

The Arthur Terry Learning Partnership

Trustees Report and Financial Statements

For the Year Ended 31 August 2017

**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
For the Year Ended 31 August 2017**

Members

Mr Timothy Sewell
Mr Alan Wharton (resigned 17 July 2017)
Mr William Davis (resigned 17 July 2017)
Mr Andrew Wood (resigned 17 July 2017)
Mrs Sarah Dawson (resigned 17 July 2017)
Mr John Vickers (resigned 17 July 2017)
Mr Jonathan Brake (resigned 17 July 2017)
Mrs Heather Morris (resigned 17 July 2017)
Mrs Sarah Taylor (appointed 17 July 2017)
Mr Mick Waters (appointed 17 July 2017)

Trustees

Mr Alan Wharton, Chair of Audit/Finance (resigned 17 July 2017)¹
Mr William Davis, Vice Chair (resigned 17 July 2017)
Mr Andrew Wood (resigned 17 July 2017)¹
Mrs Sarah Dawson (resigned 17 July 2017)
Mr Timothy Sewell, Chair
Mr Andrew Staples (resigned 17 July 2017)¹
Mr Ashley Innis (resigned 18 October 2016)
Mrs Sue Burke (resigned 17 July 2017)
Mrs Maxine Rowley
Mr John Vickers
Mr Jonathan Brake¹
Mr Dewi Jones (resigned 17 July 2017)
Mrs Heather Morris
Mr Ian Michael Wills (resigned 17 July 2017)
Mr Keith Heron (resigned 17 July 2017)
Mr Richard Gill, Chief Executive

¹ member of the Audit Committee

**Company registered
number**

07730920

Company name

The Arthur Terry Learning Partnership

**Principal and registered
office**

Kittoe Road
Sutton Coldfield
West Midlands
B74 4RZ

**Chief Executive and
Accounting Officer**

Mr Richard Gill

Finance Director

Mrs Teresa Phipps

Independent auditors

Dains LLP
15 Colmore Row
Birmingham
B3 2BH

**The Arthur Terry Learning Partnership
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**Reference and Administrative Details of the Multi academy trust, its Trustees and Advisers
For the Year Ended 31 August 2017**

Advisers (continued)

Bankers Lloyds Bank Plc
 9 Birmingham Road
 Sutton Coldfield
 West Midlands
 B72 1QA

Solicitors Stone King LLP
 16 St John's Lane
 London
 EC1M 4BS

**The Arthur Terry Learning Partnership
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**Trustees' Report
For the Year Ended 31 August 2017**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates four primary academies, and three secondary academies across Birmingham and North Warwickshire. Its academies had a roll of 4,733 in the school census in January 2017.

Structure, governance and management

a. Constitution

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

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

b. Members' liability

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

c. Trustees' indemnities

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

d. Method of recruitment and appointment or election of Trustees

The Articles provide that

- The 7 Members are first directors (Article 50)
- Up to 7 Chairs of local governing bodies are Academy directors (Article 51 or 52)
- The Chief Executive will be a director
- A minimum of 2 parent Directors (Articles 53 – 56D)

New Articles were adopted on the 17th July 2017. The Articles provide that

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

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

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**Trustees' Report (continued)
For the Year Ended 31 August 2017**

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.

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

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

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

f. Organisational structure

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

- a) Members
- b) Board of Trustees and Finance & Audit Committee
- c) Local Governing Body for each of the schools
- d) Leadership Group for each of the schools
- e) Chief Executive, who is the Accounting Officer for the Trust.
- f) Business support team including a Finance Director, HR Director and Business Director.

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

The Local Governing Bodies are responsible for implementing the policies laid down by the Trustees and reporting back to them.

The Local Governing Bodies are a mix of parents, staff and co-opted members. At each academy there is a Headteacher and a Leadership Group. Each Local Governing Body appoints a Chair who will become a trustee of the company; the individuals at the date of this report are Mr Staples, Mr Briers, Mr Wills, Mrs Harrington, Mrs Rowley, Mr Jones and Mrs Burke. However, under the terms of the new Articles adopted on 17th July 2017 the Chair of each local Governing Body no longer holds a position as a Trustee.

The Audit & Finance Committee is a Committee of the Trust Board. The Audit & Finance Committee assists the Trust in fulfilling its oversight 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. Under the new governance arrangements effective from 17th July 2017 two separate Committees operate as the Finance Committee and the Audit Committee.

Each Local Governing Body is responsible for managing half termly meetings for 'Managing the Organisation' and 'Leading, Learning & Teaching'. Minutes from these committees are part of the regular reporting to the Board of Trustees.

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

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

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**Trustees' Report (continued)
For the Year Ended 31 August 2017**

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

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

h. Related parties and other connected charities and organisations

Children Centres

Arthur Terry School hold the Governance and Strategic lead for four Children Centres within the Sutton Coldfield locality. This represents just over 5,000 under 5's.

The five centres work closely together to offer both universal and targeted services to families.

