higher Standard	27	38	44	44	36	33	20	19	17	
	Average Scaled Score	104	106	107	107	107	105	101	103	102	
	Progress Score	0.0	0.6	4.3	0.9	2.4	0.1	-1.6	n/a	0.4	
Writing	% Expected Standard	78	84	94	93	91	80	85	70	76	
	% Greater Depth	20	16	31	37	3	23	21	11	14	
	Progress Score	0.0	-1.1	2.8	1.7	-1.5	-0.1	2.5	n/a	1.0	
Mathematics	% Expected Standard	79	97	88	93	91	57	74	70	59	
	% Higher Standard	27	34	31	42	45	23	18	19	17	
	Average Scaled Score	105	107	106	108	107	102	103	103	102	
	Progress Score	0.0	1.0	0.9	1.6	1.1	-2.8	-0.7	n/a	-0.1	
SPaG	% Expected Standard	78	91	88	90	97	67	70	77	69	
	% Higher Standard	36	44	50	44	55	37	26	34	34	
	Average Scaled Score	106	109	109	110	109	105	103	105	105	
R, W & M	% Expected Standard	65	78	69	85	85	50	54	60	55	

Strategic report (continued)

Achievements and performance 2018-19 (continued)

d. 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 2018/19. 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 (60%). These figures are expected to be significantly above national average, when this figure is released. The attainment of higher prior learners is pleasing at 6.3. 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 are all significantly above national average. 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 2 pupils who have not been in school, the progress score would equate to 0.02. 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 is above national average with +0.04. The EBacc element was a focus for the school and this has risen from 4.2 to 4.3 this year. Progress in Maths, English and EBacc were very pleasing with +0.3, +0.2 and +0.4 respectively. Attendance in 2019 is in line with national average.

**The Coleshill School** has had some impressive improvements in the key headlines measure of 4+ English and Maths and 5+ English and Maths, rising from 65% to 78% and 48% to 52% respectively. Attainment overall has increased from 4.5 to 4.9 and there has been improvement in attainment for English, Maths, EBacc and the open element. The progress of disadvantaged pupils remains a clear area for the school to improve. 3 'outliers' would move the progress of these pupils from -0.69 to -0.4, but this is still below the national figure of disadvantaged and significantly below the national average for 'other' pupils. It is worth noting that DA gap has reduced from 21% in 2017 to 8% in 2019 in English and from 29% in 2017 to 13% in 2019 in Maths. 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. Attendance remains a real strength of the school at 95.8%, which is well above the national average. FSM pupils' attendance is 94.4%, again well above the national average. Persistent absence remains well below the national average at 6.93%.

**John Willmott School** reported improved attainment overall from 3.7 to 4 and improvements in all of the elements (English from 4.4 to 4.7, Maths from 3.5 to 4, Open from 3.8 to 3.9 and EBacc from 3.2 to 3.6). It is pleasing to also notice that the headline measures for 4+ in English and Maths rose from 47% to 57% and 5+ in English and Maths rose from 23% to 30%. Key Stage 5 at JWS showed a significant improvement in both progress and attainment with post 16 VA rising from -0.28 to -0.06, the average point score (APS) rising from 21.58 to 27.37 and the numbers of post 16 pupils attaining the threshold grades rising as follows: A\*/A from 11 to 14%, A\*/B rising from 31 to 48% and A\*/C rising from 53 to 66%. The higher aspirations are clear to see in post 16 in terms of the work ethic and in the more robust QA of sixth form and of holding leaders to account for post 16 outcomes. The monitoring and tracking of data has become far more rigorous in this area.

The reinspection Ofsted visit for JWS in this academic year resulted in the school moving from Special Measures to 'Requires Improvement'. The report noted the impressive impact that the ATLP has had on standards.

**Nether Stowe school** reported a slight increase in Key Stage 4 progress outcomes from -0.25 to -0.21. There

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Trustees' report (continued)  
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Strategic report (continued)

Achievements and performance 2018-19 (continued)

were improvements in Maths progress (up from -0.17 to -0.02) and the open element (up from -0.038 to -0.3).

Post 16 results were down on last year's, but with 37 learners in the sixth form, this is statistically insignificant. As the sixth form grows, this will be a big focus for the school. A new head of Sixth form has been appointed from September 2019 and there is increased confidence in the school.

	Arthur Terry	Stockford Green	Coleshill	Heather Stoves	John Willmott
<b>Key Stage 4</b>					
Progress 8 Score*	0.33	-0.02	-0.34	-0.22	-0.51
Progress 8 Score - English Element*	0.46	0.06	-0.33	-0.38	-0.19
Progress 8 Score - Maths Element*	0.15	0.29	-0.23	-0.03	-0.36
Progress 8 Score - English Baccalaureate Element*	0.56	0.31	-0.38	-0.20	-0.68
Progress 8 Score - Open Element*	0.09	-0.63	-0.40	-0.28	-0.69
Attainment 8 Score	5.4	4.1	4.9	4.3	4.0
Attainment 8 Score - English Element	5.8	4.6	5.2	4.5	4.7
Attainment 8 Score - Maths Element	5.1	4.2	4.9	4.3	4.0
Attainment 8 Score - English Baccalaureate Element	5.5	4.2	4.7	4.1	3.6
Attainment 8 Score - Open Element	5.2	3.7	4.8	4.3	3.9
% 4+ in English and Maths	79	59	78	54	57
% 5+ in English and Maths	60	30	52	31	30
% 4+ English Baccalaureate	55	23	39		10
% 5+ English Baccalaureate	32	9	19		5
English Baccalaureate APS	5.09	3.88	4.44		3.47
% 5+ Grade 7 or above GCSE	22	8	12		5
<b>Key Stage 5</b>					
VA score (A Level)*	-0.27	n/a	-0.29	-0.41	-0.06
% of Entries at A*-A	14	n/a	10	9	14
% of Entries at A*-B	38	n/a	28	21	48
% of Entries at A*-C	66	n/a	52	61	66
% of Entries at A*-D	85	n/a	77	93	83
% of Entries at A*-E	95	n/a	95	99	93
Average Point Score per Entry	30.00	n/a	26.51	29.54	30.88
Average Grade per Entry	C	n/a	C-	C	C-
% AAB+ with two in Facilitating Subjects	4	n/a	7		5

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**Trustees' report (continued)  
for the year ended 31 August 2019**

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**Strategic report (continued)**

**Achievements and performance 2018-19 (continued)**

\*Progress figures are estimates only and are subject to change when official provisional figures are released during the September Checking Exercise.

