
FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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



FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	P Burns* (Chair) M Mottram* (Vice Chair) resigned 18/5/2018 P Yavash F Anderson* A Bharbra
Trustees	F Anderson* M Bailie* (Executive Headteacher and accounting officer) J Blundell* P Burns* D Hewitt Pauline Parkes appointed 13/9/2018 *members of the finance committee
Company Secretary	M Gilmore
Senior Management Team:	
Central:	
Executive Headteacher	M Bailie
Business Director	M Gilmore
Improvement Officer	B Pettman
Finham Park School:	
Headteacher	C Bishop
Deputy Headteacher	S Megeney
Assistant Headteacher	A Ditch
Assistant Headteacher	A Ford
Assistant Headteacher	E Pyne
Assistant Headteacher	C Buckenham
Head of Sixth Form	R Downie
Finham Park 2:	
Headteacher	R Plester
Deputy Headteacher	J Brake
Assistant Headteacher	L Allton
Finham Primary:	
Headteacher	R Machin
Deputy Headteacher	S Bracken
Assistant Headteacher	M Wilding
Lyng Hall School:	
Headteacher	P Green
Deputy Headteacher	L Kingston
Deputy Headteacher	C Smith
Assistant Headteacher	K Ingram
Assistant Headteacher	J Keller
Assistant Headteacher	D Smith
Business Manager	J Sellers
Principal and Registered Office	Finham Park Multi-Academy Trust, Green Lane, Coventry, CV3 6EA
Company Registration Number	07700317

FINHAM PARK MULTI-ACADEMY TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors	Moore Stephens 35 Calthorpe Road Birmingham B15 1TS
Bankers	Lloyds Bank 2nd Floor 30 High Street Coventry CV1 5RA
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

FINHAM PARK MULTI-ACADEMY TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

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

The trust operates an academy for pupils aged 3 to 18, and comprises 1 primary and 3 secondary schools in Coventry. Its academies have a combined pupil capacity of 3,320 at September 2018. (Finham Park 1,484, Finham Park 2, 480, Finham Primary 472, Lyng Hall 884) and had a combined roll of 3,216 (Finham Park 1,518, Finham Park 2, 472, Finham Primary, 459, Lyng Hall 767) in the school census, October 2018.

Finham Park, Finham Park 2 and Finham Primary are oversubscribed and we are full in every year group. Numbers on roll are increasing at Lyng Hall.

Finham Park Multi Academy Trust has a presence in the South, South-West, and North-East of the City. The Multi Academy Trust uses a Coventry City Council service (secondaryadmissions@coventry.gov.uk) to coordinate admissions. Each individual school has a clearly defined catchment area within Coventry City boundaries and further details are available from the City Council and/or the individual school websites. All our schools are non-selective and serve to educate children from their local communities. For the September 2019 admissions round, children of staff were included in the oversubscription criteria for the first time. All our schools were full to their Published Admissions Number (PAN) from September 2018 and several are highly oversubscribed due to their popularity.

Structure, governance and management

a. CONSTITUTION

The academy trust 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 Finham Park Multi-Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Finham Park Multi-Academy Trust. The trust operates using the trading names Finham Park School, Finham Park 2, Finham Primary and Lyng Hall School.

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, 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 school has purchased insurance to protect all trustees and members of the school from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 for trustees' liability on any one occurrence.

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

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Each year Members, Directors and Local Governing Body governors undertake a skills audit using information provided by the National Governor Support programme. Where any vacancy arises, the directors recommend that the members appoint trustees with those required skills whether they be HR, finance, educational, legal etc. Before appointment prospective Directors and Governors may be interviewed with the Chair to ensure that they understand the level of commitment the role entails and their specific duties and responsibilities.

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

Training and induction provided for new trustees will depend on their existing experience. Our trustees are given the opportunity to attend training sessions at any time during the year. Where necessary induction will provide training on charity, educational legal and financial matters. Each year the trustees are offered updates on relevant issues and changes in legislation. The topics covered are regularly reviewed to ensure that trustees are kept as up to date as possible.

f. ORGANISATIONAL STRUCTURE

The board of trustees is responsible for the strategic direction of the trust. They also oversee major expenditure requests, approve the budgets for the following year, and the organisational staffing structure.

Each Local Governing Body meets termly to review progress towards educational objectives and results, which is then fed back to the Board.

There are three MAT Committees in place to which specific responsibilities are delegated by the Board:

- The Finance and Resource committee meets to consider the financial position of each academy and reviews issues relating health and safety, premises and projects.
- The Pay, Personnel and Appraisal committee reviews issues relating to Human Resources, and makes recommendations regarding remuneration with reference to the School Teachers Pay & Conditions guidance. The salary for key management personnel are approved by the Board.
- The Standards committee monitors issues around curriculum provision and teaching & learning. Ensuring statutory obligations are met; examination outcomes and intervention strategies used to support the learning progress of key student groups across the school; reviewing provision of Continuing Professional Development; pastoral support; and monitors safeguarding for all students at the academy.

The Executive Head teacher is the designated Accounting Officer of the academy and has overall responsibility for the day to day financial management of the charitable company. The Executive Head teacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Executive Head teacher manages the Trust on a daily basis supported by the Trust Central Team. The Trust Central Team meets frequently to discuss emerging matters and to help develop strategies for future development to be put to the MAT Strategic Operations Group (Head teachers; The Board; Local Governing Body etc. for approval. Each member of the Trust Central Team has specific responsibilities to assist the Executive Head teacher to manage certain aspects of the Trust.

Each Local Governing Body meets at least termly to review progress towards educational objectives and other Key Performance Indicators, which are then fed back to the Board.

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

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The key personnel of the Multi Academy Trust all have their pay and remuneration decided by a thorough appraisal process. Pay reviews for the Executive Headteacher follow a process where performance is assessed against specific, challenging objectives. These are set annually by a panel of Directors who are advised by an external, third party. The objectives vary from year to year, but typically are focused on key priorities such as pupil attainment and progress across all schools; sustainable growth; developing frameworks to ensure staff are developed and retained; managing a balanced budget; and ensuring compliance with statutory DfE and ESFA requirements.