There is a recognition of the importance of early education and school readiness. Our Children Centre teacher who is a Specialist Leader in Education (SLE) works across over forty nurseries in Sutton Coldfield to lead on improving early education through a consultancy based process.

Safeguarding of our most vulnerable members within the ATLP is a priority. The Family Support Team offers early help and support. Our target groups include young parents, those from an ethnic minority, lone parents and those who live in areas of deprivation around the locality.

The Children Centres were rated 'Good' by Ofsted in January 2014.

John Willmott School

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

Objectives and Activities

a. Objects and aims

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

- (a) Advancing for the public benefit education in the United Kingdom ('the area of benefit'), in particular but without prejudice to the generality of the foregoing by
 - (i) Establishing, maintaining, carrying on, managing and developing a school offering a broad and a balanced curriculum,
 - (ii) Providing childcare facilities and adult training to develop the capacity and skills of parents to be and parents with children primarily but not exclusively under five in such a way that they are better able to identify and help meet the needs of children,
- (b) Promoting in the area of benefit the physical, intellectual and social development of primarily but not exclusively children under five especially those who are socially and economically disadvantaged,

- (c) Developing the capacity and skills of those inhabitants of the area of benefit who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society,
- (d) Relieving poverty among the inhabitants of the area of benefit,
- (e) Relieving unemployment in the area of benefit for the benefit of the public in such ways as may by thought fit, including assistance to find employment,
- (f) Advancing the health of the inhabitants of the area of benefit
- (g) Providing recreational and leisure time facilities in the interest of social welfare for the inhabitants of the area of benefit especially those who have need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances,
- (h) To promote for the benefit of the inhabitants of West Midlands and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity, or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

b. Objectives, strategies and activities

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

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

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

c. Public benefit

The main objectives of the Trust are summarised below;

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

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

- Operate a robust quality assurance calendar which monitors the quality of teaching and learning and includes book trawls
- Is visited, scrutinised and supported by a School Improvement Partner
- Undertake a rigorous review of attainment using RAISEONLINE and FFTD 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 to all the main areas of the Trust. The policy of the Trust is to support recruitment and retention of students and employees with disabilities. The Trust does this by adapting the physical environment by making support

resources available and through training and career development.

d. Strategic Report

Achievements and performance for 2015-16

Primary Schools

	Brookvale	Hill West	Mere Green	Slade
EYFS GLD	70%	78%	85%	64%
PHONICS				
As expected (82%)	97%	95%	98%	78%
KS1				
Reading				
At expected (82%)	84%	87%	83%	72%
Greater depth	23%	27%	27%	21%
Writing				
At expected (72%)	81%	78%	80%	72%
Greater depth	16%	15%	17%	16%
Maths				
At expected (82%)	81%	85%	83%	72%
Greater depth	19%	23%	17%	16%
KS2				
Reading				
At expected (71%)	70%	92%	90%	45%
Greater depth	23%	27%	27%	21%
Writing				
At expected (75%)	85%	88%	90%	66%
Greater depth	15%	20%	23%	10%
Maths				
At expected (70%)	78%	88%	94%	62%
Greater depth	33%	33%	35%	12%

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Trustees' Report (continued)
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SPAG				
At expected (77%)	81%	92%	90%	60%
Greater depth	33%	56%	61%	16%
Combined (floor target 61%)	67%	88%	87%	44%
Progress Measures KS1 - 2				
Reading	-1.9	2.6	4.7	-3.6
Writing	0.6	1.3	1.4	-0.2
Maths	1.2	2.3	2.9	-3.2

Secondary Schools

GCSE

School	Attainment 8 (unvalidated)	Progress 8 (unvalidated)	Progress 8 Lower Confidence Interval (unvalidated)	Progress 8 Upper Confidence Interval (unvalidated)	Ebacc – Strong Pass (unvalidated)	Ebacc – Standard Pass (unvalidated)	Strong Pass in English and Maths (unvalidated)	Standard Pass in English and Maths (unvalidated)
The Arthur Terry School	53.85	0.30	0.14	0.46	37%	39%	60%	80%
Stockland Green School	39.61	-0.12	-0.34	0.09	16%	17%	25%	51%
The Coleshill School	42.87	-0.10	-0.35	0.14	11%	21%	26%	59%
John Willmott School	41.9	-0.36	-0.55	-0.16	22%	23%	34%	55%

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Trustees' Report (continued)
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School	% of entries at A*-B	% of entries at A*-E
The Arthur Terry School	47%	98%
The Coleshill School	42%	97%
John Willmott School	53%	100%

a. Key performance indicators

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

The Trustees monitor the financial position on a half-termly basis by reviewing financial year-end projections. 2016-17 secured a balanced budget with reserves of £3,422,000. After allowing for committed funds at the year end the available reserves are £2,319,000.

• **Benchmarking expenditure against other similar organisations**

Benchmarking information provided by the Department for Education 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 included a governor training session and provision of data for governors to challenge school leaders

• **Maintaining current level of reserves**

The Trust has maintained a similar level of reserves at the end of this accounting period.