**e. Teaching School**

The Trust's School Centre for Initial Teacher Training, based at Arthur Terry School, continues to provide an offer that is high quality. In 2018/19, 73% of all trainees completed their training at an 'outstanding' level. Of last year's cohort, 94% of Associate Teachers have gone straight into employment. 26% of those now in employment are based in ATLP schools with 52% in schools from across our wider teaching school alliance.

The Teaching School continues to provide a wide range of professional development opportunities across the MAT and also the wider teaching school alliance. The programme is bespoke and demand led to ensure the needs of all partner schools are met. NLEs, attached to the teaching school, participated in the national school improvement offer during 2018/19 supporting vulnerable schools within Birmingham and Walsall.

**Financial review**

**a. Reserves policy**

In determining the reserves policy for the trust, the trustees consider long-term forecast income and expenditure streams, the requirement to cover commitments and investment in estates/capital projects.

Reserves at the end of the period are £67,701,000 however, £62,346,000 are represented by fixed assets and the Local Government Pension Scheme deficit. Revenue reserves or free reserves are £5,355,000.

The restricted fund reserves will be used to fund current commitments, designated building maintenance projects as well as expenditure required to implement the Aims and Objectives of the Academy Trust as outlined in the Business Plan. In addition, trustees plan to maintain a level of reserves to ensure financial sustainability in the current uncertain financial climate.

£1,778,000 are designated funds ringfenced for committed capital works or specifically ringfenced project funding.



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

**Trustees' report (continued)  
for the year ended 31 August 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**b. Investment policy**

The trust does not currently hold any investments.

If the board of trustees wished to make investments to further the trust's charitable aims, it would ensure that investment risks are properly managed.

When considering an investment, the board will:

- Act within its powers to invest as set out in the articles of association
- Ensure value for money.
- Take advice from professional advisers where appropriate.
- Ensure that exposure to investment products is tightly controlled so that security of funds takes precedence over revenue maximisation.
- Ensure investment decisions are in the best interests of the MAT.

Prior approval will be sought from the ESFA prior to any investment transactions that are novel, contentious and/or repercussive, regardless of value.

Most of the trust's income is received from the ESFA in the form of recurrent grants. The trustees ensure investment in resource appropriate to the aims and objectives of the trust.

**c. Principal risks and uncertainties**

The Trustees determine areas of principal risk for the trust and regularly review the risk register to ascertain whether risks are adequately assessed and rated, and procedures for avoiding, transferring, mitigating or acceptance of risk are appropriate.

Risk management areas cover strategic financial, reputational, legal, compliance and operational continuity.

- Ofsted outcomes
- Significant fall in student numbers
- Data breach
- Litigation and legislative changes
- Pension deficit
- Failure to meet academic objectives
- Detrimental media publicity
- Failure of financial controls
- Detrimental impact of reduction in funding
- Increases to employer costs
- Health, safety and safeguarding
- Weak governance
- Business continuity

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

**Trustees' report (continued)**  
**for the year ended 31 August 2019**

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**Strategic report (continued)**

**Financial review (continued)**

**d. 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 objects of the 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 combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes, of £577,000. This operating surplus is the result of budget control procedures, which have been embedded in the trust's daily financial management in accordance with the 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.

Over the past twelve months the trust has implemented significant financial strategies to improve key performance indicators and long-term financial sustainability, these include:

- a review of the Teaching and Learning Responsibility Allowance (TLR) structure
- a review of contact ratios for teaching staff
- a review of non-contact time for TLR holders
- a review of Leadership team structures
- a review of general staffing expenditure as a % of total income

The trust has taken appropriate action to reduce expenditure where possible without compromising the educational outcomes of young people, due to continuing rising costs relating to national pay awards, increasing employer pension contributions and general increases in costs related to managing the academy trust.

The continued success of one of our schools which resulted in rapid growth, has presented a financial challenge to the trust. During the first three-year period of rapid growth the trust was fortunate to receive funding based on 'actual' student numbers. This allowed the school to fund staffing to fit the size of the school. From September 2018, funding has reverted to 'lagged' funding, despite the school continuing to grow rapidly for a further two to three years.

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

**Trustees' report (continued)  
for the year ended 31 August 2019**

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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 known 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.

The academy trust does not use any external fundraisers.

**Plans for future periods**

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.

Trustees engaged with the local governing bodies of a range of local schools during the 2018/19 academic year building relationships based on likeminded aims and trust. This resulted in William Macgregor Primary School joining the trust on 1st September 2018, Curdworth Primary School and Two Gates Primary School joining on 1st November 2018 and Nether Stowe Secondary School joining on 1st December 2018. The trust has been working alongside John Willmott School as its sponsor and school improvement partner since 2015. Trustees are pleased to announce that John Willmott School formally transferred to the trust on 1st July 2019.

The trust is currently working alongside Coton Green Primary School; the aim is that the school will become a formal member of the partnership in the 2019/20 academic year. The trust looks forward to building additional capacity and other opportunities to support schools across all phases, particularly where schools are requiring support to achieve improvement in student outcomes. The trust has developed a high performing school leadership ambition team, that has contributed significantly to school improvement across the trust – and wider Teaching School Alliance.

The trust has a keen interest to develop a free school and is exploring a range of opportunities to fulfil this ambition.

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 on behalf of others**

The trust holds funds on behalf of the Teaching School Council.

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

**Trustees' report (continued)  
for the year ended 31 August 2019**

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**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.

