

Company Registration Number: 04798185 (England & Wales)

**THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL
ACADEMY TRUST LIMITED)**

(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

WEDNESDAY



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THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Members

Sir Kevin Satchwell (resigned 31 August 2017)
The Mercers' Company (resigned 31 August 2017)
C E Tonks (resigned 31 August 2017)
F K J Jackson (appointed 31 August 2017)
T Last (appointed 31 August 2017)
P Mitchell CBE (appointed 31 August 2017)
G Ruoss (appointed 31 August 2017)
Sir Michael Wakeford (appointed 31 August 2017)

Governors

C E Tonks
CG Allen (resigned 31 August 2017)
NOF Aston TD (resigned 31 August 2017)
PWS Brewis
HM Fenwick (resigned 31 August 2017)
EL Griffiths (resigned 31 August 2017)
RJ Harrison OBE, Chairman
J Harvey (resigned 7 July 2017)
MJ Jenkins (resigned 14 March 2017)
AC Shackleton (resigned 31 August 2017)
AC Smith
M A Subhan (resigned 31 August 2017)
AC Tripney (resigned 4 August 2017)
S Turton FCA (resigned 31 August 2017)
JF Bowater (appointed 1 September 2017)
VJ Evans (appointed 1 September 2017)
CH Whittington (appointed 1 September 2017)
SM Williamson (appointed 1 September 2017)
R Taylor (appointed 1 September 2017)

Company registered number

04798185

Company name

Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited)

Registered office

Thomas Telford School
Old Park
Telford
Shropshire
TF3 4NW

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Principal operating office

Sandwell Academy
Halfords Lane
West Bromwich
West Midlands
B71 4LG

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Senior management team

S Topper
K Bladen
C Drummond
A Gill
K Hull
H Jones
D Kangh
A Lally
C Mills
M Povey
M Pugh
G Smith

Independent auditor

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

HSBC Bank PLC
Town Centre
Telford
Shropshire
TF3 4AN

Solicitors

Gowling WLG (UK) LLP
55 Colmore Row
Birmingham
B3 2AS

Investment manager

Brewin Dolphin Limited
4th Floor
9 Colmore Row
Birmingham
B2 2BJ

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Governors' Report, and a Directors' Report under company law. In terms of performance reporting, this report covers the activities and structural details of Sandwell Academy only during the year to 31 August 2017. On 1 September 2017 the Charitable Company became the corporate vehicle for Thomas Telford Multi Academy Trust and acquired the assets and liabilities of Madeley Academy Trust Limited and Walsall City Academy Trust on that date. In consequence, this report is necessarily a hybrid report including both the position of Sandwell Academy up to 31 August 2017 and some details of the multi academy trust position applicable from 1 September 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The academy is a company limited by guarantee and an exempt charity, and was set up and is constituted by a Memorandum of Association. The governors of Thomas Telford Multi Academy Trust (previously Sandwell Academy Trust Limited) are also the directors of the charitable company for the purposes of company law.

Details of the governors who served during the year are included in the Reference and Administrative Details on page 1.

The principal object of the Charitable Company is to maintain academies in Sandwell, Walsall and Madeley known as Sandwell Academy, Walsall Academy and Madeley Academy.

MEMBERS' LIABILITY

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

GOVERNORS' INDEMNITIES

In accordance with normal commercial practice the Charitable Company has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The management of the Trust is the responsibility of the Governors who are appointed or co opted under the terms of the Articles of Association.

The Governors who served during the year and subsequently, to the date of this report except where indicated, were:

RJ Harrison OBE, Chairman
CG Allen (resigned 31 August 2017)
NOF Aston TD (resigned 31 August 2017)
PWS Brewis
JF Bowater (appointed 1 September 2017)
VJ Evans (appointed 1 September 2017)

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

HM Fenwick (resigned 31 August 2017)
EL Griffiths (resigned 31 August 2017)
J Harvey (resigned 7 July 2017)
MJ Jenkins (resigned 14 March 2017)
AC Shackleton (resigned 31 August 2017)
AC Smith
M A Subhan (resigned 31 August 2017)
R Taylor (appointed 1 September 2017)
C E Tonks

AC Tripney (resigned 4 August 2017)
S Turton FCA (resigned 31 August 2017)
CH Whittington (appointed 1 September 2017)
SM Williamson (appointed 1 September 2017)

The day to day running of the Charitable Company is carried out by the Headteacher and the senior management team.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The Charitable Company was controlled by the governing board ("the board"). Until 1 September 2017 the board was formed primarily from nominees provided by the Sponsors and from appointees selected by the Sponsor Governors themselves. From 1 September 2017 revised appointment procedures apply in line with DfE approved Articles of Association for a multi academy trust.

The induction and training provided for new Governors will depend on their existing experience. Several of the Governors have many years of experience on other school governing boards and in the sphere of education generally. Where necessary, training will be provided on charity, educational, legal and financial matters. It is expected that the turnover in the composition of the board will be low which will enable induction to be carried out informally and tailored specifically to each individual. All new Governors will be encouraged and assisted to familiarise themselves with the academies and will meet with staff, students and parents of students. All Governors are provided with copies of the academies constitutional and policy documents. In addition, they are routinely involved with meetings, accounts, reports, budgets, plans and other information necessary to enable them to carry out their roles effectively.

ORGANISATIONAL STRUCTURE

The management structure is on three levels: the Governors, the local governing boards and the Senior Managers. The Senior Managers comprise persons who are qualified and experienced in their individual fields. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting annual plans, budgets and targets, and monitoring the performance of the academies against the aims established. They make all major decisions about the direction and policies of the academies, including capital expenditure.

The senior management teams consists of the Headteacher and the Deputy Heads. These managers control the academy at an executive level, implementing the policies established by the Governors and reporting back to them at local governing board meetings.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

It is the responsibility of the local governing boards to approve annual pay increases. Teachers will be paid at a rate that is comparable to other employers of teachers. The Headmasters will recommend individual pay

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

increases each year. Prior to the start of each academic year, teachers will receive notification in writing of their pay including any increases and a copy of their post description.

