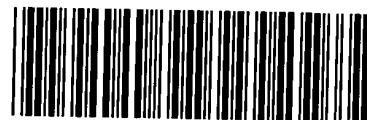


# **TheMidland AcademiesTrust**©

**The Midland Academies Trust  
(A Company Limited by Guarantee)**

**Annual Report and Financial Statements  
Year Ended 31 August 2017**

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COMPANIES HOUSE

**Company Registration Number:  
07191874 (England and Wales)**

**The Midland Academies Trust**

**The Midland Academies Trust  
Contents**

<b>Item</b>	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	4
Governance Statement	16
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditor's Report on the Financial Statements	23
Independent Reporting Accountant's Report on Regularity	26
Statement of Financial Activities incorporating Income & Expenditure Account	28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	31
Other Notes to the Financial Statements	37

## **The Midland Academies Trust**

### **1. Reference and Administrative Details**

**Members:** Mr J Hutchinson  
Mrs M Plant  
Mr T Render

**Trustees:** Mrs K Adair  
Mrs S Beckett (until 1<sup>st</sup> April 2017)  
Mr M Coult  
Mr I Dunn (Vice-chair)  
Mrs L Hagger-Vaughan (appointed 20<sup>th</sup> February 2017)  
Mr J Hutchinson (appointed 11<sup>th</sup> July 2017)  
Mrs W Martin  
Ms A Melville  
Mrs L Penrose (until 12<sup>th</sup> October 2016)  
Mrs M Plant OBE (Chief Executive and Accounting Officer)  
Mr J Ramsay  
Mr T Render (Chair)  
Dr J Walsh

**Company Secretary:** Mrs R Marshall

**Senior Management Team:** Chief Executive and Accounting Officer - Mrs M Plant OBE  
Chief Finance Officer - Mr D Poole  
Executive Principal - Mrs R McMullen (appointed 1<sup>st</sup> December 2016)

**Company Name:** The Midland Academies Trust

**Principal & Registered Office:** North Warwickshire and South Leicestershire College,  
Hinckley Road, Nuneaton, Warwickshire. CV11 6BH

**Company Registration Number:** 07191874 (England and Wales)

<b>Independent External Auditor:</b>	<b>Bankers:</b>	<b>Solicitors:</b>	<b>Independent Internal Auditor:</b>
Grant Thornton UK LLP	Lloyds TSB Bank plc	Eversheds LLP	Moore Stephens LLP
The Colmore Building	Great Hampton Street	Eversheds House	150 Aldersgate
20 Colmore Circus	Birmingham	70 Bridgewater Street	London
Birmingham B4 6AT	B18 6AH	Manchester M1 5ES	EC1A 4AB

## **The Midland Academies Trust**

### **The Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2017. The annual report serves the purpose of both a trustees' report and a directors' report under company law.

Following the merger of William Bradford Academy (a secondary education academy) with Heathfield Academy (a middle school) and the closure of the Midland Studio School Hinckley and Midland Studio School Nuneaton, as from 1<sup>st</sup> September 2016, the Trust operates four academies providing secondary education in North Warwickshire and Earl Shilton in Leicestershire.

### **Structure, Governance and Management**

#### **Constitution**

The Midland Academies Trust (the Trust) is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of The Midland Academies Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Midland Academies Trust.

Details of the trustees who served throughout the year are included in the Reference and Administrative Details on page 3.

#### **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.

#### **Trustees' Indemnities**

The Midland Academies Trust has under the Risk Protection Arrangement an unlimited trustees' liability and indemnity protection.

#### **Method of Recruitment and Appointment or Election of Trustees**

As provided by the Trust's articles of association, the Trust's members appoint trustees and trustees can co-opt up to three trustees. There are clearly defined and approved procedures for the selection and appointment of trustees which are set out in the Trust's Standing Orders. These include application, shortlisting and interviewing procedures. Consideration is given to the skills of trustees which would enhance the effectiveness of the Trust. The Standing Orders are reviewed annually.