Headteachers within the Multi Academy Trust and the Business Director have their targets set and reviewed by the Executive Headteacher in conjunction a panel of Local Governing Body members. Any Pay Award recommendations are then taken to the Pay, Appraisal and Personnel Committee for ratification following moderation of the process across each school in the Trust.

The salary ranges for the Head Teachers and Senior Leadership Teams are determined using guidance contained within the current Teachers Pay and Conditions Document. The salary for the Executive Headteacher was set after benchmarking against similar roles in other MATs and took account of external advice offered by a Third Party.

Objectives and Activities

a. OBJECTS AND AIMS

In March 2015, Finham Park School applied to the Department for Education (DfE) to convert from single Academy Trust status to Multi Academy Trust (MAT) status. Our Business Plan was accepted by the DfE and Finham Park Multi Academy Trust came into existence. Finham Park School is the lead school in the MAT – the following schools have also joined:

Finham Park 2 (11-18), Free School opened in September 2015
Finham Primary School (3-11) joined us on 1st April 2016
Lyng Hall School (11-18) joined us on 1st July 2016

Our intention is to continue to grow a Coventry/West Midlands based MAT consisting of several secondary schools in addition to their partners in the primary sector. The vision for Finham Park MAT is outlined in the paragraph below and has of course been shared with all our stakeholders:

"Schools in the Finham Park MAT will set out to pioneer, innovate and deliver a "World Class" education for all children from the age of 3-19 where the artificial barriers of stage and age are removed. Our education will aim to exceed the highest national and international benchmarks for academic achievement, whilst ensuring young people develop a passion for learning in all its contexts and are ready to take their place as active members of our global community.

The schools in Finham Park MAT will seek to move beyond collaboration and into co-construction – ensuring our education is developed with and by all members to reflect the needs of our children, their families and the wider community."

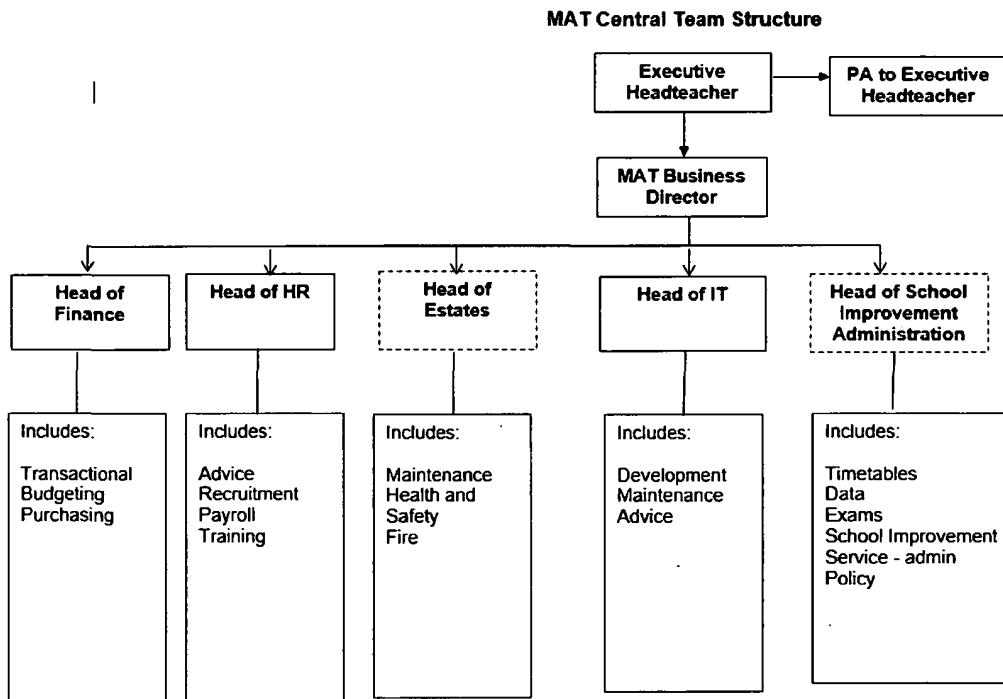
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TRUSTEES' REPORT (continued)
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b. OBJECTIVES, STRATEGIES AND ACTIVITIES

Leadership

The diagram below reflects our current staffing model for the Central Team, at this stage of the MAT's development:



Resource

This year has seen significant development in Finham Park MAT resource. The following works are notable:

Finham Park School

- Further replacement and repairs to roofing around the site; installation of new fire doors; and completion of the heating project have all been completed/initiated following successful bids to the Education and Skills Funding Agency (ESFA).

Lyng Hall School

- Capital projects at Lyng Hall, including repairs to roofing and swimming pool accommodation, were completed by August 2018. These were agreed and planned following successful bids to the ESFA

Finham Primary School

- Replacement and repairs to roofing, including the fitting of a new boiler, have been completed following a successful bid for CIF funding being submitted to the ESFA. These works were completed by August 2018.

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TRUSTEES' REPORT (continued)
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Wider Partnerships

The MAT continues to develop wider partnerships that add value to the experience of all learners in Trust schools. Currently we are engaged in the following key partnership working:

- Coventry City Council School Improvement Partnerships
- 'Swan' and 'Griffin' Teaching School Alliances based at Sidney Stringer School in Coventry and Lawrence Sheriff School in Rugby
- The national Mandarin Excellence Programme based at the Institute of Education at University College London
- Warwick University School of Education – strategic partnership in Initial Teacher Training delivery
- 'World Class Schools' network
- Police-Schools Partnership

c. PUBLIC BENEFIT

The primary purpose of Finham Park Multi Academy Trust is the advancement of education within the local area. To this end, our schools continue to develop links with local primary schools, which will lead to smoother transition from primary to secondary education for the majority of students and in turn this will contribute to the community ethos.

Finham Park School was successfully accredited as a National Teaching School by the Department for Education in June 2018. As a result of this we have initiated our own, Lion Teaching School Alliance to commence in September 2018. Several new Strategic Partners have been secured to support this initiative – including Rugby Free School; Coundon Court School; West Coventry Academy; Howes Primary and Pearl Hyde Primary.