At the discretion of the Headmasters additional payments will be made to teachers for the following types of activities:

- Covering lessons for absent colleagues
- Timetabled teaching commitments above 80%
- Exceptional time commitments to extra curricula activities in sport, performing arts and outdoor activities etc.
- Performance related pay (subject to approval by the Chairman of Governors)

Annual pay reviews are linked to performance, with appropriate incremental progression and 'cost of living' increases. In very rare cases, increases will be withheld, where the performance of the teacher in terms of standards of teaching and student progress and attainment are unsatisfactory.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Charitable Company was established by its Principal Sponsors, Telford City Technology College Trust Limited (known as Thomas Telford School).

OBJECTIVES AND ACTIVITIES

OBJECTIVES AND AIMS

The Charitable Company's objects are generally to advance for the public benefit education in Sandwell by establishing, maintaining, managing and developing academies offering a broad curriculum with a strong emphasis on business and sport.

The main objectives of the Charitable Company are summarised as being to:

- raise the standard of educational achievement of all students;
- ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- improve the effectiveness of the Charitable Company by keeping the curriculum and organisational structure under continuous review;
- provide value for money for the funds expended;
- comply with all statutory and national curriculum requirements; and to
- maintain close links with industry and commerce.

In setting the objectives and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Charitable Company's main strategy is encompassed in its mission statement which is 'The general aim of The academies is to maximise students' performance'. To this end the activities provided include:

- tuition and learning opportunities for all students to attain appropriate academic qualifications;
- training opportunities for all staff, and especially teaching staff;
- secondments and placing of students with industrial and commercial partners;
- a programme of sporting and after school leisure activities for all students; and
- a careers advisory service to help students obtain employment or move on to higher education.

To ensure that standards are continually raised both in the short term and long term, the academies operate a programme of observation of lessons, is visited by inspectors and undertakes a comparison of results from entry

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GOVERNORS' REPORT (continued)
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to Key Stage 3, from thence to GCSE examinations; and from GCSE to A level, to assess the added value.

PUBLIC BENEFIT

In setting the objectives and planning activities, the Governors have given careful consideration to the Charity Commission's agreed guidance on public benefit.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

At the academies it is recognised that Key Stage 3 SATs are no longer obligatory, but the academies are keen to ensure that students are appropriately assessed in order to monitor performance and to make sure that parents also have valid information about their child's progress. As SAT papers are still available, the academies continue to use them in conjunction with internal marking. The results achieved demonstrate that collectively, students are making accelerated progress in their first two years at the academies, and this will give students an improved chance of achieving in Key Stages 4 and 5, this being evident from the current results outlined in the key performance indicators.

Careers education and guidance is vitally important to ensure students make the most of the opportunities available to them. Students across the academies use the careers resource areas on a regular basis seeking help and support on a broad range of issues including employment search and university entry. The academies and Governors share a view that it is their responsibility to secure employment or further education for all of the students.

Strong budgetary controls are exercised as part of a culture of disciplined financial management, achieving optimum value for money. The annual programme of repairs together with the refurbishment of several areas during the summer holidays has resulted in the fabric of the buildings being maintained to a high standard.

KEY MATTERS AND RESPONSES FOR THE ACADEMIC YEAR 2016 – 17 FOR SANDWELL ACADEMY TRUST LIMITED

Amongst the key matters considered by the Governing Board this academic year has been the consequences of further educational reforms and how the academy has needed to revise its curriculum model to adapt to these changes. Governors have been satisfied that a broad and balanced curriculum framework has been maintained affording students an appropriate range of subject choices from which they can realise their full

potential. The number of students accessing the extended "Session 3" timetable has been reviewed to ensure that the opportunities available through the programme are appropriate and being fully supported. Governors have also evaluated the service provided through the careers provision following a change of leadership and examined details of the apprenticeship initiatives, school leaver schemes and other routes which the academy actively promotes as alternative pathways to employment.

The matter of student welfare and the increasing number of children and young adults suffering with mental health difficulties has been reviewed termly. Governors have been particularly supportive of initiatives developed through the academy's health and wellbeing programme to improve students' motivation, confidence and self esteem alongside the fostering of improved academic performance. The board has also scrutinised and been satisfied with how Pupil Premium and other grants have been allocated through costed provision maps for qualifying students.

In respect of the academy's annual budgetary provision, employment costs have continued to be the most significant element against a background where teacher recruitment remains difficult in certain subjects. Careful attention has been required to ensure that costs have not exceeded the approved budget and with further financial pressures for 2017/2018, Governors have, once again, needed to consider and approve modifications

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GOVERNORS' REPORT (continued)
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to the coach transport arrangements for students.

There has been close oversight of the academy's policies and procedures, including routine appraisals of the academy's safeguarding arrangements and wider statutory duties in accordance with new statutory guidance. Compliance with responsibilities set out in the Equality Act is reported on below, providing fuller details of how the governing board has reviewed and endorsed the academy's endeavours to positively prepare students for life in modern Britain and to promote the fundamental principles of democracy and mutual respect.

A number of Governors met with members of the Ofsted inspectorate during their visit to the academy on 23 May 2017 and were pleased with the outcome of the Lead Inspector's report which had been very positive in confirming the academy's "Outstanding" status.

During the course of the year, and in conjunction with the government Department for Education and the academy's sponsors, Governors have agreed that the academy join its associated schools and academies under an overarching accountability model which complies with government's requirements. Thomas Telford Multi Academy Trust was established on 1 September 2017. This process was established using Sandwell Academy Trust Limited as the corporate vehicle for the MAT. The MAT entered into a Master Funding Agreement with the DfE and, separately, into Supplementary Funding Agreements for Sandwell Academy and others which joined.

A self evaluation governance exercise undertaken by Governors at the start of the academic year confirmed that the board continued to be constituted with a wide range of experience and expertise which enabled Governors to exercise effective control, strong challenge and helped to exhibit the academy's positive ambitions for its students, staff and the wider community it serves. As a consequence of the aforementioned change of arrangements, which impinged on the membership of the board, the results of the exercise have been revised in preparation for discussions at the next meeting.