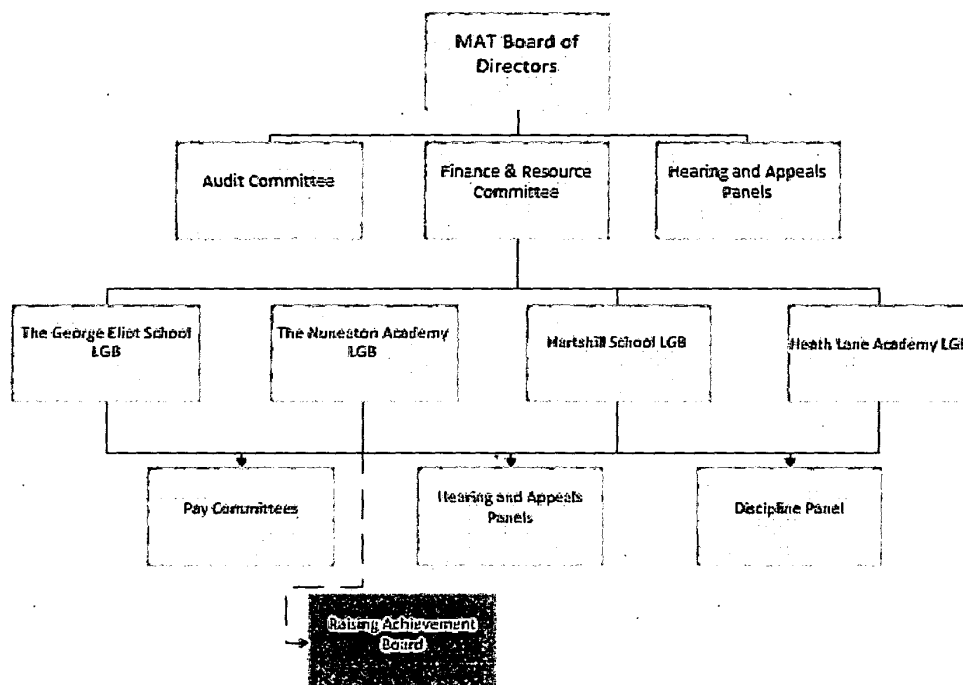
#### **Policies and Procedures Adopted for the Induction and Training of Trustees**

Induction sessions have been developed which aim to introduce new trustees to the role they are about to undertake and to explain the context in which they will work, to enable them to feel more confident at their first meeting.

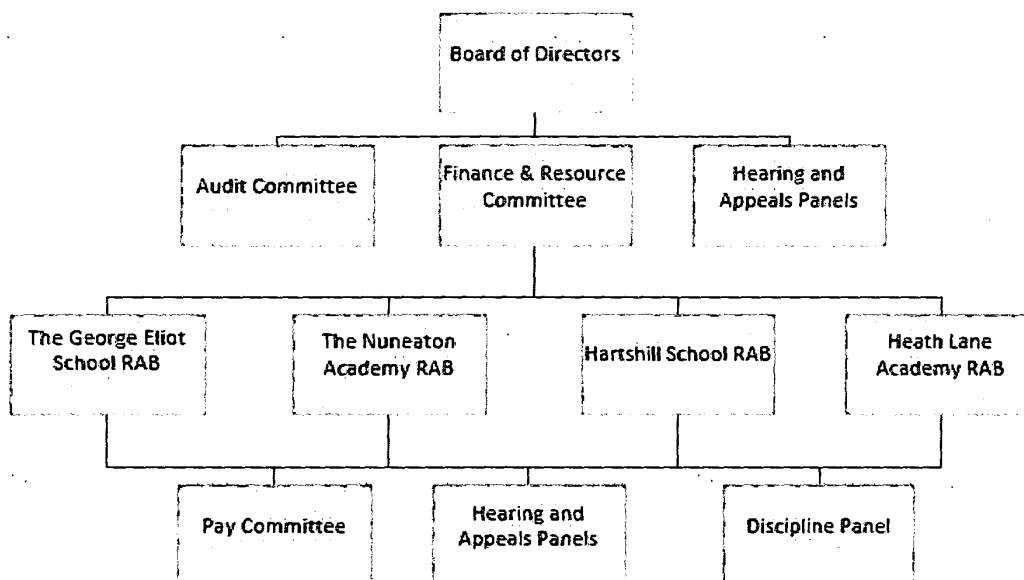
A comprehensive training programme is in place and includes at least once termly in-house training on specialist topics.