We have continued to play a central role in Coventry City Council's City wide school improvement programme. Key areas of focus during 2017-18 have continued to be primary-secondary partnerships and the delivery of a secondary school centred improvement programme.

A whole wealth of activities have been organised during the year to ensure our young people understand their place in the local and wider communities. These have included charitable activities; organising 'afternoon tea' for elderly residents and visiting local primary schools to complete student leadership activities.

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit

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

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

Staff costs as a percentage of total income 2017/18:

Teaching Staff	51.5%
Support Staff	21.3%

Staff costs for 2018/19 (Target):

Teaching Staff	55.2%
Support Staff	21.5%

Pupil Attendance:

	Finham Park	Finham Park 2	Finham Primary	Lyng Hall
Actual 17/18	95.9%	94.9%	96.6%	94.0%
Target 18/19	96.0%	96.0%	97.0%	96.0%

Most of the trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

b. GOING CONCERN

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. It is recognised that there is increasing financial pressure to ensure a sustainable financial position, whilst maintain standards across the Education Sector; given that the MAT currently holds significant reserves (to mitigate any immediate pressures); for this reason the MAT continues to adopt the going concern basis in preparing the financial statements.

c. ACHIEVEMENTS AND PERFORMANCE

Examination reports for GCSE, Advanced Level and other qualifications were presented to each school's Local Governing Body meeting during September / October 2018 and to the MAT Board on Tuesday 8th October 2018. All outcomes are not yet validated.

Finham Park School

- 2018 examination results were excellent at both GCSE and Post-16 – well above national averages for almost all key indicators – student progress in core subjects, 'closing gaps' for disadvantaged young people and gender were particularly positive features this year.
- The new Progress 8 accountability measure indicated positive progress for this cohort when compared with similar pupils nationally: +0.36 up from +0.1 in 2017.
- Progress in English & Mathematics were both significantly above local and national averages at the end of Key Stage 4.

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TRUSTEES' REPORT (continued)
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- Post-16 outcomes were a 'best ever' for the school with over 60% students gaining A*-B passes at Advanced Level.

Finham Park 2 School

- Finham Park 2, our Free School was opened for Year 7 pupils in September 2015. The school received a Section 5 inspection from Ofsted in June 2018 – provision was judged to be 'Good' in all areas.
- Assessment practice, tracking and monitoring of pupil progress has been set up to mirror the outstanding practice at Finham Park School.
- The Executive Headteacher (also an Ofsted Inspector) and another Headteacher conducted three additional Health Check visits during the academic year – both commented on the positive progress of pupils.
- Progress data, benchmarked against data from Finham Park School, indicated that pupils made progress in line with their peers in an outstanding setting.

Finham Primary School

- 2018 pupil outcomes indicate that there has been a significant improvement in progress measures from 2017: Reading; Writing; SPAG; Maths and Combined were all above local and national for pupils achieving the expected standard
- At EYFS 83.9% pupils reached GLD (Good Level of Development) – an increase on 2017 – and the best result in the last five years for this measure.
- At Key Stage 1, more pupils surpassed the expected standard in Reading, Writing and Mathematics than nationally. In Writing more pupils made 'Greater Depth' than national although this was not the case in Reading and Mathematics.
- At Key Stage 2 a higher proportion of pupils reached the expected standard in Writing and Mathematics than nationally. However slightly fewer pupils achieved this in reading – the school has a clear explanation for this difference.
- Key Stage 2 Progress is an improving trend over three years in all measures – in line with national in all measures.

Lyng Hall School

- Outcomes for Post-16 students at Lyng Hall continued to be very positive in 2018. There continues to be a larger entry for BTEC qualifications when compared to Advanced Levels at the Centre.
- KS4 outcomes dipped significantly at Lyng Hall during 2018. Although changes to assessment protocols and new, more literacy-weighted specifications at GCSE continue to pose problems for large numbers of pupils at Lyng Hall, the dip was partly explained by some very specific cohort characteristics that are not present in the 2019 Year 11 cohort to the same degree.
- Overall Progress 8 was estimated to be negative. These outcomes do not reflect a pattern of poor progress at the school – the picture is a complex one given the challenges faced by many pupils. School leaders are continuing to focus on those strategies that will impact over time – for example a whole school focus on developing better reading and literacy skills.
- Progress for EAL pupils was especially positive

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

Financial review

The academy built up reserves of £43,439k.

At the end of the year we have carried forward £44,866k in restricted capital funds; £2,518k in restricted general reserves, and £2,782k in unrestricted reserves. The balance on general restricted reserves is before deducting the defined benefit pension liability of £6,727k, which was calculated by the actuary.

The academy has reviewed its staffing and expenditure in the light of the funding it anticipates receiving. This takes account of general government reductions, fall in the real value of grants and reduction in our start up grant funding. In the light of these pressures on income and expenditure the academy feels the level of reserves generated this year are reasonable in that they will allow the academy to invest and meet its targets without comprising the quality of the education offered in future years.

a. RESERVES POLICY

The Multi Academy Trust holds reserves totalling £43,440k, which includes free reserves of £5,301k. All expenditure is categorised according to the source of funding, including tracking unrestricted reserves.

The policy of the Trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources and takes account of the levels recommended by the Education Funding Agency.

The Directors regularly review the reserves of the Multi Academy Trust and consider them to be sufficient for the Trust's requirements and not excessive. However due to widely anticipated pressures in future on the levels of funding the Trust receives, the situation will be kept closely under review, and the Trust will maintain a prudent approach with regard to future plans for expenditure.

b. INVESTMENT POLICY

The academy manages its cash by reviewing short and medium term requirements for funds. Surplus funds will be invested into bank accounts to give the best possible returns for the period of time the funds are to be invested. Apart from our main bankers (Lloyds Bank) we will restrict amounts invested in one institution to reduce risk.