EQUALITY ACT COMPLIANCE AND OBJECTIVES FOR THOMAS TELFORD MULTI ACADEMY TRUST LIMITED (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)

As an educational establishment, the Academy is in a strong position to effectively perform its statutory duties under the Equality Act 2010 in relation to both its staff and its students. Sandwell Academy is committed to advancing equality of opportunity, fostering good relations and tackling discrimination against individuals and groups irrespective of gender, disability and ethnicity.

Trustees will continue the well considered Spiritual, Moral, Social and Cultural Development and Equal Opportunities and Diversity Policies which inculcate high standards in these areas as part of the general practice in this area.

Procedures are in place to deal with any incidences of harassment or victimisation, especially amongst the student body, and those affected are encouraged to make their problems known to achieve resolution. academy resources are effectively directed to ensure equality of opportunity for staff and students alike so as to ensure that those who might otherwise be at a disadvantage, or considered to be at a disadvantage, compared with their peers are placed as nearly as possible on the same footing. Through its educational, sporting and cultural activities the academy endeavours to create a strong sense of belonging and common aspiration within its own community and thereby fosters continuing good relations throughout the organisation. Sandwell Academy strives to ensure that its students leave with the strongest foundation of values upon which to build a successful life and to make a positive contribution to society.

KEY PERFORMANCE INDICATORS FOR THOMAS TELFORD MULTI ACADEMY TRUST LIMITED (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)

The academy provides education for a total of 1,261 students, comprising 941 students under 16 years of age and 320 Sixth Form students.

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GOVERNORS' REPORT (continued)
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Examination results for 2016 were very pleasing. At A level, candidates achieved an average UCAS points score of 132 points per candidate. The results for students taking GCSE examinations showed that 66% of students secured 5 or more passes A* to C, 9 to 4, including English and Mathematics at that level.

Regular internal and external monitoring of students' performances is taking place, in addition to formal examinations, and the board is satisfied that the academy is developing well, in line with the targets established. An inspection carried out by Ofsted during 2017 judged the academy to be "Outstanding" overall. Of the categories of activity rated by Ofsted, all were accredited as outstanding.

GOING CONCERN

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

FINANCIAL REVIEW FOR THOMAS TELFORD MULTI ACADEMY TRUST LIMITED (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)

Most of the academy's income is obtained from the Department for Education ("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 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful lives of the assets concerned.

During the year ended 31 August 2017, total expenditure of £9,477,146 (2016: £9,090,862) was not fully covered by recurrent grant funding from the DfE together with other incoming resources. Before taking into account the movement on the pension provision the excess of expenditure over income for the year was £(778,676) (2016: £60,102).

At 31 August 2017 the net book value of fixed assets was £23,569,403 (2016: £24,034,863) and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

RESERVES POLICY

The Governors continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and reserves. The Governors have determined that the level of reserves, which are not invested in fixed assets at the year end are adequate for its immediate needs. The currently perceived needs of Sandwell Academy are considered to be around 100% of grant income in order to cover operating expenditure to complete an academic year. Operating expenditure for this purpose is defined as total resources expended excluding depreciation. Thereafter it has been the board's general policy to continue to build reserves which can be used for future educational purposes.

The investment funds retained are intended to ensure an ability to maintain and develop the fabric of the academy buildings and to continue to provide students with state of the art facilities in the longer term.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

INVESTMENT POLICY

Excess funds are invested in a manner commensurate with the perceived need. Short term investments are made in interest bearing cash accounts. Funds set aside to meet longer term needs are invested in a portfolio managed by Brewin Dolphin Limited.

The investments have generally performed in line with the Governors' expectations.

RISK MANAGEMENT

The Governors manage the major strategic, business and operational risks which the academies face. They are reviewed on a termly basis to ensure that the major risks identified have been investigated as far as practicable. The principal risks to which the academies are exposed are reputational risks, which may lead to loss of student numbers, and physical business interruption risks which might impede the education processes and lead to poor student performance.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors have a comprehensive risk management process to identify and monitor the risks faced by the academies. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those that are identified as being higher risk.

The Governors consider a significant source of financial risk to be that of the funding requirements of the Local Government Pension Schemes ("LGPS"). In order to mitigate this risk, the current and foreseeable service costs are monitored and periodic actuarial valuations are reviewed to assess the impact of external factors on the schemes liabilities.

PLANS FOR FUTURE PERIODS

The academies will continue to strive to encourage high levels of performance by all its students at all levels and will work to ensure that students find employment or a place in higher education once they leave.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The academy trust acts as an agent in distributing bursary funds and grants from the ESFA. Payments received and any subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a proportion of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the Charitable Company's auditor in connection with preparing its report and to establish that the Charitable Company's auditor is aware of that information.

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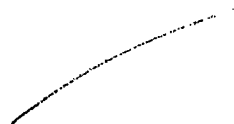
GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

AUDITOR

The appointment of the current auditors, Crowe Clark Whitehill LLP, will be continued in accordance with Section 487 (2) of the Companies Act 2006.

This report, incorporating the Strategic report, was approved by order of the Governors, in their capacity, as the company directors, on 15-12-17 and signed on the board's behalf by:

C E Tonks
Trustee



THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) 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 governing board has delegated the day-to-day responsibility to the 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 Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) and the Secretary of State for Education. They are also responsible for reporting to the governing board any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The governing board has formally met three times during the year. Attendance during the year at meetings of the governing board was as follows:

Governor	Meetings attended	Out of a possible
C E Tonks, Chairman until 31 August 2017	3	3
CG Allen (resigned 31 August 2017)	2	3
NOF Aston TD (resigned 31 August 2017)	3	3
PWS Brewis	3	3
HM Fenwick (resigned 31 August 2017)	0	3
EL Griffiths (resigned 31 August 2017)	3	3
RJ Harrison OBE	3	3
J Harvey (resigned 7 July 2017)	2	3
MJ Jenkins (resigned 14 March 2017)	0	1
AC Shackleton (resigned 31 August 2017)	2	3
AC Smith	3	3
M A Subhan (Resigned 31 August 2017)	2	3
AC Tripney (resigned 4 August 2017)	3	3
S Turton FCA (resigned 31 August 2017)	3	3

As discussed above, the board of trustees has changed in order to facilitate the creation of TTMAT, most of the trustees who have resigned at 31 August 2017 will remain on the local governing board.