## The Midland Academies Trust

### Organisational Structure to 31<sup>st</sup> August 2017



### Organisational Structure from 1<sup>st</sup> September 2017



**Key:** LGB - Local Governing Body    RAB - Raising Achievement Board

The Midland Academies Trust board of trustees (the Board) is required to agree a formal schedule of matters reserved for its decision, i.e. those matters which should not be delegated. As provided by Article 105 of the Articles, the Board may delegate to any Director, committee

## **The Midland Academies Trust**

(including any Local Governing Body), the Chief Executive & Accounting Officer, any Principal or any other holder of an executive office, such of its powers or functions as it considers desirable, to be executed by them. Any such delegation may be made subject to any conditions the Board may impose and may be revoked or altered. To this end the Board has approved a Scheme of Delegation which it reviews annually.

Where any power or function of the Board is exercised by any committee (including any Local Governing Body/Raising Achievement Board), any Director, the Chief Executive & Accounting Officer, any Principal or any other holder of an executive office, that person or committee shall report to the Board in respect of any action taken or decision made with respect to the exercise of that power or function at a Board meeting immediately following the taking of the action or the making of the decision.

The exercise of any delegated power or functions does not include the further delegation of that power, unless expressly provided by the Board.

The objectives of the Scheme of Delegation are to ensure that:

- the exercise of delegated powers and functions occur at the correct level of the corporate governance structure;
- the process of delegating powers or functions is clear, open and transparent;
- the lines of accountability for the exercise of powers or functions are clearly understood by those who are delegated to.

The delegations are phrased so as to clearly express how the delegation is to be exercised and reflect the role of the person or body being delegated to.

The Board also annually approves a Code of Conduct and Standing Orders.

A comprehensive set of Financial Regulations and a Risk Management Policy are in place.

The Midland Academies Trust senior leadership team is made up of the Chief Executive who is also the Accounting Officer, supported by the Chief Finance Officer, the Executive Director Schools (until 14<sup>th</sup> November 2016), the Executive Principal (as from 1<sup>st</sup> December 2016) and the Principals of the four Academies. The Board is also advised by the Company Secretary.

## **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

### **Trustees**

The trustees are unpaid although they can claim reasonable expenses associated with the undertaking of their role in line with the Trust's Financial Regulations which includes an expense policy.

### **Trust Senior Leadership Team**

A service level agreement (SLA) between the Trust and the sponsor, North Warwickshire and South Leicestershire College (formally North Warwickshire and Hinckley College) is in place. This SLA is reviewed annually and is approved by the Trustees. The Chief Executive, Chief Finance Officer and the Company Secretary are all employed by the sponsor. Arrangements are in place under the SLA to pay for the services of the Chief Finance Officer and the Company Secretary. There is currently no charge for the services of the Chief Executive. The Executive Principal and Academy Principals are all employees of the Trust and salary benchmarking activity against multi-academy trust of similar sizes and context is undertaken to set salaries levels which are approved by the Trustees.

## **The Midland Academies Trust**

### **Related Parties and other Connected Charities and Organisations**

The Midland Academies Trust (originally registered as The Nuneaton Academy Trust) was incorporated on 16 March 2010 as a single academy trust. It was formed from two predecessor County Council schools (Manor Park Community School and Alderman Smith School) and operated for its first academic year, commencing 1 September 2010, on the two predecessor sites, moving to the single Radnor Drive site from 1 September 2011.

Subsequent developments have been as follows:

- On 1 September 2011, the trust became a multi-academy trust and the company registered name was changed to The Midland Academies Trust;
- The change to multi-academy trust status was required as The George Eliot School joined the Trust on 1 September 2011;
- On the 1 September 2012 Hartshill School converted to academy status under the Trust;
- On the 1 September 2012, the Trust opened The Midland Studio College (Hinckley);
- On the 1 September 2013 a second studio college, The Midland Studio College (Nuneaton), was also opened;
- On the 1 September 2014 William Bradford Community College converted to academy status under the Trust;
- On the 1 September 2015 the Heathfield Academy joined the Trust.
- Both The Midland Studio Colleges closed on the 31<sup>st</sup> August 2016.
- The William Bradford and Heathfield Academies merged to form the Heath Lane Academy on 1<sup>st</sup> September 2016.

The North Warwickshire and Hinckley College, now known as North Warwickshire and South Leicestershire College (NWSLC) is the sponsor of The Midland Academies Trust and all the academies have strong links with the College.

The role of the sponsor/ educational partner is to:

- share its educational experience;
- appoint sponsor directors;
- appoint the first Principal of any sponsored academy;
- select the academy specialism;
- develop the educational vision for the academy;
- support and assist the Trust and its academies.