During the current year we initiated a number of short and medium term investments in order to generate optimum interest levels, with due reference to anticipated cash outflows. The interest received in respect of these investments totalled £42k. The situation will be reviewed regularly to ensure the academy maximises its cash.

c. PRINCIPAL RISKS AND UNCERTAINTIES

The major risks to which the trust is exposed are as follows:

- Loss of (or reduction in) funding
- Loss of building or facilities preventing the delivery of education
- Loss of members of staff (either sudden or gradually over time)
- Loss of reputation
- Lack of safeguarding of students
- Breach legislation, such as health & safety.
- Funding of pension deficits under the LGPS scheme.

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TRUSTEES' REPORT (continued)
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The academy leadership teams have considered these risks. Policies and procedures have been put into place to minimise these risks, including budget management and forecasting procedures, the procurement of adequate insurance cover, investing in staff training and continuing professional development, and continued local marketing and advertising highlighting the achievement of our students. We include a budgeted reserve for staff cover costs, and maintain a large number of policies and procedures which protect our staff, students and the academy, also reducing the risk of safeguarding failures. The MAT also engages the support of professional legal advice to help reduce the risk of employment tribunal liability, and has a business continuity plan, which addresses the imperative to provide continuous education for students in the event of unforeseen occurrence.

The LGPS pension scheme is reviewed by qualified actuaries on behalf of the academy. There is currently a deficit on this scheme as disclosed in note 25. The Trustees of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and the employer to ensure that the pension scheme is properly funded over time.

Fundraising

The MAT undertakes limited fundraising activities at each school. These are currently limited to school events, collections and non-uniform days for students. The MAT manages and monitors the fundraising internally and does not use professional fundraisers or involve any commercial participators.

All fundraising conforms to recognised standards and there have been no complaints about fundraising activity during the year.

Plans for future periods

a. FUTURE DEVELOPMENTS

The trust will continue to work towards its stated goal to become "World Class", aiming to move beyond Ofsted criteria for 'Outstanding'. The vision has broadened to encompass all schools.

The transition of the Executive Head teacher from a combined substantive Head teacher / Executive Headteacher role to focus full-time on the work of the MAT has increased leadership capacity over the last twelve months. This was also enhanced by the appointment of an experienced School Improvement Leader who started in post in September 2017.

The Trust will continue to work in close collaboration with the Department for Education and Coventry City Council in seeking further opportunities to develop and support other schools in joining Finham Park Multi Academy Trust in 2018-19. Several positive discussions are currently underway with specific schools – the Department for Education and Local Authority are aware of these.

FUNDS HELD AS CUSTODIAN

The trust does not hold any funds as Custodian Trustee on behalf of others.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Directors recognise 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. We are committed to ensuring equality of opportunity for all who learn and work at the Multi Academy Trust. We respect and value positively differences in race, gender, sexual orientation, ability and age.

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TRUSTEES' REPORT (continued)
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RELATED PARTIES AND CONNECTED CHARITIES AND ORGANISATIONS

The Multi Academy Trust is not sponsored through any organisation and receives its funding from central government. There are no trustees on its board of directors whom provide sponsorship.

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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2018 and signed on its behalf by:



P Burns
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Finham Park Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 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
P Burns, Chair	4	4
M Mottram, Vice Chair	1	3
P Yavash	2	4
F Anderson	4	4
A Bhabra	3	3
M Bailie, Executive Headteacher and accounting officer	4	4
J Blundell	3	4
D Hewitt	1	4
P Parkes	2	3

The purpose of the MAT Finance and Resources committee is to monitor and manage the financial position of the Trust. It has delegated powers to approve revenue and capital expenditure, recommend the approval of the academies' budget and approval of disposal assets. Mandy Gilmore, who is a qualified accountant and the Trust's Business Director attended three meetings. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Burns, Chair	2	3
J Blundell	3	3
F Anderson	2	3
M Bailie, Executive Headteacher and accounting officer	3	3

REVIEW OF VALUE FOR MONEY

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

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

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GOVERNANCE STATEMENT (continued)

- Leaders and governors are given regular management accounts to track, and hold to account, the finances of the Trust and Academies. These reports are used to make informed decisions about the best use of the Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Directors, as is the risk register.
- In addition to External Auditors, an Internal Auditor has been engaged to undertake checks on the schools finances and a report submitted to the Finance Governors Committee.
- Strong internal controls are in place to ensure that all ordering is signed off by budget holders. These budget holders are tasked with running their department on a prudent budget but to maintain and improve the learning and teaching environment and exam results. Resources are shared where appropriate.
- When significant expenditure is due to take place, for example new reprographics equipment, different options are appraised and competitive quotations are sought to ensure that the best value for money is obtained and that the investment will generate the best possible results for the trust.
- Configuration and deployment of staff is reviewed annually at the Personnel Committee meeting.
- The trusts work with other trusts in the area to obtain best value for money in service contracts. Benchmarking is undertaken where appropriate.
- Funding has been used to deliver an outstanding curriculum offer, ensuring all groups of students are provided with opportunities to develop academic and wider life skills during their time at the school.
- Several specialist subject areas have been refurbished recently, leading to a better learning environment for students at the school.
- Behaviour and attendance records indicate the effectiveness of strategies aimed at promoting excellence for all students in these areas.
- Funding has been used to personalise our curriculum offer for every student and our Continuing Professional Development programme has been differentiated to further support the development of outstanding pedagogy – ensuring learning is personalised for every child.

Specific examples

Wherever possible, the schools within the MAT consolidate procurement of goods and services – this includes centralisation of all coach bookings and a review of energy and stationery prices. This type of activity is raising awareness of the importance of value for money and shifting the culture of the organisation to one that demands careful consideration of the use of Public Funds.

The MAT continues the on-going strategic rolling programme for replacement and improvement of IT facilities to strengthen and enhance the teaching and learning structure of the Trust. Key Personnel are working towards further expanding our network infrastructure to benefit additional schools, so that administration, purchasing, and overall management can be supported by a core central IT services team, maximise efficiency and consistency.

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Finham Park Multi-Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes 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 Baldwins, a provider of internal audit services, to undertake an Internal Audit in the Summer Term, to perform additional checks.