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

**Disclosure of information to auditor**

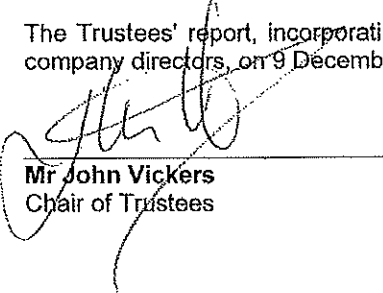
Insofar as the Trustees are aware:

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

**Auditor**

The auditor, Dains LLP, has indicated his willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:



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**Mr John Vickers**  
Chair of Trustees

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

**Governance Statement**

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**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	3	6
Mr John Vickers, Chair	6	6
Mr Johnathan Brake	5	6
Miss Heather Morris, Vice Chair	6	6
Mr Richard Gill, CEO & Accounting Officer	6	6
Mr Brian Cookson, Chair of Finance	6	6

The finance committee is a sub-committee of the main trust board. Its purpose is to assist the trust in fulfilling its responsibilities for strategic financial planning and monitoring.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Richard Gill, CEO & Accounting Officer	1	2
Mr Timothy Sewell	0	2
Mr Johnathan Brake	2	2
Mr Brian Cookson, Chair of Finance	2	2

Teresa Phipps (Finance Director) is in attendance at the Finance Committee.

The audit committee is a sub-committee of the main trust board. Its purpose is to assist the trust in fulfilling its responsibilities for internal control, risk management and external audit; all other matters are dealt with by the trust board.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr John Vickers	3	3
Miss Heather Morris	3	3
Mr Dan Mortiboys (not trustee)	3	3

Richard Gill (CEO & Accounting Officer) and Teresa Phipps (Finance Director) are in attendance at the Audit Committee.

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

**Governance Statement (continued)**

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**Governance (continued)**

**Governance Reviews**

The trust's review of its governance arrangements were formally implemented with effect from 17th July 2017. The new structure was designed 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 was to develop governance to the highest level to ensure actions contribute to deliver school improvement and mitigate risk.

The revised structure includes a reduced number of members and trustees. All members and trustees are completely independent from local governing bodies. The trust has separate committees for governance of the finance and audit functions. The audit committee reviewed the self-evaluation of performance during the summer term. The outcome has identified continued training and development sessions for all trustees and members with a focus on their roles and responsibilities around finance, audit, fraud and risk.

Each local governing body meets six times a year; their responsibility is to monitor the approved budget's income and expenditure. Each monitoring report details the projected outturn for the year-end.

The Finance Director prepares forecast outturn data and management accounts which are presented to the finance committee three times annually. Management accounts are presented to the Chair of the Trustees on a monthly basis, and presented to the board of trustees six 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.

**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 academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by 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 leadership development, coaching, 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 good value. This has two-fold value; financial saving and development and investment in our own staff.

The accounting officer has also delivered additional good value for money by utilising expertise within the trust to support other trusts requiring support with school improvement.

The trust board and accounting officer have confidence in the quality assurance of financial management and stringent systems of internal control. The delegated responsibility of the separate audit and finance committees allows additional independent 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 and quality of financial management and strategic long-term budget planning. Governors, trustees and headteachers are aware of the government's strategy to drive efficiency and the importance of the financial health of academies.

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

**Governance Statement (continued)**

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**Review of value for money (continued)**

The partnership implemented centralised services in January 2019 to provide expertise within the areas of operations, estates, finance and human resource management. This will provide additional good value from a financial and consistency of delivery approach.

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 on-going 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The board of Trustees has reviewed the key risks to which the 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

**The risk and control framework**

The 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 Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

The auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems e.g. purchasing, payroll and reconciliation. The auditor reports to the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The auditor reports to the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The auditor has delivered the schedule of work as planned. There have been no material control issues arising

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

**Governance Statement (continued)**

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**The risk and control framework (continued)**

as a result of the auditor's work.

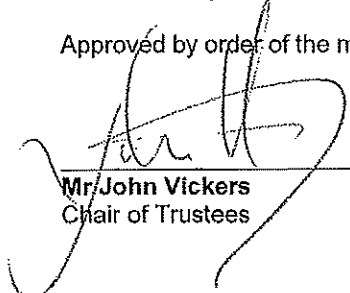
**Review of effectiveness**

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 auditor;
- the work of the executive managers within the multi academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control 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 9 December 2019 and signed on their behalf by:



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**Mr John Vickers**  
Chair of Trustees



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**Mr Richard Gill**  
Chief Executive and Accounting Officer



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

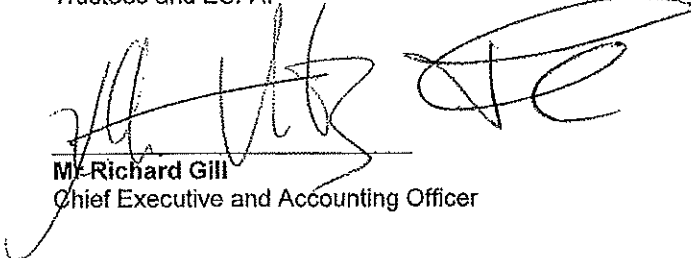
**Statement on Regularity, Propriety and Compliance**

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As accounting officer of The Arthur Terry Learning Partnership I have considered my responsibility to notify the multi 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 multi academy trust, under the funding agreement in place between the multi academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the multi academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2018.