The Governing Board, during the course of the year, has managed many aspects of running the academy, the students' performance being their main priority although alongside this other issues such as student mental health, improving the performance of curriculum departments where required, managing the physical security of the site along with cyber security and balancing annual income to expenditure have provided challenges during the course of the year.

The evaluation of the actions taken in relation to the challenges and the wellbeing and results of the student's bare testament to the fact that the actions taken by the Governing Board have been effective. The Governing Body has faced new challenges when it comes to data, they have not only had to understand and communicate Progress8 and Attainment 8 but also the new grading system for GCSE. In general, the governors find that data provision is sufficiently comprehensive to enable them to understand where added focus is required and to be able to measure progress effectively.

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GOVERNANCE STATEMENT (continued)

GOVERNANCE REVIEW

At the June 2017 governing board meeting the results of a detailed review were discussed. The review was undertaken to ensure that the board was meeting its obligations as set out in the most recent edition of the DfE's Governors' Handbook. The board was satisfied that it was meeting its core obligations and had used educational performance and financial data as part of its process of exercising proper control, judgement and challenge. A number of fringe issues were also discussed, with required actions or agreements being made. Governors have an ongoing brief to identify and satisfy any specific areas for improvement in the normal course of their role.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the 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 governing board 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:

- Improving educational results. The Governors believe that the most effective demonstration of value for money is in the educational achievements of the academy's students. Notwithstanding significant increases in grade boundaries in English and Mathematics, examination results for 2017 were pleasing and generally progressive. At A level, candidates achieved an average UCAS points score of 132 points per candidate. The results for students taking GCSE examinations showed that more than 66% of the students secured 5 or more passes A* to C, 9 to 4, including English and Mathematics at that level.

To ensure that standards of teaching and learning are continually improved, the academy operates a programme of observation of lessons, is visited by inspectors, and undertakes a comparison of results from entry to Key Stage 3 and from there to GCSE, to assess the added value. In its most recent inspection Ofsted rated the academy as "Outstanding".

- Governance and oversight of academy trust finances. The academy benefits from the provision of a suitably qualified and independent Responsible Officer ("RO"). The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the governing board termly.

The governing board reviews and challenges the budget each year and is mindful of the need to balance expenditure against income to ensure that the academy remains a 'going concern', when assessed by reference to strict accounting standards. The governing board reviews the Annual Accounts and the External Auditors' Management Report in detail each year.

The governing board also receives termly budget monitoring reports and investigates deviations from the plan.

- Ensuring that the academy demonstrates good value for money and efficient and effective use of resources. The academy takes a prudent approach to expenditure generally. As some 70% of the academy's income is expended on staffing, the staffing structure and composition is reviewed regularly by the governing board to ensure that it is fit for purpose and can adapt and respond to support the successful attainment of the objectives agreed in the academy's Development Plan.

The senior management team monitor and review as necessary expenditure within each budget category and make adjustments based on the effectiveness of strategies introduced in previous years, changes in the curriculum offer and any new strategies identified in the academy Development Plan.

The academy regularly benchmarks its financial performance against other schools and academy trusts to

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

demonstrate comparatively that the academy provides good value for money.

Tender exercises are periodically undertaken to ensure that high value contracts in particular are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive, from 2017 this notably applied to the gas and electricity contracts.

The academy collaborates with a number of other schools and academy trusts to achieve best value, notably by way of bulk purchasing economies, again as demonstrated with the gas and electricity contracts for 2017. Departmental budget holders are continuously looking for the most competitive deals using various procurement tools such as internet shopping, advice from other academies and economies of scale. They ensure that suppliers compete on the grounds of cost, quality, suitability, product and after sales support.

The Governors and senior management team apply principles of best value when making decisions about:

- the allocation of resources to best promote the aims and values of the academy;
- the targeting of resources to best improve standards and the quality of education provision;
- the use of resources to best support the various educational needs of all students; and
- long term planning for future maintenance and capital spend requirements.

The academy has developed procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost. Measures in place include:

- competitive tendering procedures;
 - procedures for accepting "best value" quotes, which may not necessarily be the cheapest (e.g. suitability for purpose and quality and durability of product); and
 - internal project management of major new buildings and equipment installations.
- Reviewing controls and managing risks. 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.

Monthly budget monitoring reports are produced and reviewed by the Director of Finance and the accounting officer and any necessary remedial actions taken to address any significant variances that may have an impact on the financial performance for the year or in the longer term.

The academy ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential.

A separate investment fund for longer term needs is managed by specialist advisors at Brewin Dolphin Limited. Targets are set for capital growth and income generation and performance is regularly reviewed by the Governors, including through meetings with the managers.

Insurance levels are reviewed annually and used cost effectively to manage risks.

The Governors continually monitor the reserves of the academy as detailed in the Governors' Report above.

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 Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The governing board 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 governing board 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing board.

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 governing board;
- regular reviews by the governing board 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 governing board has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed an independent chartered accountant, as Responsible Officer ("RO").

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems.

On a quarterly basis, the RO reports to the governing board on the operation of the systems of control and on the discharge of the governing board's financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The Governors can report that the RO's function has been fully exercised during the year under review. No material control deficiencies were found and therefore no remedial action has been required.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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


THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
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GOVERNANCE STATEMENT (continued)

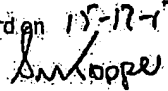
control by the governing board and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the governing board on 15-12-17 and signed on their behalf, by:

C E Tonks
Trustee



S Topper
Accounting Officer



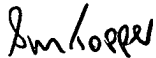
THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) I have considered my responsibility to notify the academy trust board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



S Topper
Accounting Officer

15-12-17

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as Governors of Sandwell Academy Trust Limited and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Governors 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 Governors 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 Governors 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 governing board on 15.11.17 and signed on its behalf by:

C E Tonks
Trustee



THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)

OPINION

We have audited the financial statements of Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors 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.