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

Testing of risk management
Testing of payroll system
Testing of Corporate governance

On an annual basis, the reviewer reports to the board of trustees through the Directors on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal audit report dated July 2018 found that the audit demonstrated that procedures and controls are of a good standard. It recommended a number of improvements to further strengthen the process, these have been considered by the Directors.

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Headteacher 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 reviewer;
- the work of the external auditors;
- the work of the executive managers within the academy 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 above 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 2018 and signed on their behalf, by:



Mr P Burns
Chair of Trustees



Mr M Bailie
Accounting Officer

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

I confirm that 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 M Bailie
Accounting Officer

Date: 11 December 2018

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 11 December 2018 and signed on its behalf by:



P Burns
Chair of Trustees

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FINHAM PARK MULTI-ACADEMY TRUST

OPINION

We have audited the financial statements of Finham Park Multi-Academy Trust (the 'academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy 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 academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FINHAM PARK MULTI-ACADEMY TRUST

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF FINHAM
PARK MULTI-ACADEMY TRUST**

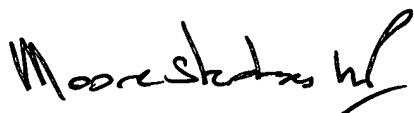
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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



Nicholas Simkins (Senior Statutory Auditor)

for and on behalf of

Moore Stephens

35 Calthorpe Road
Birmingham
B15 1TS
19 December 2018

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FINHAM
PARK MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 6 July 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Finham Park Multi-Academy Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF FINHAM PARK MULTI-ACADEMY TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Finham Park Multi-Academy Trust's funding agreement with the Secretary of State for Education dated December 2014, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO FINHAM
PARK MULTI-ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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



Nicholas Simkins

Moore Stephens

35 Calthorpe Road
Birmingham
B15 1TS

Date: 19/12/2018

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	-	7	545	552	4,101
Charitable activities	3	401	16,889	-	17,290	16,732
Other trading activities	4	479	16	-	495	453
Investments	5	42	-	-	42	17
TOTAL INCOME		922	16,912	545	18,379	21,303
EXPENDITURE ON:						
Raising funds	4	349	-	-	349	425
Charitable activities		14	16,895	1,970	18,879	17,824
TOTAL EXPENDITURE	6	363	16,895	1,970	19,228	18,249
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		559	17	(1,425)	(849)	3,054
Actuarial gains on defined benefit pension schemes	26	-	1,202	-	1,202	13
NET MOVEMENT IN FUNDS		559	1,219	(1,425)	353	3,067
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,224	(5,428)	46,291	43,087	40,020
TOTAL FUNDS CARRIED FORWARD		2,783	(4,209)	44,866	43,440	43,087

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07700317

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	16		43,906	42,718
CURRENT ASSETS				
Stocks	17	6		7
Debtors	18	1,217		3,901
Cash at bank and in hand		6,622		5,442
		<u>7,845</u>		<u>9,350</u>
CREDITORS: amounts falling due within one year	19	<u>(1,505)</u>		<u>(1,708)</u>
NET CURRENT ASSETS			<u>6,340</u>	<u>7,642</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>50,246</u>	<u>50,360</u>
CREDITORS: amounts falling due after more than one year	20		<u>(79)</u>	<u>(41)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>50,167</u>	<u>50,319</u>
Defined benefit pension scheme liability	26		<u>(6,727)</u>	<u>(7,232)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>43,440</u></u>	<u><u>43,087</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	21	2,518		1,804
Restricted fixed asset funds	21	44,866		46,291
Restricted income funds excluding pension liability		<u>47,384</u>		<u>48,095</u>
Pension reserve		<u>(6,727)</u>		<u>(7,232)</u>
Total restricted income funds			<u>40,657</u>	<u>40,863</u>
Unrestricted income funds	21		<u>2,783</u>	<u>2,224</u>
TOTAL FUNDS			<u><u>43,440</u></u>	<u><u>43,087</u></u>

The financial statements on pages 24 to 52 were approved by the trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:


P Burns
Chair of Trustees

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	3,751	2,566
Cash flows from investing activities:			
Dividends, interest and rents from investments		42	18
Purchase of tangible fixed assets		(3,158)	(5,908)
Capital grants from DfE Group		545	4,097
Net cash used in investing activities		(2,571)	(1,793)
Change in cash and cash equivalents in the year		1,180	773
Cash and cash equivalents brought forward		5,442	4,669
Cash and cash equivalents carried forward	24	6,622	5,442

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Finham Park Multi-Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a private company limited by guarantee (registered number 07700317), incorporated and domiciled in the UK. The address of the registered office is Finham Park Multi-Academy Trust, Green Lane, Coventry, CV3 6EA.

1.3 Going concern

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

1.4 Income

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

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

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

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. 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.

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

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

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.

1.5 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Turnover

Turnover comprises revenue recognised by the academy in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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:

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

Leasehold land and buildings	-	0.8 - 5.9% p.a
Furniture and equipment	-	20% p.a
Plant and equipment	-	14.3% p.a
Computer equipment and software	-	33% p.a

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.

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

1.9 Operating leases

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

1.10 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 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.

1.12 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.

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Liabilities and provisions

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

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

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

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 18. Prepayments are not financial instruments. Amounts due to the academy'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 19 and 20. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.15 Taxation

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

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

FINHAM PARK MULTI-ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy 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 26, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. 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.