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



**Mr Richard Gill**  
Chief Executive and Accounting Officer

Date: 9 December 2019

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

**Statement of Trustees' responsibilities  
for the year ended 31 August 2019**

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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 Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

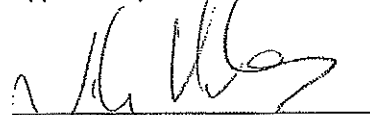
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:

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**Mr John Vickers**  
Chair of Trustees

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

**Independent auditor's Report on the financial statements to the Members of The Arthur Terry Learning Partnership**

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**Opinion**

We have audited the financial statements of The Arthur Terry Learning Partnership (the 'multi academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the multi academy trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 auditor's Report on the financial statements to the Members of The Arthur Terry Learning Partnership (continued)**

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**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance, and the Statement of Trustees' responsibilities. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

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

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

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

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

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

**Independent auditor's Report on the financial statements to the Members of The Arthur Terry Learning Partnership (continued)**

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**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, 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 operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

This report is made solely to the charitable 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 charitable multi academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable 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 Auditor  
Chartered Accountants

Birmingham

9 December 2019

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

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

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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 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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


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

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

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**Conclusion**

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



**Dains LLP**

Statutory Auditor  
Chartered Accountants

Birmingham

Date: 9 December 2019

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 2019

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>Income from:</b>						
Donations and capital grants:	4					
Transfer from local authority on conversion		621	(4,758)	24,586	20,449	2,662
Other donations and capital grants		294	-	1,264	1,558	1,387
Charitable activities:	5					
Funding for the multi academy trust's educational operations		451	34,670	-	35,121	27,533
Childrens centre		5	71	-	76	150
Teaching schools	34	-	1,943	-	1,943	2,553
Other trading activities	6	763	-	-	763	525
Investments	7	7	-	-	7	4
<b>Total income</b>		<b>2,141</b>	<b>31,926</b>	<b>25,850</b>	<b>59,917</b>	<b>34,814</b>
<b>Expenditure on:</b>						
Charitable activities:	9					
Multi academy trust's educational operations		1,451	35,108	1,861	38,420	29,669
Childrens centre		-	56	-	56	171
Other charitable activities		-	(1)	-	(1)	-
Teaching schools	34	-	2,078	-	2,078	1,976
<b>Total expenditure</b>		<b>1,451</b>	<b>37,241</b>	<b>1,861</b>	<b>40,553</b>	<b>31,816</b>
<b>Net income/(expenditure)</b>		<b>690</b>	<b>(5,315)</b>	<b>23,989</b>	<b>19,364</b>	<b>2,998</b>
Transfers between funds	20	(124)	(422)	546	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>566</b>	<b>(5,737)</b>	<b>24,535</b>	<b>19,364</b>	<b>2,998</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	28	-	(3,855)	-	(3,855)	2,546
<b>Net movement in funds</b>		<b>566</b>	<b>(9,592)</b>	<b>24,535</b>	<b>15,509</b>	<b>5,544</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		2,078	(8,676)	58,791	52,193	46,649
Net movement in funds		566	(9,592)	24,535	15,509	5,544
<b>Total funds carried forward</b>	20	<b>2,644</b>	<b>(18,268)</b>	<b>83,326</b>	<b>67,702</b>	<b>52,193</b>



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

**Statement of financial activities (incorporating income and expenditure account) (continued)**  
**for the year ended 31 August 2019**

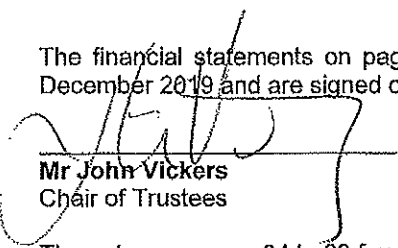
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The Arthur Terry Learning Partnership  
(A company limited by guarantee)  
Registered number: 07730920

Balance sheet  
for the year ended 31 August 2019

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Tangible assets	16	83,128	58,584
<b>Current assets</b>			
Debtors	17	1,101	905
Cash at bank and in hand		6,995	5,991
		<u>8,096</u>	<u>6,896</u>
Creditors: amounts falling due within one year	18	(2,365)	(1,713)
<b>Net current assets</b>		<u>5,731</u>	<u>5,183</u>
<b>Total assets less current liabilities</b>		<u>88,859</u>	<u>63,767</u>
Creditors: amounts falling due after more than one year	19	(177)	(199)
<b>Net assets excluding pension liability</b>		<u>88,682</u>	<u>63,568</u>
Defined benefit pension scheme liability	28	(20,980)	(11,375)
<b>Total net assets</b>		<u><u>67,702</u></u>	<u><u>52,193</u></u>
<b>Funds of the multi academy trust</b>			
<b>Restricted funds:</b>			
Restricted fixed asset funds	20	83,326	58,791
Restricted income funds	20	2,711	2,699
		<u>86,037</u>	<u>61,490</u>
Restricted funds excluding pension liability	20	86,037	61,490
Pension reserve	20	(20,979)	(11,375)
<b>Total restricted funds</b>	20	<u>65,058</u>	<u>50,115</u>
<b>Unrestricted income funds</b>	20	<u>2,644</u>	<u>2,078</u>
<b>Total funds</b>		<u><u>67,702</u></u>	<u><u>52,193</u></u>

The financial statements on pages 30 to 69 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

  
Mr John Vickers  
Chair of Trustees

The notes on pages 34 to 69 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 2019**

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	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	22	1,718	880
<b>Cash flows from investing activities</b>	24	(712)	(264)
<b>Cash flows from financing activities</b>	23	(2)	210
<b>Change in cash and cash equivalents in the year</b>		<b>1,004</b>	<b>826</b>
Cash and cash equivalents at the beginning of the year		5,991	5,165
<b>Cash and cash equivalents at the end of the year</b>	25	<u><u>6,995</u></u>	<u><u>5,991</u></u>

The notes on pages 34 to 69 form part of these financial statements

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

**Notes to the financial statements**  
**for the year ended 31 August 2019**

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**1. General information**

The 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. The principal activity of the trust is given in the Trustees Report.

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

**2. Accounting policies**

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

**2.1 Basis of preparation of financial statements**

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

**2.2 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 multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

## 2. Accounting policies (continued)

### 2.3 Income

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

- **Grants**

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

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

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

- **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 year 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 year it is receivable and to the extent the multi academy trust has provided the goods or services.

- **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 'Stocks' 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'.