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

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

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

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

b. Going concern

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

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**Trustees' Report (continued)
For the Year Ended 31 August 2017**

c. Financial review

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

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

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

Since becoming a multi academy trust successful bids to the Academies Capital Maintenance Fund secured £292,200 for three primary school projects.

On conversion on 1st April 2012, all of the fixed assets of the former schools were transferred to the new Academy Trust, and are shown as restricted asset funds. The balance sheet restricted asset fund is reduced by depreciation charges over the expected useful life of the assets concerned.

The combined General Restricted Fund and Unrestricted Fund show an operating surplus, before the actuarial losses on defined benefit pension schemes, of £18,000. 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's appointment of a Finance Director in 2014 has significantly improved budget forecasting, monitoring and planning. This is now embedded across the Trust.

a. Reserves policy

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

Reserves at the end of the period are £46,649,000 but £43,227,000 are represented by fixed assets and the Local Government Pension Scheme deficit.

The restricted fund reserves will be used to fund current commitments, designated building maintenance projects and provision of an all weather pitch at one school to enable external play space for pupils, as well as expenditure required to implement the Aims and Objectives of the Academy Trust as outlined in the Business Plan. £650,000 is designated for completing specified projects.

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

b. Material investments policy

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

c. Principal risks and uncertainties

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

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

Plans for future periods

a. Future developments

The last school to join the Trust was The Coleshill School, in 1st September 2015. The Trust is currently working as a school improvement partner for The John Willmott School and CTC Kingshurst Academy. The intention is for John Willmott School to formally be incorporated in 2018. The Trustees are engaged with a number of other schools in the geographical area with a view to future growth of the partnership.

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 on leaving school with regard to employment or continuing in training or formal education.

Funds held as custodian

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

Employee involvement and employment of the disabled

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

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

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

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

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**Trustees' Report (continued)
For the Year Ended 31 August 2017**

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

Disclosure of information to auditors

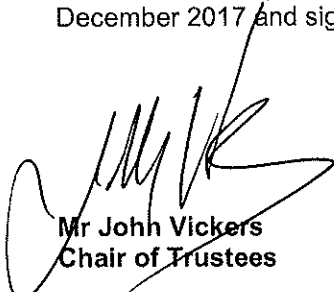
Insofar as the Trustees are aware:

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

Auditors

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

The Trustees' report was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:



**Mr John Vickers
Chair of Trustees**

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Governance Statement

Scope of Responsibility

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

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

Governance

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

Trustee	Meetings attended	Out of a possible
Mr Alan Wharton (Resigned as Member and Trustee 17 July 2017), Chair of Audit/Finance	5	5
Mr William Davis (Resigned as Member and Trustee 17 July 2017), Vice Chair	5	5
Mr Andrew Wood (Resigned as Member and Trustee 17 July 2017)	5	5
Mrs Sarah Dawson (Resigned as Member and Trustee 17 July 2017)	4	5
Mr Timothy Sewell, Chair	6	6
Mr Andrew Staples (Resigned as Trustee 17 July 2017)	3	3
Mr Ashley Innis (Resigned 18 October 2016)	0	0
Mrs Sue Burke (Resigned as Trustee 17 July 2017)	2	3
Mrs Maxine Rowley	4	4
Mr John Vickers	6	6
Mr Jonathan Brake	5	6
Mr Dewi Jones (Resigned as Trustee 17 July 2017)	3	3
Mrs Heather Morris	6	6
Mr Ian Michael Wills (Resigned as Trustee 17 July 2017)	3	3
Mr Keith Heron (Resigned as Trustee 17 July 2017)	3	3
Mr Richard Gill (Resigned as Member 17 July 2017), Chief Executive	6	6

There were minimal changes to the composition of the Trust Board during the financial year, until the new governance structure was implemented on 17 July 2017.

Governance Reviews

During the 2015-16 the board enjoyed the benefits of previously commissioned external and independent governance support. Work included review of governance documents, processes, recruitment and future programmes of self-evaluation. To ensure consistency in governance standards across the trust all schools comply with standing agenda items. Trustees also embraced self-evaluation based on key high priorities of multi academy trusts. e.g. vision, ethos, strategy, governance structures, effectiveness and conduct, engagement, accountability and outcomes for students. Two Trustees each attained National Leader of Governance (NLG) status. Each of the NLGs have worked in schools both within and external to the partnership.

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

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Governance Statement (continued)

The structure now includes a reduced number of Members and Trustees. All Members and Trustees are completely independent from local Governing Bodies. The Trust now has separate Committees for the Finance and Audit functions. An additional level of governance has been introduced at a Hub level; there are currently two Hubs, primary and secondary.