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Governors' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Governors' 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 Governors' 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 Governors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the Charitable Company 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 Governors 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 Governors 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

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)


INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)

concern basis of accounting unless the Governors either intend to liquidate the academy's or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Helen Drew (Senior Statutory Auditor)

for and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

15-12-17

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THOMAS
TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED) AND THE
EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 1 September 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) 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 Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY
SANDWELL ACADEMY TRUST LIMITED)'S ACCOUNTING OFFICER AND THE REPORTING
ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited)'s funding agreement with the Secretary of State for Education dated February 2004, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the Charitable Company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the Charitable Company and specific transactions identified from our review.

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THOMAS
TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED) AND THE
EDUCATION AND SKILLS FUNDING AGENCY (continued)**

CONCLUSION

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


Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 15.12.17

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	3	-	1,200	26,899	28,099	44,602
Charitable activities	5	1,010,509	7,392,247	-	8,402,756	8,496,168
Investments	4	192,351	-	-	192,351	184,842
TOTAL INCOME		1,202,860	7,393,447	26,899	8,623,206	8,725,612
EXPENDITURE ON:						
Raising funds		18,100	-	-	18,100	16,913
Charitable activities		516,210	8,116,939	825,897	9,459,046	9,073,949
TOTAL EXPENDITURE	6	534,310	8,116,939	825,897	9,477,146	9,090,862
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS						
Net gains on investments	15	668,550 75,264	(723,492) -	(798,998) -	(853,940) 75,264	(365,250) 425,352
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		743,814	(723,492)	(798,998)	(778,676)	60,102
Transfers between Funds	19	(842,030)	508,492	333,538	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(98,216)	(215,000)	(465,460)	(778,676)	60,102
Actuarial losses on defined benefit pension schemes	23	-	(453,000)	-	(453,000)	(762,000)
NET MOVEMENT IN FUNDS		(98,216)	(668,000)	(465,460)	(1,231,676)	(701,898)
RECONCILIATION OF FUNDS:						
Total funds brought forward		4,559,454	(1,793,000)	24,034,863	26,801,317	27,503,215
TOTAL FUNDS CARRIED FORWARD		4,461,238	(2,461,000)	23,569,403	25,569,641	26,801,317

The notes on pages 27 to 49 form part of these financial statements.

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)
REGISTERED NUMBER: 04798185

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Tangible assets	14	23,569,403	24,034,863
Investments	15	5,037,832	5,042,159
		<u>28,607,235</u>	<u>29,077,022</u>
CURRENT ASSETS			
Debtors	16	260,506	173,960
Cash at bank and in hand		228,824	942,405
		<u>489,330</u>	<u>1,116,365</u>
CREDITORS: amounts falling due within one year	17	<u>(1,065,924)</u>	<u>(1,599,070)</u>
NET CURRENT LIABILITIES		<u>(576,594)</u>	<u>(482,705)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,030,641</u>	<u>28,594,317</u>
Defined benefit pension scheme liability	23	<u>(2,461,000)</u>	<u>(1,793,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES		<u>25,569,641</u>	<u>26,801,317</u>
FUNDS OF THE ACADEMY			
Restricted income funds:			
Restricted funds	19	-	-
Pension Reserve	19	(2,461,000)	(1,793,000)
Restricted fixed asset funds	19	23,569,403	24,034,863
Total restricted income funds		<u>21,108,403</u>	<u>22,241,863</u>
Unrestricted income funds	19	4,461,238	4,559,454
TOTAL FUNDS		<u>25,569,641</u>	<u>26,801,317</u>

The financial statements on pages 24 to 49 were approved by the governing board, and authorised for issue, on 15-12-17 and are signed on their behalf, by:

C E Tonks
Trustee



The notes on pages 27 to 49 form part of these financial statements.

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	<u>(433,664)</u>	<u>575,995</u>
Cash flows from investing activities:			
Dividends and interest from investments		192,351	184,842
Purchase of tangible fixed assets		(578,758)	(285,795)
Capital grants from DfE/ESFA		26,899	27,434
Proceeds from the sale of investments		464,267	398,191
Purchase of investments		<u>(204,405)</u>	<u>(664,616)</u>
Net cash used in investing activities		<u>(99,646)</u>	<u>(339,944)</u>
Change in cash and cash equivalents in the year		(533,310)	236,051
Cash and cash equivalents brought forward		<u>1,025,982</u>	<u>789,931</u>
Cash and cash equivalents carried forward	22	<u>492,672</u>	<u>1,025,982</u>

The notes on pages 27 to 49 form part of these financial statements.

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Thomas Telford Multi Academy Trust (Previously Sandwell Academy Trust Limited) constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The academy is a company limited by guarantee, incorporated in England & Wales, registered number 04798185. The registered office is Thomas Telford School, Old Park, Telford, Shropshire, TF3 4NW. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Going concern

The Governors 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 Governors 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

THOMAS TELFORD MULTI ACADEMY TRUST (PREVIOUSLY SANDWELL ACADEMY TRUST LIMITED)
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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 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 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.

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets 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:

L/Term Leasehold Property	-	50 years
Motor vehicles	-	4 years
Fixtures and fittings	-	7 years
Computer equipment	-	4 years
All-weather pitch	-	10 years

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

1.7 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.

1.8 Operating leases

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

1.9 Taxation

The academy 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 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.

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1. ACCOUNTING POLICIES (continued)

1.10 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.

1.11 Cash at Bank and in hand

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

1.12 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 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.

1.13 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 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

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1. ACCOUNTING POLICIES (continued)

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

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

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

1.15 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 Governors.