- **Transfer on conversion**

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

## 2. Accounting policies (continued)

### 2.3 Income (continued)

- **Donated fixed assets (excluding transfers on conversion or into the multi academy trust)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

### 2.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

### 2.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the multi academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.6 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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## 2. Accounting policies (continued)

### 2.7 Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Depreciation is provided on the following bases:

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

### 2.8 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.

### 2.9 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.

### 2.10 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

## 2. Accounting policies (continued)

### 2.11 Provisions

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

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

### 2.12 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 bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. 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 cost as detailed in notes 18 and 19. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

### 2.13 Operating leases

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

### 2.14 Conversion to an academy trust

The conversion from a state maintained school to a multi 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 Curdworth Primary School, Two Gates Primary School, William MacGregor Primary School, John Willmott School and Nether Stowe School to the multi 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 Income from Donations and Capital Grants in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 26.



## 2. Accounting policies (continued)

### 2.15 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

### 2.16 Fund accounting

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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.

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

Notes to the financial statements  
for the year ended 31 August 2019

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3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Critical areas of judgement:*

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.

4. Donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Donations	294	-	19	313
Capital Grants	-	-	1,245	1,245
Transfer from local authority on conversion	621	(4,758)	24,586	20,449
	<u>915</u>	<u>(4,758)</u>	<u>25,850</u>	<u>22,007</u>

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

Notes to the financial statements  
for the year ended 31 August 2019

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Donations	421	(274)	-	147
Capital Grants	-	-	1,240	1,240
Similar incoming resources	(267)	-	2,929	2,662
	<u>154</u>	<u>(274)</u>	<u>4,169</u>	<u>4,049</u>

5. Funding for the multi academy trust's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	30,932	30,932
Pupil premium	-	1,525	1,525
Other ESFA income	-	603	603
	<u>-</u>	<u>33,060</u>	<u>33,060</u>
<b>Other government grants</b>			
Local authority grants	-	890	890
	<u>-</u>	<u>890</u>	<u>890</u>
<b>Other income from the multi academy trust's educational operations</b>			
School trip income	451	-	451
School meals income	-	121	121
Other income	-	599	599
	<u>451</u>	<u>34,670</u>	<u>35,121</u>

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

Notes to the financial statements  
for the year ended 31 August 2019

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	-	24,312	24,312
Pupil premium	-	1,104	1,104
Other ESFA income	-	513	513
	<u>-</u>	<u>25,929</u>	<u>25,929</u>
<b>Other government grants</b>			
Local authority grants	-	634	634
	<u>-</u>	<u>634</u>	<u>634</u>
<b>Other income from the multi academy trust's educational operations</b>			
School trip income	472	-	472
School meals income	-	111	111
Other income	-	387	387
	<u>472</u>	<u>27,061</u>	<u>27,533</u>

6. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000
Letting income	117	-	117
Salary and expenditures recharges	192	-	192
Academy consultancy income	257	-	257
Other income	197	-	197
Children's centre	5	71	76
	<u>768</u>	<u>71</u>	<u>839</u>

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

Notes to the financial statements  
for the year ended 31 August 2019

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000
Letting income	70	-	70
Salary and expenditures recharges	105	-	105
Academy consultancy income	176	-	176
Other income	174	-	174
Children's centre	29	121	150
	<u>554</u>	<u>121</u>	<u>675</u>

7. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Bank interest	<u>7</u>	<u>7</u>	<u>4</u>

8. Expenditure

	Staff Costs 2019 £000	Premises 2019 £000	Other 2019 £000	Total 2019 £000
Educational operations:				
Direct costs	24,535	148	4,632	29,315
Allocated support costs	4,047	4,110	948	9,105
Childrens' centre:				
Direct costs	47	-	9	56
Teaching school	298	-	1,780	2,078
	<u>28,927</u>	<u>4,258</u>	<u>7,369</u>	<u>40,554</u>

The Arthur Terry Learning Partnership  
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Notes to the financial statements  
for the year ended 31 August 2019

	Staff Costs 2018 £000	Premises 2018 £000	Other 2018 £000	Total 2018 £000
Educational operations:				
Direct costs	19,438	115	2,860	22,413
Allocated support costs	2,764	3,392	1,100	7,256
Childrens' centre:				
Direct costs	133	-	38	171
Teaching school	324	-	1,652	1,976
	<u>22,659</u>	<u>3,507</u>	<u>5,650</u>	<u>31,816</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000
Educational operations	29,315	9,105	38,420
Childrens' centre	56	-	56
	<u>29,371</u>	<u>9,105</u>	<u>38,475</u>

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total funds 2018 £000
Educational operations	22,413	7,256	29,669
Childrens' centre	171	-	171
	<u>22,584</u>	<u>7,256</u>	<u>29,840</u>

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

Notes to the financial statements  
for the year ended 31 August 2019

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £000	Total funds 2018 £000
Pension deficit	351	326
Staff costs	24,478	18,991
Educational supplies	2,601	1,617
Examination fees	359	313
Staff development and recruitment	136	142
School fund and trips costs	578	500
Insurance	148	115
Agency staff	720	580
	<u>29,371</u>	<u>22,584</u>

Analysis of support costs

	Total funds 2019 £000	Total funds 2018 £000
Staff costs	3,497	2,764
Depreciation	1,594	1,373
Maintenance of premises and equipment	1,956	1,633
Rent and rates	290	245
Heat and light	589	435
Travel	57	58
Catering	576	328
Technology costs	208	162
Office expenses	305	231
Governance	33	27
	<u>9,105</u>	<u>7,256</u>

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

Notes to the financial statements  
for the year ended 31 August 2019

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	2018 £000
Operating lease rentals	123	35
Depreciation of tangible fixed assets	1,753	1,373
	<u>1,876</u>	<u>1,408</u>

11. Auditor's remuneration

	2019 £000	2018 £000
Fees payable to the multi academy trust's Auditor for the audit of the multi academy trust's annual accounts	33	26
Fees payable to the multi academy trust's auditor in respect of: Other services	4	4
	<u>37</u>	<u>30</u>

12. Staff

a. Staff costs

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	21,447	16,727
Social security costs	2,125	1,673
Pension costs	4,699	3,651
	<u>28,271</u>	<u>22,051</u>
Agency staff costs	720	580
Staff restructuring costs	26	28
	<u>29,017</u>	<u>22,659</u>



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12. Staff (continued)

a. Staff costs (continued)

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	-	12
Severance payments	26	16
	<u>26</u>	<u>28</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payment totalling £26,345 (2018 - £15,500). Individually, the payments were: £5,000, £7,641, £12,304 and £1,400).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	358	308
Non-teaching staff	470	374
Management	75	55
	<u>903</u>	<u>737</u>

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12. Staff (continued)

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	16	9
In the band £70,001 - £80,000	6	4
In the band £80,001 - £90,000	3	3
In the band £100,001 - £110,000	2	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the Executive team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £707,756 (2018 - £652,865).