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

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

The Audit and Finance Committee is a sub-committee of the main board of trustees. Its purpose is to assist the Trust in fulfilling its oversight responsibilities with particular reference to financial reporting, internal control, risk management and external audit, all other matters are dealt with by the Trust Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr Alan Wharton, Chair of Audit/Finance	3	3
Mr Andrew Wood	2	3
Mr Andrew Staples	3	3
Mr Richard Gill, Chief Executive	3	3
Ms Vanessa Vann	2	3
Mr Jonathan Brake	1	3

Review of Value for Money

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

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

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

The Trust's recent full time appointment of a Finance Director has given the Accounting Officer, and the Trust Board increased confidence in the quality assurance of financial management and stringent systems of internal control. The extended responsibility of the Audit and Finance Committee provides an additional 'layer' of financial monitoring and oversight; this has undoubtedly strengthened the consistency and challenge to local governing bodies. Governors, Headteachers and Finance staff across the whole partnership have continued to benefit from in-house training to increase the consistency of financial management and strategic long term budget planning. Since the full time appointment of the Finance Director further review of operations to maximise financial benefit, value for money and minimise risk to the Trust have taken place. Governors, trustees and

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Governance Statement (continued)

headteachers have been informed of the government's strategy to drive efficiency and financial health of academies; they have all received documentation and efficiency data for all schools within the partnership.

The partnership has invested additional resourcing to provide central services and expertise within business management and human resources management. The two full time posts provide central services for all six schools within the partnership, again providing consistency, expertise and financial savings. Tender of the catering contract for all schools within the partnership resulted in financial savings and an improved catering service for all of our children, young people and staff. The Trust is planning to review other options for collective purchasing of goods and services to improve value for money.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of multi academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Arthur Terry Learning Partnership for the year 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Local Governing Bodies and the Audit and Finance 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 auditors, to perform additional checks.

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

Payroll
Purchasing
Bank Reconciliations
Fixed Assets

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

Governance Statement (continued)

On an annual basis, the auditors report to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

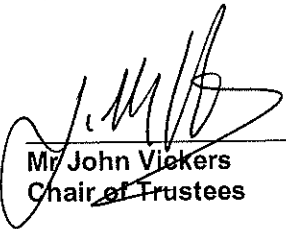
Review of Effectiveness

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

- the work of the external auditors;
- the work of the 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 by the Audit and Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2017 and signed on their behalf, by:



Mr John Vickers
Chair of Trustees



Mr Richard Gill, Chief Executive
Accounting Officer

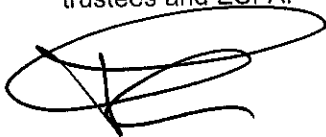
**The Arthur Terry Learning Partnership
(A company limited by guarantee)**

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Arthur Terry Learning Partnership I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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
Accounting Officer**

Date: 11 December 2017

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

**Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017**

The Trustees (who act as governors of The Arthur Terry Learning Partnership and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2017 and signed on its behalf by:


Mr John Vickers
Chair of Trustees

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

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

Opinion

We have audited the financial statements of The Arthur Terry Learning Partnership for the year ended 31 August 2017 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

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 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

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

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

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. The description forms part of our Auditor's report.



Andrew Morris FCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditors
Chartered Accountants

Birmingham
11 December 2017

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

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

In accordance with the terms of our engagement letter dated 19 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Arthur Terry Learning Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Arthur Terry Learning Partnership and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Arthur Terry Learning Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of The Arthur Terry Learning Partnership's funding agreement with the Secretary of State for Education dated 1 May 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

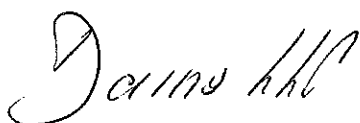
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the multi academy trust's income and expenditure.

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

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP

Statutory Auditors
Chartered Accountants

Birmingham

11 December 2017

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 2017

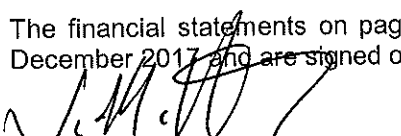
	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Income and endowments from:						
Donations & capital grants:						
Transfer from The Coleshill School	2	-	-	-	-	8,717
Other donations and capital grants	2	188	-	569	757	780
Charitable activities:						
Funding for the academy trust's educational operations	3	317	25,569	-	25,886	24,673
Teaching Schools		-	1,444	-	1,444	857
Children's centre		2	197	-	199	175
Other trading activities	4	469	51	-	520	400
Investments	5	3	-	-	3	5
Total income and endowments		979	27,261	569	28,809	35,607
Expenditure on:						
Charitable activities:						
Multi-academy trust's educational operations		900	25,577	1,413	27,890	26,200
Teaching schools		-	1,301	-	1,301	757
Children's centre		-	193	-	193	203
Total expenditure	6	900	27,071	1,413	29,384	27,160
Net income / (expenditure) before transfers		79	190	(844)	(575)	8,447
Transfers between Funds	18	-	(251)	251	-	-
Net income / (expenditure) before other recognised gains and losses		79	(61)	(593)	(575)	8,447
Actuarial gains/(losses) on defined benefit pension schemes	23	-	782	-	782	(4,734)
Net movement in funds		79	721	(593)	207	3,713
Reconciliation of funds:						
Total funds brought forward		1,770	(11,857)	56,529	46,442	42,729
Total funds carried forward		1,849	(11,136)	55,936	46,649	46,442