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

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

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

1.16 Recognition of liabilities

Liabilities are recognised when either a constructive or legal obligation exists.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.17 Agency arrangements

The academy trust acts as an agent in distributing bursary funds and grants from the EFA. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. In some instances the trust can use a proportion of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 17.

1.18 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy has not exceeded these limits during the year ended 31 August 2017.

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3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
The Mercers' Company	1,200	-	1,200	17,168
Capital grants	-	26,899	26,899	27,434
	<u>1,200</u>	<u>26,899</u>	<u>28,099</u>	<u>44,602</u>
<i>Total 2016</i>	<u>17,168</u>	<u>27,434</u>	<u>44,602</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest receivable	222	222	598
Investment income	192,129	192,129	184,244
	<u>192,351</u>	<u>192,351</u>	<u>184,842</u>
<i>Total 2016</i>	<u>184,842</u>	<u>184,842</u>	

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	6,989,810	6,989,810	7,108,734
Other DfE/ESFA grants	-	318,618	318,618	315,829
	-	7,308,428	7,308,428	7,424,563
Other government grants				
Local Authority grants	-	83,819	83,819	91,520
	-	83,819	83,819	91,520
Other income from the academy trust's educational operations				
Catering income	376,340	-	376,340	379,670
Transport income	335,344	-	335,344	349,484
Other incoming resources	298,825	-	298,825	250,931
	1,010,509	-	1,010,509	980,085
	1,010,509	7,392,247	8,402,756	8,496,168
Total 2016	980,085	7,516,083	8,496,168	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on investment management	-	-	18,100	18,100	16,913
Provision of education:					
Direct costs	4,466,596	363,879	1,941,597	6,772,072	6,545,739
Support costs	1,865,050	425,409	396,515	2,686,974	2,528,210
	6,331,646	789,288	2,356,212	9,477,146	9,090,862
Total 2016	5,902,758	1,300,737	1,887,367	9,090,862	

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7. SUPPORT COSTS

	Provision of education £	Total 2017 £	Total 2016 £
Premises costs	166,325	166,325	170,312
Other support costs	384,565	384,565	385,167
Governance costs	11,950	11,950	13,990
Wages and salaries	1,865,050	1,865,050	1,735,921
Depreciation	259,084	259,084	222,820
	<u>2,686,974</u>	<u>2,686,974</u>	<u>2,528,210</u>
<i>At 31 August 2016</i>	<u>2,528,210</u>	<u>2,528,210</u>	

Included within wages and salaries above is £22,963 (2016: £22,668) of staff costs related to governance. Governance costs total £34,913 (2016: £36,658).

Included within governance costs are any costs associated with the strategic as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with Governors, the cost of any administrative support provided to the Governors, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Fixed asset losses	13,305	13,305	Portable building costing £18,500 sold for £4,000.

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	825,897	737,236
Operating lease rentals	<u>24,054</u>	<u>22,220</u>

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10. AUDITOR'S REMUNERATION

	2017	2016
	£	£
Fees payable to the academy's auditor for the audit of the academy's annual accounts	12,090	12,050
Fees payable to the academy's auditor in respect of:		
All other non-audit services not included above	850	825
	<u>12,940</u>	<u>12,875</u>

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11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,887,472	4,826,326
Social security costs	398,205	337,937
Other pension costs	922,475	738,495
	<u>6,208,152</u>	<u>5,902,758</u>
Apprenticeship levy	2,113	-
Supply teacher costs	119,609	-
Staff restructuring costs	1,772	-
	<u><u>6,331,646</u></u>	<u><u>5,902,758</u></u>

Staff restructuring costs comprise:

Redundancy payments	1,772	-
	<u><u>1,772</u></u>	<u><u>-</u></u>

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

	2017 No.	2016 No.
Teachers	89	87
Administration and support	100	100
Management	12	12
	<u><u>201</u></u>	<u><u>199</u></u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	2	2
In the band £150,001 - £160,000	1	1

The key management personnel of the academy trust comprise the Governors 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 £1,017,308 (2016: £1,004,528).

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**NOTES TO THE FINANCIAL STATEMENTS
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12. GOVERNORS' REMUNERATION AND EXPENSES

During the year, no Governors received any remuneration (2016 - £NIL).

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

During the year ended 31 August 2017, no Governors received any reimbursement of expenses (2016 - £386 to 3 Governors).

13. GOVERNORS' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme.

14. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Other fixed assets £	Total £
Cost						
At 1 September 2016	28,632,760	1,330,824	1,314,920	41,089	161,312	31,480,905
Additions	57,141	4,157	296,600	19,845	-	377,743
Disposals	(18,542)	(44,550)	(665,014)	(15,826)	-	(743,932)
At 31 August 2017	28,671,359	1,290,431	946,506	45,108	161,312	31,114,716
Depreciation						
At 1 September 2016	5,323,837	1,138,265	942,851	41,089	-	7,446,042
Charge for the year	572,346	77,194	157,622	2,604	16,131	825,897
On disposals	(1,236)	(44,550)	(665,014)	(15,826)	-	(726,626)
At 31 August 2017	5,894,947	1,170,909	435,459	27,867	16,131	7,545,313
Net book value						
At 31 August 2017	22,776,412	119,522	511,047	17,241	145,181	23,569,403
At 31 August 2016	23,308,923	192,559	372,069	-	161,312	24,034,863

The School took out a 200 year lease over the school land and buildings at the date of conversion. The land and buildings are owned by Sandwell Land and Property Limited.

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15. FIXED ASSET INVESTMENTS

	Investment Portfolio £	Cash awaiting reinvestment £	Total £
Market value			
At 1 September 2016	4,958,582	83,577	5,042,159
Additions	204,405	(204,405)	-
Disposals	(464,267)	464,267	-
Investment income received	-	192,129	192,129
Unrealised loss on revaluation	(110,661)	-	(110,661)
Investment manager's fees and other costs	-	(21,720)	(21,720)
Transfers out	-	(250,000)	(250,000)
Realised gain on disposal	185,925	-	185,925
	<u>4,773,984</u>	<u>263,848</u>	<u>5,037,832</u>
At 31 August 2017	<u>4,773,984</u>	<u>263,848</u>	<u>5,037,832</u>
Historical cost	<u>4,415,690</u>	<u>263,848</u>	<u>4,679,538</u>

Investments at market value comprise:

	2017 £	2016 £
Listed investments on the London Stock Exchange and other managed funds	1,255,641	1,135,094
Fixed interest investments	3,518,343	3,823,488
Cash awaiting reinvestment	263,848	83,577
	<u>5,037,832</u>	<u>5,042,159</u>
Total market value	<u>5,037,832</u>	<u>5,042,159</u>

Title to all the fixed asset investments is held in the UK.