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13. 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:

	2019 £000	2018 £000
Arthur Terry School	359	351
Stockland Green School	202	200
Slade Primary School	88	83
Brookvale Primary School	43	43
Hill West Primary School	72	72
Mere Green Primary School	92	88
The Coleshill School	231	224
Scotch Orchard Primary School	32	16
Two Gates Primary School	45	-
Curdworth Primary School	18	-
William MacGregor Primary School	37	-
Nether Stowe School	107	-
<b>Total</b>	<b>1,326</b>	<b>1,077</b>

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**14. Related party transaction - 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 Chief Executive only receive remuneration in respect of services he provide undertaking the roles of Chief Executive under his contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
Mr Richard Gill, CEO & Accounting Officer	Remuneration	<b>125 - 130</b>	115 - 120
	Pension contributions paid	<b>20 - 25</b>	20 - 25

During the year ended 31 August 2019, travel and subsistence expenses totalling £NIL were reimbursed or paid directly to Trustees (2018 - £1,812 to 1 Trustee).

**15. 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 2019 was £1,445 (2018 - £892). The cost of this insurance is included in the total insurance cost.

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16. Tangible fixed assets

	Long-term leasehold land and buildings £000	Fixture and fittings £000	Computer equipment £000	Motor vehicles £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>						
At 1 September 2018	63,075	1,149	1,062	35	75	65,396
Additions	32	568	354	-	597	1,551
Transfers on conversion	24,586	-	-	-	-	24,586
Transfers between classes	672	-	-	-	(672)	-
At 31 August 2019	<u>88,365</u>	<u>1,717</u>	<u>1,416</u>	<u>35</u>	<u>-</u>	<u>91,533</u>
<b>Depreciation</b>						
At 1 September 2018	5,709	326	750	27	-	6,812
Charge for the year	1,275	126	191	2	-	1,594
At 31 August 2019	<u>6,984</u>	<u>452</u>	<u>941</u>	<u>29</u>	<u>-</u>	<u>8,406</u>
<b>Net book value</b>						
At 31 August 2019	<u>81,381</u>	<u>1,265</u>	<u>475</u>	<u>6</u>	<u>-</u>	<u>83,127</u>
At 31 August 2018	<u>57,366</u>	<u>823</u>	<u>312</u>	<u>8</u>	<u>75</u>	<u>58,584</u>

17. Debtors

	2019 £000	2018 £000
<b>Due within one year</b>		
Trade debtors	103	73
VAT recoverable	188	230
Prepayments and accrued income	810	602
	<u>1,101</u>	<u>905</u>

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Other loans	70	50
Trade creditors	60	27
Other taxation and social security	520	403
Other creditors	462	338
Accruals and deferred income	1,253	895
	<u>2,365</u>	<u>1,713</u>
	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2018	359	1,008
Resources deferred during the year	851	359
Amounts released from previous periods	(359)	(1,008)
	<u>851</u>	<u>359</u>

At the balance sheet date the multi-academy trust was holding funds received in advance for educational grants and trips booked for the autumn term 2019.

Other loans is made up of interest free "Salix" loans from the ESFA and loans with local authorities which were inherited with schools converting into the trust. These loans are repayable in either quarterly or half yearly installments until 2024.

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Other loans	<u>177</u>	<u>199</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Payable or repayable by instalments	<u>12</u>	<u>23</u>
	<u>12</u>	<u>23</u>

Other loans is made up of interest free "Salix" loans from the ESFA and loans with local authorities which were inherited with schools converting into the trust. These loans are repayable in either quarterly or half yearly installments until 2024.

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Notes to the financial statements  
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20. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated Fund	1,902	-	-	(124)	-	1,778
<b>General funds</b>						
General Funds	176	2,136	(1,451)	5	-	866
Children's Centre	-	5	-	(5)	-	-
	176	2,141	(1,451)	-	-	866
<b>Total Unrestricted funds</b>	<b>2,078</b>	<b>2,141</b>	<b>(1,451)</b>	<b>(124)</b>	<b>-</b>	<b>2,644</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,977	30,932	(30,422)	(422)	-	2,065
Children's Centre	-	71	(56)	-	-	15
Other DfE / EFSA grants	-	2,128	(2,128)	-	-	-
Other government grants	-	890	(890)	-	-	-
Teaching schools	722	1,943	(2,078)	-	-	587
Other income	-	721	(677)	-	-	44
Pension reserve	(11,375)	(4,758)	(991)	-	(3,855)	(20,979)
	(8,676)	31,927	(37,242)	(422)	(3,855)	(18,268)
<b>Restricted fixed asset funds</b>						
School Condition Allocation (SCA)	456	748	-	(791)	-	413
Other Fixed Asset funds	58,335	25,102	(1,861)	1,337	-	82,913
	58,791	25,850	(1,861)	546	-	83,326
<b>Total Restricted funds</b>	<b>50,115</b>	<b>57,777</b>	<b>(39,103)</b>	<b>124</b>	<b>(3,855)</b>	<b>65,058</b>
<b>Total funds</b>	<b>52,193</b>	<b>59,918</b>	<b>(40,554)</b>	<b>-</b>	<b>(3,855)</b>	<b>67,702</b>