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

Balance Sheet
As at 31 August 2017

	Note	£000	2017 £000	£000	2016 £000
Fixed assets					
Tangible assets	14		55,976		56,575
Current assets					
Debtors	15	579		702	
Cash at bank and in hand		5,165		3,632	
		<u>5,744</u>		<u>4,334</u>	
Creditors: amounts falling due within one year	16	(2,330)		(1,741)	
Net current assets			<u>3,414</u>		<u>2,593</u>
Total assets less current liabilities			<u>59,390</u>		<u>59,168</u>
Creditors: amounts falling due after more than one year	17		<u>(32)</u>		<u>(39)</u>
Net assets excluding pension scheme liabilities			<u>59,358</u>		<u>59,129</u>
Defined benefit pension scheme liability	23		<u>(12,709)</u>		<u>(12,687)</u>
Net assets including pension scheme liabilities			<u><u>46,649</u></u>		<u><u>46,442</u></u>
Funds of the multi academy trust					
Restricted income funds:					
Restricted income funds	18	1,573		830	
Restricted fixed asset funds	18	55,936		56,529	
		<u>57,509</u>		<u>57,359</u>	
Restricted income funds excluding pension liability					
Pension reserve		<u>(12,709)</u>		<u>(12,687)</u>	
Total restricted income funds			<u>44,800</u>		<u>44,672</u>
Unrestricted income funds	18		<u>1,849</u>		<u>1,770</u>
Total funds			<u><u>46,649</u></u>		<u><u>46,442</u></u>

The financial statements on pages 24 to 52 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:


Mr John Vickers
Chair of Trustees

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

**Statement of Cash Flows
For the Year Ended 31 August 2017**

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by operating activities	20	1,653	1,170
Cash flows from investing activities:			
Dividends, interest and rents from investments		3	5
Purchase of tangible fixed assets		(685)	(1,334)
Capital grants from DfE/ESFA		569	782
Net cash used in investing activities		(113)	(547)
Cash flows from financing activities:			
Repayments of borrowings		(7)	(7)
Net cash used in financing activities		(7)	(7)
Change in cash and cash equivalents in the year		1,533	616
Cash and cash equivalents brought forward		3,632	3,016
Cash and cash equivalents carried forward	21	5,165	3,632

1. Statement of accounting policies

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

1.1 Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Arthur Terry Learning Partnership constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1.3 Company status

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

1. Statement of accounting policies (continued)

1.4 Income

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

Grants

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

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

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

Donated goods, facilities and services

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

Sponsorship Income

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

Donations

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

Other Income

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

1. Statement of accounting policies (continued)

1.5 Expenditure

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

Charitable Activities

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Longterm leasehold property	-	2% Straight line
Plant and machinery	-	10% Straight line
Motor vehicles	-	25% Reducing balance
Computer equipment	-	30% Straight line

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

1.7 Leased Assets

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2017

1. Statement of accounting policies (continued)

1.8 Taxation

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

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

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the multi academy trust's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the multi academy trust's wholly owned subsidiary are held at face value less any impairment.

1. Statement of accounting policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

1. Statement of accounting policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

Depreciation and residual values

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

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2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Transfer from The Coleshill School	-	-	-	-	8,717
Donations	188	-	-	188	274
Capital Grants	-	-	569	569	506
	188	-	569	757	780
	188	-	569	757	9,497
<i>Total 2016</i>	305	(1,736)	10,928	9,497	

3. Income from charitable activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Academy's educational operations	317	25,569	25,886	24,673
Children's Centre	2	197	199	175
Teaching school	-	1,444	1,444	857
	319	27,210	27,529	25,705
<i>Total 2016</i>	379	25,326	25,705	

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Funding for Academy's educational operations

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	23,028	23,028	21,889
Pupil premium	-	1,072	1,072	1,064
Other EFA Income	-	412	412	357
	-	24,512	24,512	23,310
Other government grants				
Other Government grants	-	656	656	689
	-	656	656	689
Other funding				
School trip income	317	-	317	379
School meals income	-	113	113	72
Other income	-	288	288	222
	317	401	718	673
	317	25,569	25,886	24,672
<i>Total 2016</i>	379	24,293	24,672	

4. Income from other trading activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Lettings income	70	-	70	36
Other income	305	-	305	279
Salary recharges	-	51	51	57
Academy consultancy income	94	-	94	28
	469	51	520	400
<i>Total 2016</i>	343	57	400	

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5. Income from investment income

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Bank interest	3	-	3	5
<i>Total 2016</i>	5	-	5	

6. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's Educational Operations					
Direct costs	18,425	119	2,467	21,011	18,926
Support costs	2,448	2,161	2,270	6,879	7,274
Children's Centre: Direct costs	145	-	48	193	203
Teaching school: Direct costs	295	-	1,006	1,301	757
	<u>21,313</u>	<u>2,280</u>	<u>5,791</u>	<u>29,384</u>	<u>27,160</u>
<i>Total 2016</i>	<u>19,717</u>	<u>2,048</u>	<u>5,395</u>	<u>27,160</u>	

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Notes to the Financial Statements
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7. Charitable activities

	Total funds 2017 £000	Total funds 2016 £000
Direct costs - educational operations		
Wages and salaries	14,032	12,586
National insurance	1,195	939
Pension cost	2,750	2,074
Pension deficit cost	269	286
Educational expenses	1,421	1,122
Examination fees	210	250
Staff development and recruitment	110	493
Other costs	-	11
School fund and trips costs	475	457
Insurance	119	174
Agency staff	397	534
Apprenticeship levy	33	-
	<u>21,011</u>	<u>18,926</u>
Support costs - educational operations		
Wages and salaries	1,982	2,443
National insurance	159	185
Pension cost	307	360
Depreciation	1,284	1,213
Maintenance of premises and equipment	1,540	1,440
Rent and rates	222	224
Heat and light	399	439
Travelling	29	25
Catering	536	371
Technology costs	143	280
Office expenses	270	263
Governance	8	31
	<u>6,879</u>	<u>7,274</u>
	<u>27,890</u>	<u>26,200</u>
Other activities		
Childrens centre and Teaching schools costs	1,494	960
	<u>29,384</u>	<u>27,160</u>

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8. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£000	£000
Depreciation of tangible fixed assets - owned by the charity	1,284	1,213
Operating lease rentals	17	17
	<u><u> </u></u>	<u><u> </u></u>

9. Auditors' remuneration

	2017	2016
	£000	£000
Fees payable to the multi academy trust's auditor for the audit of the multi academy trust's annual accounts	24	23
Fees payable to the multi academy trust's auditor in respect of: Other services	3	3
	<u><u> </u></u>	<u><u> </u></u>

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10. Staff

a. Staff costs

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	16,455	15,618
Social security costs	1,354	1,124
Operating costs of defined benefit pension schemes	3,057	2,435
	<u>20,866</u>	<u>19,177</u>
Agency and supply teacher costs	397	534
Staff restructuring costs	17	6
Apprenticeship levy	33	-
	<u>21,313</u>	<u>19,717</u>

b. Non statutory / non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £to three individual of £17,161 (2016 - £5,600). Individually, the payments were: £7,500, £5,161, £3,000 and £1,500.

c. Staff numbers

	2017 No.	2016 No.
Teachers	321	269
Non-teaching staff	319	313
Management	46	54
	<u>686</u>	<u>636</u>

d. Higher paid staff

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	10	10
In the band £70,001 - £80,000	7	3
In the band £80,001 - £90,000	-	2
In the band £90,001 - £100,000	1	-
In the band £100,001 - £110,000	1	-

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

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10. Staff costs (continued)

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £203,790 (2016: £211,216).

11. Central services

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

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

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

Flat percentage of General Annual Grant (4.5%).

The actual amounts charged during the year were as follows:

	2017	2016
	£000	£000
Arthur Terry School	367	324
Stockland Green School	200	177
Slade Primary School	82	63
Brookvale Primary School	43	38
Hill West Primary School	72	65
Mere Green Primary School	75	54
The Coleshill School	196	152
	1,035	873
Total	1,035	873

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12. Trustees' remuneration and expenses

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

		2017 £000	2016 £000
Sir Christopher Stone (Chief Executive and Trustee, resigned 7 December 2015)	Remuneration		25-30
	Pension contributions paid		0-5
Richard Gill (Chief Executive and Trustee, appointed 1 September 2016)	Remuneration	105-110	
	Pension contributions paid	10-15	

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £977 (2016 - £1200).

14. Tangible fixed assets

	Long term leasehold land and buildings £000	Plant and machinery £000	Motor vehicles £000	Computer equipment £000	Asset under constructio n £000	Total £000
Cost						
At 1 September 2016	59,258	726	35	655	56	60,730
Additions	291	221	-	154	19	685
At 31 August 2017	<u>59,549</u>	<u>947</u>	<u>35</u>	<u>809</u>	<u>75</u>	<u>61,415</u>
Depreciation						
At 1 September 2016	3,602	131	20	402	-	4,155
Charge for the year	1,038	85	4	157	-	1,284
At 31 August 2017	<u>4,640</u>	<u>216</u>	<u>24</u>	<u>559</u>	<u>-</u>	<u>5,439</u>
Net book value						
At 31 August 2017	<u><u>54,909</u></u>	<u><u>731</u></u>	<u><u>11</u></u>	<u><u>250</u></u>	<u><u>75</u></u>	<u><u>55,976</u></u>
At 31 August 2016	<u><u>55,656</u></u>	<u><u>595</u></u>	<u><u>15</u></u>	<u><u>253</u></u>	<u><u>56</u></u>	<u><u>56,575</u></u>