16. DEBTORS

	2017 £	2016 £
Trade debtors	42,794	18,820
Other debtors	63,566	37,584
Prepayments and accrued income	154,146	117,556
	<u>260,506</u>	<u>173,960</u>

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17. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	192,817	235,492
Other taxation and social security	105,113	99,532
Capital creditors	-	201,015
Other creditors	86,134	93,269
Accruals and deferred income	681,860	969,762
	<u>1,065,924</u>	<u>1,599,070</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	431,471	295,398
Resources deferred during the year	448,504	431,471
Amounts released from previous years	(431,471)	(295,398)
Deferred income at 31 August 2017	<u>448,504</u>	<u>431,471</u>

Deferred income relates to monies received for trips and other activities relating to the next academic year.

18. AGENCY ARRANGEMENTS

The academy distributes bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £49,684 (2016: £58,299) and disbursed £39,588 (2016: £57,661) from the fund. An amount of £23,733 (2016: £13,637) is included in accruals and deferred income relating to undistributed funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds	<u>4,559,454</u>	<u>1,202,860</u>	<u>(534,310)</u>	<u>(842,030)</u>	<u>75,264</u>	<u>4,461,238</u>
Restricted funds						
General Annual Grant (GAG)	-	6,989,810	(7,498,302)	508,492	-	-
Other ESFA grants	-	318,618	(318,618)	-	-	-
Local Authority grants	-	83,819	(83,819)	-	-	-
Other	-	1,200	(1,200)	-	-	-
Pension reserve	<u>(1,793,000)</u>	<u>-</u>	<u>(215,000)</u>	<u>-</u>	<u>(453,000)</u>	<u>(2,461,000)</u>
	<u>(1,793,000)</u>	<u>7,393,447</u>	<u>(8,116,939)</u>	<u>508,492</u>	<u>(453,000)</u>	<u>(2,461,000)</u>
Restricted fixed asset funds						
ESFA capital grants	18,603,311	26,899	(622,731)	333,538	-	18,341,017
Capital expenditure from GAG	3,556,818	-	(129,667)	-	-	3,427,151
Private sector	<u>1,874,734</u>	<u>-</u>	<u>(73,499)</u>	<u>-</u>	<u>-</u>	<u>1,801,235</u>
	<u>24,034,863</u>	<u>26,899</u>	<u>(825,897)</u>	<u>333,538</u>	<u>-</u>	<u>23,569,403</u>
Total restricted funds	<u>22,241,863</u>	<u>7,420,346</u>	<u>(8,942,836)</u>	<u>842,030</u>	<u>(453,000)</u>	<u>21,108,403</u>
Total of funds	<u>26,801,317</u>	<u>8,623,206</u>	<u>(9,477,146)</u>	<u>-</u>	<u>(377,736)</u>	<u>25,569,641</u>

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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds	3,957,544	1,164,927	(506,206)	(482,163)	425,352	4,559,454
	<u>3,957,544</u>	<u>1,164,927</u>	<u>(506,206)</u>	<u>(482,163)</u>	<u>425,352</u>	<u>4,559,454</u>
Restricted funds						
General Annual Grant (GAG)	163,039	7,108,734	(7,308,905)	37,132	-	-
Other ESFA grants	-	407,349	(407,349)	-	-	-
Other government grants	-	17,168	(17,168)	-	-	-
Pension reserve	(917,000)	-	(114,000)	-	(762,000)	(1,793,000)
	<u>(753,961)</u>	<u>7,533,251</u>	<u>(7,847,422)</u>	<u>37,132</u>	<u>(762,000)</u>	<u>(1,793,000)</u>
Restricted fixed asset funds						
ESFA capital grants	19,136,912	27,434	(561,035)	-	-	18,603,311
Capital expenditure from GAG	3,222,372	-	(110,585)	445,031	-	3,556,818
Private sector	1,940,348	-	(65,614)	-	-	1,874,734
	<u>24,299,632</u>	<u>27,434</u>	<u>(737,234)</u>	<u>445,031</u>	<u>-</u>	<u>24,034,863</u>
Total restricted funds	<u>23,545,671</u>	<u>7,560,685</u>	<u>(8,584,656)</u>	<u>482,163</u>	<u>(762,000)</u>	<u>22,241,863</u>
Total of funds	<u>27,503,215</u>	<u>8,725,612</u>	<u>(9,090,862)</u>	<u>-</u>	<u>(336,648)</u>	<u>26,801,317</u>

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

The Government capital grant funds are provided by the Government for specific capital projects. Such funds continue to be treated as restricted due to ongoing restrictions imposed by the DfE and sponsors over the use and disposal of the related assets.

Transfers represent the capital expenditure purchased from GAG and to support a deficit on restricted funds.

The unrestricted funds are available for use at the discretion of the Governors.

The restricted income fund relates to Government funding for the provision of education by the Charitable Company.