1.17 Fund accounting

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

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

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

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1. ACCOUNTING POLICIES (continued)

1.18 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The academy 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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	- Total funds 2018 £000	Total funds 2017 £000
Capital grants	-	-	545	545	4,098
Other donations	-	7	-	7	3
	-	7	545	552	4,101
<i>Total 2017</i>	1	3	4,097	4,101	

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3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General annual grant	-	15,078	15,078	14,605
Other DfE/ESFA grants	-	233	233	257
Start up grants	-	162	162	345
Local authority grant	-	575	575	424
Pupil premium grant	-	541	541	500
Contribution to trips	-	301	301	233
Catering	401	-	401	368
	<u>401</u>	<u>16,890</u>	<u>17,291</u>	<u>16,732</u>
Total 2017	<u>1,524</u>	<u>15,208</u>	<u>16,732</u>	

4. TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Charity trading income				
Hire of facilities	66	-	66	76
Sixth form consortium income	29	-	29	27
Tuition Fees	29	-	29	39
Sales	62	-	62	57
Examination fees	7	-	7	7
Training Provision	39	-	39	81
Other income	233	16	249	156
Supply teacher claims	14	-	14	10
	<u>479</u>	<u>16</u>	<u>495</u>	<u>453</u>
Fundraising trading expenses				
Support costs - Fundraising	349	-	349	425
Net income from trading activities	<u>130</u>	<u>16</u>	<u>146</u>	<u>28</u>

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5. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Investment income	42	-	42	17
<i>Total 2017</i>	17	-	17	

6. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on fundraising trading					
Direct costs	-	-	-	-	-
Support costs	311	5	33	349	425
Educational operations:					
Direct costs	11,055	1,970	1,621	14,646	13,849
Support costs	2,298	991	944	4,233	3,975
	13,664	2,966	2,598	19,228	18,249
<i>Total 2017</i>	13,049	2,775	2,424	18,248	

7. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational operations	14,646	4,233	18,879	17,824
<i>Total 2017</i>	13,849	3,975	17,824	

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7. ANALYSIS OF EXPENDITURE BY ACTIVITIES (continued)

Analysis of direct costs

	Educational operations £000	Total 2018 £000	Total 2017 £000
Technology costs	22	22	40
Educational supplies	589	589	488
Examination fees	207	207	225
Staff development	102	102	90
Educational consultancy	70	70	52
Other direct costs	2	2	1
Security and transport	32	32	18
Catering	313	313	291
Other support costs	4	4	-
Educational visits	319	319	284
Wages and salaries	9,025	9,025	8,526
National insurance	876	876	824
Pension cost	1,154	1,154	1,234
Depreciation	1,931	1,931	1,776
	14,646	14,646	13,849
<i>At 31 August 2017</i>	13,849	13,849	

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8. SUPPORT COSTS

	Fundraising expenses £000	Educational operations £000	Total 2018 £000	Total 2017 £000
Pension income	-	184	184	144
Technology costs	-	139	139	111
Recruitment and support	-	48	48	56
Maintenance of premises and equipment	5	327	332	354
Cleaning	-	303	303	295
Rent & rates	-	91	91	45
Energy costs	-	231	231	268
Insurance	-	111	111	107
Security and transport	-	60	60	47
Other support costs	33	390	423	455
Auditors remuneration	-	15	15	16
Wages and salaries	311	1,148	1,459	1,428
National insurance	-	134	134	113
Pension cost	-	1,013	1,013	924
Depreciation	-	39	39	36
	349	4,233	4,582	4,399
<i>Total 2017</i>	<i>425</i>	<i>3,974</i>	<i>4,399</i>	

During the year ended 31 August 2018, the academy incurred the following Governance costs:
£NIL (2017 - £NIL) included within the table above in respect of Educational operations.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	1,970	1,812
Operating lease rentals	38	30

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10. AUDITORS' REMUNERATION

	2018 £000	2017 £000
Fees payable to the academy's auditor and its associates for the audit of the academy's annual accounts	15	16
Fees payable to the academy's auditor and its associates in respect of:		
All other non-audit services not included above	8	1

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	10,184	9,639
Social security costs	1,010	937
Operating costs of defined benefit pension schemes	2,167	2,159
	13,361	12,735
Supply staff costs	300	314
Staff restructuring costs	3	-
	13,664	13,049

Staff restructuring costs comprise:

	2018 £000	2017 £000
Redundancy payments	3	-

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £2,994 (2017: £Nil).

Individually these were for £2,994.

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11. STAFF COSTS (continued)

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	170	163
Administration and support	229	187
Management	23	21
	422	371

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	168	158
Administration and support	129	123
Management	23	21
	320	302

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	2	2
In the band £100,001 - £110,000	1	1
In the band £130,001 - £140,000	1	1

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 £1,773,000 (2017: £1,575,000).

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12. CENTRAL SERVICES

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

- Management training
- Human resources
- Financial services
- Operational support
- Governance costs
- Educational support

The academy charges for these services on the following basis:

Using a "top slice" funding method where each academy pays 3.0% of its GAG funding towards the cost of these services.

The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Finham Park School	218	217
Finham Park 2	61	46
Finham Primary School	48	28
Lyng Hall School	126	128
	453	419
Total	453	419

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2018	2017
		£000	£000
M Bailie	Remuneration	135-140	135-140
	Pension contributions paid	20-25	20-25

During the year ended 31 August 2018, no trustees received any reimbursement of expenses (2017 - £NIL to 0 trustees).

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was £776 (2017 - £645).

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15. OTHER FINANCE INCOME

	2018 £000	2017 £000
Interest income on pension scheme assets	145	86
Interest on pension scheme liabilities	(329)	(230)
	<u>(184)</u>	<u>(144)</u>

16. TANGIBLE FIXED ASSETS

	Leasehold property £000	Other fixtures £000	Computer and software £000	Fixtures and fittings £000	Total £000
Cost					
At 1 September 2017	45,599	230	899	1,140	47,868
Additions	2,988	21	112	37	3,158
At 31 August 2018	<u>48,587</u>	<u>251</u>	<u>1,011</u>	<u>1,177</u>	<u>51,026</u>
Depreciation					
At 1 September 2017	4,172	84	529	365	5,150
Charge for the year	1,503	41	218	208	1,970
At 31 August 2018	<u>5,675</u>	<u>125</u>	<u>747</u>	<u>573</u>	<u>7,120</u>
Net book value					
At 31 August 2018	<u>42,912</u>	<u>126</u>	<u>264</u>	<u>604</u>	<u>43,906</u>
At 31 August 2017	<u>41,427</u>	<u>146</u>	<u>370</u>	<u>775</u>	<u>42,718</u>

17. STOCKS

	2018 £000	2017 £000
Art	2	2
Catering	4	5
	<u>6</u>	<u>7</u>

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18. DEBTORS

	2018 £000	2017 £000
Trade debtors	20	42
VAT recoverable	311	175
Prepayments and accrued income	886	3,684
	<u>1,217</u>	<u>3,901</u>

19. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	751	1,013
Accruals and deferred income	741	688
Other loans	13	7
	<u>1,505</u>	<u>1,708</u>

Deferred income

	2018 £000	2017 £000
Deferred income at 1 September 2017	273	153
Resources deferred during the year	196	273
Amounts released from previous years	(273)	(153)
Deferred income at 31 August 2018	<u>196</u>	<u>273</u>

Deferred income relates to trip deposits, rates relief grants, free school meal grants and catering income. All of which have been received in advanced of the 18/19 academic year.