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15. Debtors

	2017 £000	2016 £000
Trade debtors	43	60
VAT recoverable	83	178
Prepayments and accrued income	453	464
	<u>579</u>	<u>702</u>

16. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Other loans	7	7
Trade creditors	47	46
Other taxation and social security	390	372
Other creditors	334	294
Accruals and deferred income	1,552	1,022
	<u>2,330</u>	<u>1,741</u>
	2017 £000	2016 £000
Deferred income		
Deferred income at 1 September 2016	439	316
Resources deferred during the year	931	362
Amounts released from previous years	(362)	(239)
	<u>1,008</u>	<u>439</u>
Deferred income at 31 August 2017	<u>1,008</u>	<u>439</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 2017.

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17. Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Other loans	32	39

Included within the above are amounts falling due as follows:

	2017 £000	2016 £000
Between one and two years		
Other loans	7	7
Between two and five years		
Other loans	21	21
Over five years		
Other loans	4	11

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

	2017 £000	2016 £000
Repayable by instalments	4	11

Other loans is made up of an interest free "Salix" loan from the ESFA. This loan is repayable in half yearly installments of £3,520 until 1 September 2023.

18. Statement of funds

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

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

Restricted funds

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

Restricted fixed asset funds

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

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18. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
Designated funds						
Designated Fund	1,250	-	(284)	-	-	966
	<u>1,250</u>	<u>-</u>	<u>(284)</u>	<u>-</u>	<u>-</u>	<u>966</u>
General funds						
General Funds	505	1,032	(733)	-	-	804
	<u>505</u>	<u>1,032</u>	<u>(733)</u>	<u>-</u>	<u>-</u>	<u>804</u>
Total Unrestricted funds	<u>1,755</u>	<u>1,032</u>	<u>(1,017)</u>	<u>-</u>	<u>-</u>	<u>1,770</u>
Restricted funds						
	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
General Annual Grant (GAG)	662	21,889	(20,952)	(784)	-	815
Children's Centre	43	175	(203)	-	-	15
Other DfE / EFSA grants	-	1,421	(1,421)	-	-	-
Other government grants	-	1,514	(1,514)	-	-	-
Other income	-	392	(392)	-	-	-
Pension reserve	(5,761)	(1,744)	(448)	-	(4,734)	(12,687)
	<u>(5,056)</u>	<u>23,647</u>	<u>(24,930)</u>	<u>(784)</u>	<u>(4,734)</u>	<u>(11,857)</u>

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18. Statement of funds (continued)

Restricted fixed asset funds

	Balance at 1 September 2015 £000	Income £000 £000	Expenditure £000 £000	Gains, losses and transfers £000	Gains/ (Losses) £000	Balance at 31 August 2016 £000
Restricted Fixed Asset Funds	46,030	10,928	(1,213)	784	-	56,529
	<u>46,030</u>	<u>10,928</u>	<u>(1,213)</u>	<u>784</u>	<u>-</u>	<u>56,529</u>
Total restricted funds	<u>40,974</u>	<u>34,575</u>	<u>(26,143)</u>	<u>-</u>	<u>(4,734)</u>	<u>44,672</u>
Total of funds	<u>42,729</u>	<u>35,607</u>	<u>(27,160)</u>	<u>-</u>	<u>(4,734)</u>	<u>46,442</u>

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

Designated funds

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

Restricted general funds

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

Pension reserve

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

Restricted fixed asset funds

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

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

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18. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Arthur Terry Learning Partnership	691	457
Arthur Terry School	380	280
Stockland Green School	1,390	1,205
Slade Primary School	224	371
Brookvale Primary School	7	51
Hill West Primary School	95	(289)
Mere Green School	438	407
The Coleshill School	197	118
	<u>3,422</u>	<u>2,600</u>
Total before fixed asset fund and pension reserve		
	3,422	2,600
Restricted fixed asset fund	55,936	56,529
Pension reserve	(12,709)	(12,687)
	<u>46,649</u>	<u>46,442</u>
Total		
	<u>46,649</u>	<u>46,442</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2017 £000	Total 2016 £000
Arthur Terry Learning Partnership	432	-	-	-	432	309
Arthur Terry School	7,345	389	1,226	886	9,846	10,027
Stockland Green School	3,083	550	291	923	4,847	4,453
Slade Primary School	1,229	146	360	322	2,057	1,790
Brookvale Primary School	727	100	96	233	1,156	1,118
Hill West Primary School	1,353	54	62	447	1,916	1,764
Mere Green Primary School	1,289	130	206	381	2,006	1,753
The Coleshill School	3,309	544	438	246	4,537	4,026
	<u>18,767</u>	<u>1,913</u>	<u>2,679</u>	<u>3,438</u>	<u>26,797</u>	<u>25,240</u>