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

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 it could carry forward at 31 August 2019.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	2018 £000
Arthur Terry Learning Partnership	1,518	1,208
Arthur Terry School	483	704
Stockland Green School	863	1,460
Slade Primary School	361	311
Brookvale Primary School	163	84
Hill West Primary School	60	113
Mere Green School	718	581
The Coleshill School	175	269
Scotch Orchard School	99	47
Nether Stowe School	295	-
Curdworth Primary School	45	-
Two Gates Primary School	245	-
William MacGregor Primary School	30	-
John Willmott School	300	-
Total before fixed asset funds and pension reserve	5,355	4,777
Restricted fixed asset fund	83,326	58,791
Pension reserve	(20,979)	(11,375)
<b>Total</b>	<b>67,702</b>	<b>52,193</b>

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20. Statement of funds (continued)

Total cost analysis by academy

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 2019 £000
Arthur Terry Learning Partnership	730	533	849	174	2,286
Arthur Terry School	6,423	847	750	2,986	11,006
Stockland Green School	3,147	333	469	1,134	5,083
Slade Primary School	1,409	236	376	343	2,364
Brookvale Primary School	655	152	76	158	1,041
Hill West Primary School	1,248	158	226	370	2,002
Mere Green School	1,407	232	284	333	2,256
The Coleshill School	3,868	674	769	547	5,858
Scotch Orchard School	584	68	72	175	899
Nether Stowe School	1,930	222	319	412	2,883
Curdworth Primary School	319	27	90	75	511
Two Gates Primary School	838	97	116	166	1,217
William MacGregor Primary School	674	90	133	151	1,048
John Willmott School	603	126	130	97	956
<b>Multi academy trust</b>	<b>23,835</b>	<b>3,795</b>	<b>4,659</b>	<b>7,121</b>	<b>39,410</b>

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20. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated Fund	650	-	-	1,252	-	1,902
<b>General funds</b>						
General Funds	1,199	1,155	(924)	(1,254)	-	176
Children's Centre	-	29	-	(29)	-	-
	<u>1,199</u>	<u>1,184</u>	<u>(924)</u>	<u>(1,283)</u>	<u>-</u>	<u>176</u>
<b>Total Unrestricted funds</b>	<u>1,849</u>	<u>1,184</u>	<u>(924)</u>	<u>(31)</u>	<u>-</u>	<u>2,078</u>
<b>Restricted general funds</b>						
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>
<b>Restricted fixed asset funds</b>						
School Condition Allocation	-	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>
<b>Total Restricted funds</b>	<u>44,800</u>	<u>33,630</u>	<u>(30,892)</u>	<u>31</u>	<u>2,546</u>	<u>50,115</u>
<b>Total funds</b>	<u>46,649</u>	<u>34,814</u>	<u>(31,816)</u>	<u>-</u>	<u>2,546</u>	<u>52,193</u>

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21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	83,128	83,128
Current assets	2,644	4,626	826	8,096
Creditors due within one year	-	(1,901)	(464)	(2,365)
Creditors due in more than one year	-	(13)	(164)	(177)
Provisions for liabilities and charges	-	(20,980)	-	(20,980)
<b>Total</b>	<b>2,644</b>	<b>(18,268)</b>	<b>83,326</b>	<b>67,702</b>

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	58,584	58,584
Current assets	2,078	4,303	515	6,896
Creditors due within one year	-	(1,602)	(109)	(1,711)
Creditors due in more than one year	-	-	(199)	(199)
Provisions for liabilities and charges	-	(11,375)	-	(11,375)
<b>Total</b>	<b>2,078</b>	<b>(8,674)</b>	<b>58,791</b>	<b>52,195</b>

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22. Reconciliation of net income to net cash flow from operating activities

	2019 £000	2018 £000
Net income for the year (as per statement of Financial Activities)	19,364	2,998
<b>Adjustments for:</b>		
Depreciation	1,594	1,373
Interest receivable	(7)	(4)
Increase in debtors	(196)	(326)
Increase/(decrease) in creditors	631	(653)
Capital grants from DfE and other capital income	(832)	(784)
Adjust for: cash transferred on conversion	621	(7)
Defined benefit pension scheme cost less contributions payable	992	938
Net gain on assets and liabilities from local authority on conversion	(621)	274
Gift of property on conversion	(24,586)	(2,929)
Defined benefit pension scheme on conversion	4,758	-
<b>Net cash provided by operating activities</b>	<b>1,718</b>	<b>880</b>

23. Cash flows from financing activities

	2019 £000	2018 £000
Cash inflows from new borrowing	48	226
Repayments of borrowing	(50)	(16)
<b>Net cash (used in)/provided by financing activities</b>	<b>(2)</b>	<b>210</b>

24. Cash flows from investing activities

	2019 £000	2018 £000
Dividends, interest and rents from investments	7	4
Purchase of tangible fixed assets	(1,551)	(1,052)
Capital grants from DfE Group	832	784
<b>Net cash used in investing activities</b>	<b>(712)</b>	<b>(264)</b>

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**25. Analysis of cash and cash equivalents**

	2019 £000	2018 £000
Cash in hand	6,995	5,991
<b>Total cash and cash equivalents</b>	<b>6,995</b>	<b>5,991</b>

**26. Conversion to an academy trust**

On 1 November 2018 Curdworth Primary 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 North Warwickshire Borough Council for £NIL consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of Financial Activities.

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>			
Leasehold land and buildings	-	1,887	1,887
<b>Current assets</b>			
Budget surplus on LA funds	84	-	84
<b>Net assets</b>	<b>84</b>	<b>1,887</b>	<b>1,971</b>

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**26. Conversion to an academy trust (continued)**

On 1 September 2018 William MacGregor Primary 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 heading with a corresponding net amount recognised as a net gain in the statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of Financial Activities.

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>			
Leasehold land and buildings	-	2,342	2,342
<b>Current assets</b>			
Budget surplus on LA funds	4	-	4
<b>Net assets</b>	<u>4</u>	<u>2,342</u>	<u>2,346</u>

On 1 December 2018 Nether Stowe 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 heading with a corresponding net amount recognised as a net gain in the statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of Financial Activities.