20. CREDITORS: Amounts falling due after more than one year

	2018 £000	2017 £000
Other loans	<u>79</u>	<u>41</u>

Included within the above are amounts falling due as follows:

	2018 £000	2017 £000
Between two and five years		
Other loans	<u>53</u>	<u>27</u>
Over five years		
Other loans	<u>26</u>	<u>14</u>

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20. CREDITORS: Amounts falling due after more than one year (continued)

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

	2018 £000	2017 £000
Repayable by instalments	26	14

Included within other creditors are Salix loans which are provided at zero interest.

21. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds					
General Funds - all funds	2,224	922	(363)	-	2,783
Restricted funds					
General Annual Grant (GAG)	1,541	15,078	(14,364)	-	2,255
Other DfE/ESFA grants	131	233	(233)	-	131
Other government grants	10	575	(575)	-	10
Other restricted funds	63	323	(323)	-	63
Start up grant	-	162	(162)	-	-
Pupil premium	59	541	(541)	-	59
Pension reserve	(7,232)	-	(697)	1,202	(6,727)
	(5,428)	16,912	(16,895)	1,202	(4,209)
Restricted fixed asset funds					
DfE/ESFA capital grants	16,230	545	(691)	-	16,084
Inherited fixed assets	28,560	-	(1,215)	-	27,345
Capital expenditure from GAG	1,501	-	(64)	-	1,437
	46,291	545	(1,970)	-	44,866
Total restricted funds	40,863	17,457	(18,865)	1,202	40,657
Total of funds	43,087	18,379	(19,228)	1,202	43,440

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21. STATEMENT OF FUNDS (continued)

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

Restricted general funds

This fund includes the General Annual Grant funding and other restricted income and expenditure relating to the running of the school. Funds are to be used in line with the specific terms of the funding agreements in place. These funds include:

General Annual Grant (GAG)

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

DfE/ESFA grants

DfE/ESFA grants comprise of a number of grants awarded by the DfE/ESFA including Rates Income, Year 7 Top Up Premium, Sponsor Capacity Fund and Regional Growth Fund.

Pupil Premium

Pupil Premium grants comprise of the pupil premium grant receivable during the year.

Other restricted funds

Other restricted funds represent balances on monies received by the trust that are restricted in nature, but do not fall in to the other category's described above such as school trips.

Restricted fixed asset fund

The restricted fixed asset fund represents the brought forward balance of the inherited fixed assets introduced from the LA upon conversion of the academy less accumulated depreciation up to 31 August 2018 together with restricted GAG funds expended on fixed assets during the year.

Unrestricted funds

Unrestricted funds are available to be spent on any purpose within the trust's charitable objects.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	<i>Total 2017 £000</i>
Finham Park	2,865	2,304
Finham Park 2	1,016	617
Finham Primary	111	34
Lyng Hall	784	766
Central Services	525	307
Total before fixed asset fund and pension reserve	5,301	4,028
Restricted fixed asset fund	44,866	46,291
Pension reserve	(6,727)	(7,232)
Total	43,440	43,087

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NOTES TO THE FINANCIAL STATEMENTS
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21. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2018 £000	Total 2017 £000
Finham Park	5,257	700	282	1,208	7,447	7,834
Finham Park 2	1,166	304	109	452	2,031	1,443
Finham Primary	1,187	276	96	302	1,861	2,066
Lyng Hall	3,168	628	99	710	4,605	4,890
Central Services	274	191	3	154	622	205
	<u>11,052</u>	<u>2,099</u>	<u>589</u>	<u>2,826</u>	<u>16,566</u>	<u>16,438</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
General Funds - all funds	2,073	811	(660)	-	-	2,224
Restricted funds						
General Annual Grant (GAG)	1,592	14,606	(14,169)	(488)	-	1,541
Other DfE/ESFA grants	47	257	(173)	-	-	131
Other government grants	-	423	(413)	-	-	10
Other restricted funds	63	264	(264)	-	-	63
Start up grant	-	345	(345)	-	-	-
Pupil premium	65	500	(506)	-	-	59
Pension reserve	(7,338)	-	93	-	13	(7,232)
	<u>(5,571)</u>	<u>16,395</u>	<u>(15,777)</u>	<u>(488)</u>	<u>13</u>	<u>(5,428)</u>

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21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	12,774	4,098	(642)	-	-	16,230
Inherited fixed assets	29,512	(1)	(951)	-	-	28,560
Capital expenditure from GAG	1,232	-	(219)	488	-	1,501
	<u>43,518</u>	<u>4,097</u>	<u>(1,812)</u>	<u>488</u>	<u>-</u>	<u>46,291</u>
Total restricted funds	<u>37,947</u>	<u>20,492</u>	<u>(17,589)</u>	<u>-</u>	<u>13</u>	<u>40,863</u>
Total of funds	<u>40,020</u>	<u>21,303</u>	<u>(18,249)</u>	<u>-</u>	<u>13</u>	<u>43,087</u>