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19. STATEMENT OF FUNDS (continued)

Under the funding agreement with the Secretary of State, the academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	23,569,403	23,569,403
Fixed asset investments	4,461,238	576,594	-	5,037,832
Current assets	-	489,330	-	489,330
Creditors due within one year	-	(1,065,924)	-	(1,065,924)
Provisions for liabilities and charges	-	(2,461,000)	-	(2,461,000)
	<u>4,461,238</u>	<u>(2,461,000)</u>	<u>23,569,403</u>	<u>25,569,641</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	24,034,863	24,034,863
Fixed asset investments	3,972,863	1,069,296	-	5,042,159
Current assets	2,185,661	(1,069,296)	-	1,116,365
Creditors due within one year	(1,599,070)	-	-	(1,599,070)
Provisions for liabilities and charges	-	(1,793,000)	-	(1,793,000)
	<u>4,559,454</u>	<u>(1,793,000)</u>	<u>24,034,863</u>	<u>26,801,317</u>

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21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(778,676)	60,102
Adjustment for:		
(Gains)/losses on investments	(75,264)	(425,352)
Dividends and interest from investments	(192,351)	(184,842)
Depreciation charges	825,897	737,236
Loss on the sale of fixed assets	17,306	-
Decrease in debtors	(86,546)	8,956
Decrease in creditors	(332,131)	293,329
Capital grants from DfE and other capital income	(26,899)	(27,434)
Defined benefit pension scheme cost less contributions payable	171,000	81,000
Defined benefit pension scheme finance cost	44,000	33,000
Net cash (used in)/provided by operating activities	(433,664)	575,995

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank	228,824	942,405
Cash awaiting reinvestment	263,848	83,577
Total	492,672	1,025,982

23. PENSION COMMITMENTS

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

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

Contributions amounting to £86,134 were payable to the schemes at 31 August 2017 (2016 - 93,270) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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23. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £488,537 (2016 - £453,659).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £256,000 (2016 - £211,383), of which employer's contributions totalled £185,000 (2016 - £143,376) and employees' contributions totalled £71,000 (2016 - £68,007). The agreed contribution rates for future years are 12.7% for employers and 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.

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23. PENSION COMMITMENTS (continued)

As the scheme is in a deficit position the academy is making additional contributions. The agreed rate for the year ended 31 August 2017 was £36,112. The academy has not been advised of how many years, nor at what level, this contribution will continue in future years.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.70 %	2.60 %
Rate of increase for pensions in payment / inflation	2.70 %	2.00 %
Inflation assumption (CPI)	2.70 %	2.00 %

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

	2017	2016
Retiring today		
Males	21.8	23.0
Females	24.3	25.7
Retiring in 20 years		
Males	23.9	25.3
Females	26.6	28.1

	At 31 August 2017 £'000	At 31 August 2016 £'000
Sensitivity analysis		
Discount rate +0.1%	5,108	3,819
Discount rate -0.1%	5,386	4,026
Mortality assumption - 1 year increase	5,420	4,023
Mortality assumption - 1 year decrease	5,076	3,822

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	1,761	1,262
Government bonds	204	148
Other bonds	107	182
Property	204	169
Cash and other liquid assets	138	137
Other	370	230
Total market value of assets	2,784	2,128

The actual return on scheme assets was £397,000 (2016 - £208,000).

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23. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	355,000	253,000
Interest on obligation	44,000	33,000
Admin expenses	1,000	1,000
	<hr/>	<hr/>
Total	400,000	287,000
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening defined benefit obligation	3,921,000	2,607,000
Employee contributions	71,000	68,000
Actuarial losses	856,000	900,000
Benefits paid	(60,000)	(10,000)
Current service cost	355,000	253,000
Interest cost	102,000	103,000
	<hr/>	<hr/>
Closing defined benefit obligation	5,245,000	3,921,000
	<hr/>	<hr/>

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

	2017 £	2016 £
Opening fair value of scheme assets	2,128,000	1,690,000
Actuarial gains	403,000	138,000
Contributions by employer	185,000	173,000
Employee contributions	71,000	68,000
Benefits paid	(60,000)	(10,000)
Interest on assets	58,000	70,000
Administration expenses	(1,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,784,000	2,128,000
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NOTES TO THE FINANCIAL STATEMENTS
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24. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	16,132	24,054
Between 1 and 5 years	26,256	40,763
After more than 5 years	-	1,624
Total	<u>42,388</u>	<u>66,441</u>

25. POST BALANCE SHEET EVENTS

During the course of the year, and in conjunction with the Department for Education and the Academy's sponsors, Governors have agreed that the Academy join its associated schools and academies under an overarching accountability model which complies with government's requirements. Thomas Telford Multi Academy Trust was established on 1 September 2017. This process was established using Sandwell Academy Trust Limited as the corporate vehicle for the MAT. The MAT entered into a Master Funding Agreement with the DfE and, separately, into Supplementary Funding Agreements for Sandwell Academy and the others which joined.

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26. RELATED PARTY TRANSACTIONS

Owing to the nature of the Charitable Company and the composition of the governing board being drawn from local public and private sector organisations, transactions may take place with organisations in which the Charitable Company has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Charitable Company's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account:

NOF Aston, PWS Brewis and HM Fenwick are members of The Mercers' Company which provided sponsorship of £1,200 (2016: £18,168) to the Charitable Company in the year. There were no amounts outstanding at the balance sheet date.

During the year the Charitable Company recharged £17,500 (2016: £17,500) of security costs and received £78,750 (2016: £64,750) relating to EPPP student fees from West Bromwich Albion Football Club.

The Charitable Company held its Year 11 Prom at West Bromwich Albion Football Club at a cost of £5,418 (2016: £6,470 - also includes Sixth Form Prom).

A balance of £4,375 (2016: 4,375) was outstanding at the balance sheet date and is included in trade debtors. There were no other amounts outstanding at the balance sheet date.

West Bromwich Albion Football Club is a sponsor of the academy.

During the year the Charitable Company paid £29,117 (2016: £29,245) of invoiced payroll recharges and £22,910 (2016: nil) for its share of the costs for bank charges, DBS checks and software costs to Telford City Technology College Trust Limited.

During the year the Charitable Company received £4,900 (2016: £29,600) from Telford City Technology College Trust Limited in respect of teacher training services. There were no amounts outstanding at the balance sheet date.

Telford City Technology College Trust Limited is a sponsor of the academy.

Certain Governors' expenses are already disclosed in Note 10.

In entering into the above transactions the academy complied with the requirements of the EFA's Academies Financial Handbook.

27. 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 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.