	Unrestricted funds £000	Total funds £000
<b>Current assets</b>		
Budget surplus on LA funds	415	415
<b>Net assets</b>	<u>415</u>	<u>415</u>

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**26. Conversion to an academy trust (continued)**

As part of the planned expansion of Nether Stowe School, the local authority is building new facilities at the school. Due to this building project, a formal lease agreement has not yet been signed between the Local Authority and ATLP, instead a Tenancy at Will has been signed between both parties, with a view that a 125 year lease will be signed up on completion of the building work. Once the lease agreement is signed, the trust will recognise the value of the leasehold land and buildings on the balance sheet of ATLP.

On 1 December 2018 Two Gates Primary 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 heading with a corresponding net amount recognised as a net gain in the statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of Financial Activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	4,427	4,427
<b>Current assets</b>				
Budget surplus on LA funds	114	-	-	114
LGPS pension deficit	-	(318)	-	(318)
<b>Net assets/(liabilities)</b>	<u>114</u>	<u>(318)</u>	<u>4,427</u>	<u>4,223</u>



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**26. Conversion to an academy trust (continued)**

On 1 July 2019 John Willmott 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 Birmingham City Council for £NIL consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of Financial Activities.

	Unrestricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>			
Leasehold land and buildings	-	15,930	15,930
<b>Current assets</b>			
Budget surplus on LA funds	5	-	5
<b>Net assets</b>	<u>5</u>	<u>15,930</u>	<u>15,935</u>

**27. Capital commitments**

	2019 £000	2018 £000
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	-	367

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**28. Pension commitments**

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

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

Contributions amounting to £457,000 were payable to the schemes at 31 August 2019 (2018 - £338,000) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

**Scheme Changes**

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**28. Pension commitments (continued)**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,551,000 (2018 - £1,851,000).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,790,000 (2018 - £1,431,000), of which employer's contributions totalled £1,457,000 (2018 - £1,159,000) and employees' contributions totalled £ 333,000 (2018 - £272,000). The agreed contribution rates for future years are 18.3 per cent for employers and 5.5 to 11.4 per cent for employees.

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

**Principal actuarial assumptions**

	2019	2018
	%	%
Rate of increase in salaries	3.05	3.13
Rate of increase for pensions in payment/inflation	2.28	2.30
Discount rate for scheme liabilities	1.89	2.75
Inflation assumption (CPI)	2.28	2.30

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

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28. Pension commitments (continued)

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.2	22.2
Females	23.5	24.5
<i>Retiring in 20 years</i>		
Males	22.4	24.2
Females	25.0	26.6

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	(955)	(1,736)
Discount rate -0.1%	970	1,748
Mortality assumption - 1 year increase	155	342
Mortality assumption - 1 year decrease	(154)	(342)
CPI rate +0.1%	805	1,386
CPI rate -0.1%	(791)	(13,755)

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	11,201	8,425
Gilts	2,650	1,402
Corporate bonds	450	379
Property	1,611	1,186
Cash and other liquid assets	522	475
Derivatives	1,764	1,428
<b>Total market value of assets</b>	<b>18,198</b>	<b>13,295</b>

The actual return on scheme assets was £891,000 (2018 - £233,000).

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28. Pension commitments (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2019 £000	2018 £000
Current service cost	(2,016)	(1,771)
Past service cost	(82)	-
Interest income	428	317
Interest cost	(774)	(643)
Administrative expenses	(5)	(4)
<b>Total amount recognised in the Statement of financial activities</b>	<b>(2,449)</b>	<b>(2,101)</b>

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>24,671</b>	<b>24,237</b>
Conversion of academy trusts	7,003	534
Current service costs	2,016	1,771
Interest cost	774	639
Employee contributions	333	272
Actuarial losses/(gains)	4,542	(2,620)
Benefits paid	(243)	(162)
Past service costs	82	-
<b>At 31 August</b>	<b>39,178</b>	<b>24,671</b>

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

	2019 £000	2018 £000
<b>At 1 September</b>	<b>13,296</b>	<b>11,528</b>
Conversion of academy trusts	2,245	260
Interest income	428	317
Actuarial gains/(losses)	687	(74)
Employer contributions	1,457	1,159
Employee contributions	333	272
Benefits paid	(243)	(162)
Administrative expenses	(5)	(4)
<b>At 31 August</b>	<b>18,198</b>	<b>13,296</b>

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**29. Operating lease commitments**

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

	2019 £000	2018 £000
<b>Land and buildings</b>		
Not later than 1 year	980	961
Later than 1 year and not later than 5 years	4,167	4,206
Later than 5 years	16,948	20,061
	<u>22,095</u>	<u>25,228</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.

	2019 £000	2018 £000
<b>Other</b>		
Not later than 1 year	49	123
Later than 1 year and not later than 5 years	143	77
	<u>192</u>	<u>200</u>

**30. Members' liability**

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

**31. 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 14.

**32. Agency arrangements**

The trust distributes 16-19 bursary funds from the ESFA to students as an agent. In the accounting year ended 31 August 2019, the trust received and distributed £53,000 (2018: £45,000).

At the balance sheet date there was no balance owing to specific pupils (2018: £nil).

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33. Controlling party

The multi academy trust is controlled by the Board of Members.

34. Teaching school trading account

	2019 £000	2019 £000	2018 £000	2018 £000
<b>Income</b>				
<b>Direct income</b>				
Grant income	1,455		2,054	
<b>Other income</b>				
Fundraising and other income	488		501	
<b>Total income</b>		1,943		2,555
<b>Expenditure</b>				
<b>Direct expenditure</b>				
Direct staff costs	298		296	
Staff development	2		4	
Other direct costs	1,752		1,603	
<b>Total direct expenditure</b>	2,052		1,903	
<b>Other expenditure</b>				
Other staff costs	-		27	
Recruitment and support	2		3	
Other support costs	24		43	
<b>Total other expenditure</b>	26		73	
<b>Total expenditure</b>		2,078		1,976
<b>(Deficit)/surplus from all sources</b>		(135)		579
<b>Teaching school balances at 1 September 2018</b>		722		143
<b>Teaching school balances at 31 August 2019</b>		587		722