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	2,073	1,733	(1,023)	-	-	2,783
Restricted funds						
General Annual Grant (GAG)	1,592	29,684	(28,533)	(488)	-	2,255
Other DfE/ESFA grants	47	490	(406)	-	-	131
Other government grants	-	998	(988)	-	-	10
Other restricted funds	63	587	(587)	-	-	63
Start up grant	-	507	(507)	-	-	-
Pupil premium	65	1,041	(1,047)	-	-	59
Pension reserve	(7,338)	-	(604)	-	1,215	(6,727)
	<u>(5,571)</u>	<u>33,307</u>	<u>(32,672)</u>	<u>(488)</u>	<u>1,215</u>	<u>(4,209)</u>

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21. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

DfE/ESFA capital grants	12,774	4,643	(1,333)	-	-	16,084
Inherited fixed assets	29,512	(1)	(2,166)	-	-	27,345
Capital expenditure from GAG	1,232	-	(283)	488	-	1,437
	<u>43,518</u>	<u>4,642</u>	<u>(3,782)</u>	<u>488</u>	<u>-</u>	<u>44,866</u>
	<u>37,947</u>	<u>37,949</u>	<u>(36,454)</u>	<u>-</u>	<u>1,215</u>	<u>40,657</u>
Total of funds	<u>40,020</u>	<u>39,682</u>	<u>(37,477)</u>	<u>-</u>	<u>1,215</u>	<u>43,440</u>

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	43,907	43,907
Current assets	2,783	4,024	1,038	7,845
Creditors due within one year	-	(1,506)	-	(1,506)
Creditors due in more than one year	-	-	(79)	(79)
Provisions for liabilities and charges	-	(6,727)	-	(6,727)
	<u>2,783</u>	<u>(4,209)</u>	<u>44,866</u>	<u>43,440</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	42,719	42,719
Current assets	2,224	3,553	3,572	9,349
Creditors due within one year	-	(1,708)	-	(1,708)
Creditors due in more than one year	-	(41)	-	(41)
Provisions for liabilities and charges	-	(7,232)	-	(7,232)
	<u>2,224</u>	<u>(5,428)</u>	<u>46,291</u>	<u>43,087</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(849)	3,054
Adjustment for:		
Depreciation charges	1,970	1,812
Interest from investments	(42)	(18)
Decrease/(increase) in stocks	1	(3)
Decrease in debtors	2,684	3,932
Decrease in creditors	(165)	(2,021)
Capital grants from DfE and other capital income	(545)	(4,097)
Defined benefit pension scheme cost less contributions payable	513	(237)
Defined benefit pension scheme finance cost	184	144
Net cash provided by operating activities	3,751	2,566

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand	6,622	5,442
Total	6,622	5,442

25. CAPITAL COMMITMENTS

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

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	1,777	737

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26. PENSION COMMITMENTS

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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 £1,163,000 (2017 - £1,251,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website

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26. PENSION COMMITMENTS (continued)

(www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £646,000 (2017 - £1,140,000), of which employer's contributions totalled £493,000 (2017 - £1,001,000) and employees' contributions totalled £153,000 (2017 - £139,000). The agreed contribution rates for future years are between 18.9% and 21.8% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	252	250
Discount rate -0.1%	(257)	(255)
Mortality assumption - 1 year increase	(426)	(417)
Mortality assumption - 1 year decrease	411	403
CPI rate +0.1%	(225)	(206)
CPI rate -0.1%	220	201

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26. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	3,665	3,277
Gilts	417	379
Other bonds	214	200
Property	470	379
Cash and other liquid assets	217	258
Other	809	688
Total market value of assets	<u>5,792</u>	<u>5,181</u>

The actual return on scheme assets was £80,000 (2017 - £680,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Interest income	145	86
Interest cost	(329)	(230)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(46)	-
Admin expenses	(2)	(2)
Total	<u>(232)</u>	<u>(146)</u>

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

	2018 £000	2017 £000
Opening defined benefit obligation	11,651	10,932
Interest cost	329	230
Employee contributions	153	139
Actuarial (gains)/losses	(1,267)	481
Benefits paid	(211)	(131)
Liabilities assumed on settlements	144	-
Closing defined benefit obligation	<u>10,799</u>	<u>11,651</u>

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26. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening fair value of scheme assets	5,181	3,594
Interest income	145	86
Actuarial gains/(losses)	(65)	494
Employer contributions	491	999
Employee contributions	153	139
Benefits paid	(211)	(131)
Settlement prices received	98	-
	<u>5,792</u>	<u>5,181</u>
Closing fair value of scheme assets	<u>5,792</u>	<u>5,181</u>

27. OPERATING LEASE COMMITMENTS

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

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	35	36
Between 1 and 5 years	60	94
Total	<u>95</u>	<u>130</u>

28. MEMBERS' LIABILITY

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

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29. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the period of account.

Coventry & Warwickshire Chamber of Commerce – a company which Mr M Bailie and Mr P Burns are Directors

- The Trust purchased membership totalling £420 (2017: £420) during the year. There were no amounts outstanding at 31 August 2018.
- The Trust made the purchase at arms' length and in accordance with its financial regulations. Mr M Bailie and Mr P Burns had no involvement in the purchasing process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Stivichall Primary School – a company which Mrs P Parkes is Chair of Governors

- The Trust provided services and resources to Stivichall Primary school totalling £7,797 during the year. There were no amounts outstanding at 31 August 2018.
- The Trust provided the services at arms' length and in accordance with its financial regulations. Mrs P Parkes had no involvement in the process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Coventry Sports Foundation – a company in which Mrs S Bracken's partner is the CEO

- The Trust purchased the services of Coaches for Post 16 Enrichment, Swimming lessons, Pre school and After school Sports Coaches totalling £60,000 during the year. There was an outstanding balance at 31/08/18 of £6901.
- The Trust made the purchase at arms' length and in accordance with its financial regulations. Mrs S Bracken had no involvement in the purchasing process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Grange Farm School – a school which Mr J Blundell is a Governor of.

- The Trust provided IT support to the value of £6,406 (2017: £8,784). There were no amounts outstanding at 31 August 2018.
- The Trust made the purchase at arms' length and in accordance with its financial regulations. Mr Blundell had no involvement in the sales process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

There were no further related party transactions during the period.