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19. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	55,977	55,977
Current assets	2,522	2,774	446	5,742
Creditors due within one year	(673)	(1,201)	(455)	(2,329)
Creditors due in more than one year	-	-	(32)	(32)
Provisions for liabilities and charges	-	(12,709)	-	(12,709)
	<u>1,849</u>	<u>(11,136)</u>	<u>55,936</u>	<u>46,649</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £000	Restricted funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Tangible fixed assets	(1)	-	56,576	56,575
Current assets	2,426	1,774	134	4,334
Creditors due within one year	(655)	(944)	(142)	(1,741)
Creditors due in more than one year	-	-	(39)	(39)
Provisions for liabilities and charges	-	(12,687)	-	(12,687)
	<u>1,770</u>	<u>(11,857)</u>	<u>56,529</u>	<u>46,442</u>

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

	2017 £000	2016 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(575)	8,447
Adjustment for:		
Depreciation charges	1,284	1,213
Dividends, interest and rents from investments	(3)	(5)
Decrease/(increase) in debtors	123	(131)
Increase in creditors	589	608
Capital grants from DfE and other capital income	(569)	(782)
Adjust for: gift from the Coleshill School	-	(8,628)
Defined benefit pension scheme cost less contributions payable	804	448
Net cash provided by operating activities	<u>1,653</u>	<u>1,170</u>

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Notes to the Financial Statements
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21. Analysis of cash and cash equivalents

	2017	2016
	£000	£000
Cash in hand	5,165	3,632
Total	5,165	3,632

22. Capital commitments

At 31 August 2017 the multi academy trust had capital commitments as follows:

	2017	2016
	£000	£000
Contracted for but not provided in these financial statements	355	452

23. Pension commitments

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

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

Contributions amounting to £333,594 were payable to the schemes at 31 August 2017 (2016 - 293,836) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

23. Pension commitments (continued)

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,809,855 (2016 - £1,663,163).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,181,000 (2016 - £1,044,000), of which employer's contributions totalled £925,000 (2016 - £796,000) and employees' contributions totalled £256,000 (2016 - £248,000). The agreed contribution rates for future years are 18.3% for employers and 5.5% to 10.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.55 %	2.20 %
Rate of increase in salaries	3.60 %	3.75 %
Rate of increase for pensions in payment / inflation	2.60 %	2.00 %
Inflation assumption (CPI)	2.60 %	2.40 %

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23. Pension commitments (continued)

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

	2017	2016
Retiring today		
Males	22.2	23.1
Females	24.5	25.8
Retiring in 20 years		
Males	24.2	25.3
Females	26.7	28.1

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	(567)	(258)
Discount rate -0.1%	578	362
Mortality assumption - 1 year increase	(113)	(589)
Mortality assumption - 1 year decrease	113	(578)
CPI rate +0.1%	461	400
CPI rate -0.1%	(452)	(392)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	7,335	5,566
Gilts	1,550	1,573
Corporate bonds	932	791
Debt instruments	-	-
Cash and other liquid assets	501	482
Other	1,210	777
Total market value of assets	11,528	9,189

The actual return on scheme assets was £1,531,000 (2016 - £1,341,000).

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23. Pension commitments (continued)

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

	2017	2016
	£000	£000
Current service cost	(1,457)	(955)
Interest income	211	288
Interest cost	(480)	(574)
Admin expenses	(3)	(3)
	<u>(1,729)</u>	<u>(1,244)</u>
Total	<u>(1,729)</u>	<u>(1,244)</u>
Actual return on scheme assets	<u>1,531</u>	<u>1,341</u>

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

	2017	2016
	£000	£000
Opening defined benefit obligation	21,876	11,081
Upon conversion	-	3,241
Current service cost	1,457	955
Interest cost	480	574
Employee contributions	256	248
Actuarial losses	388	5,847
Effect of non-routine settlements	(220)	(70)
	<u>24,237</u>	<u>21,876</u>
Closing defined benefit obligation	<u>24,237</u>	<u>21,876</u>

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

	2017	2016
	£000	£000
Opening fair value of scheme assets	9,189	5,320
Upon conversion	-	1,497
Return on plan assets (excluding net interest on the net defined pension liability)	211	288
Actuarial losses	1,170	1,113
Employer contributions	925	796
Employee contributions	256	248
Benefits paid	(220)	(70)
Administration expenses	(3)	(3)
	<u>11,528</u>	<u>9,189</u>
Closing fair value of scheme assets	<u>11,528</u>	<u>9,189</u>

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24. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts payable - Land and building:		
Within 1 year	937	880
Between 1 and 5 years	4,101	3,644
After more than 5 years	21,889	15,424
Total	<u>26,927</u>	<u>19,948</u>
Amounts payable - Other		
Within 1 year	123	49
Between 1 and 5 years	77	56
Total	<u>200</u>	<u>105</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.

25. Related party transactions

Owing to the nature of the multi academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the multi academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

26. Controlling party

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