NWSLC is an incorporated further education college and exempt charity.

### **Objectives, Strategies and Activities**

#### **Objects and Aims**

The principal object of the Trust as set out in its Articles of Association is specifically restricted to the following:

*"to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools ("the Academies") offering a broad and balanced curriculum".*

## **The Midland Academies Trust**

The Trust intends to establish and maintain, and to carry on or provide for the carrying on of a number of Academies in accordance with its Master Funding Agreement and the academy Supplemental Agreements.

The profile of each of the academies is as follows:

- **The George Eliot School** - the curriculum provided by the Academy to students up to the age of 16 is broad and balanced and provides for students of different abilities. The Academy offers its facilities within the local community. Joined Trust 2010. Ofsted rated Good 2014.
- **Hartshill School** - the curriculum provided by the Academy to students up to the age of 16 is broad and balanced with an emphasis in its secondary education on science and the arts and provides for students of different abilities. The Academy offers its facilities within the local community. Joined Trust 2011. Ofsted rated Requires Improvement 2017.
- **The Nuneaton Academy** - the curriculum provided by the Academy to students up to the age of 19 is broad and balanced and provides for students of different abilities. A consultation is underway regarding the closure of post-16 provision. The Academy offers its facilities within the local community. Joined Trust 2010. Ofsted rated Requires Improvement 2017.
- **Heath Lane Academy** - the curriculum provided by the Academy to students from the ages of 11-19 is broad and balanced and provides for students of different abilities. The Academy offers its facilities within the local community. The Academy was formed following the merger of Heathfield Academy and the William Bradford Academy in August 2016. As the Academy is newly established, it has not been inspected by Ofsted and therefore there is no Ofsted rating to report.

The admission arrangements for the academies are set out within the relevant supplemental funding agreements and comply with the Schools' Admissions Code.

To enable the Trust to achieve its object it has established a mission, a set of values and behaviours and determined a set of aims, referred to as 'commitments' and 'enablers' which are translated into annual objectives.

The Trust's mission was *"To achieve success through learning"*.

The aims of the Trust related to the following areas:

- delivering excellent quality learning, teaching and assessment for all students;
- making a positive local impact in the communities around us
- cultivating enterprise and growth opportunities to secure our financial sustainability
- developing our people to ensure success
- ensuring we provide cost effective business support to all parts of our Trust

To deliver the Trust's mission and achieve its aims, the Trust has developed a three year strategic plan containing a series of objectives under the aims, previously described.

The Trust produces an annual operating plan setting out the strategies and activities the Trust is taking to deliver these strategic aims. Progress against the most significant actions within the operating plan is monitored each month by the Board.

To deliver its strategic objectives the Trust works within its set of agreed values, to:

- continually strive for excellence;
- act with integrity;
- be accountable;
- nurture;
- inspire;
- be entrepreneurial and responsive;



## **The Midland Academies Trust**

- respect, support and challenge.

The Trust appointed an Executive Principal who joined in December 2016 and who is responsible, alongside the CEO, for ensuring the development of practice across all the schools to ensure that the Trust works towards its objectives and within the agreed values. The Trust has subsequently focussed on improving the level of challenge and intervention and ensuring consistency across the schools; building a strong collaborative brand with a common curriculum and staffing structure across the schools; maximising the opportunities for collaborative working amongst students and staff; building a sustainable financial position, and leadership capacity for the future. These key areas have resulted in a curriculum and staffing restructure, a review of governance and a range of new monitoring processes – all have which have been regularly reported on to the Board.

## **Public Benefit**

The Board of Trustees has complied with its duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

'Public benefit' is the legal requirement that every organisation set up for one or more charitable purposes must be able to demonstrate that its aims are for the public benefit. The charitable purpose of the Trust is the advancement of education.

The four secondary schools in the MAT have seen much development during the academic year 2016-17. The Nuneaton Academy continued to make progress following its removal from special measures the previous year; a monitoring visit from OFSTED in May indicated the school was making progress and had good leadership and capacity. GCSE results at the end of the year showed that the 'basics' measure had more than doubled in 2 years.

The George Eliot School which had demonstrated improved performance the previous year, experienced a period of leadership turbulence and, while GCSE outcomes declined in 2017, the new leadership team is clearly making a difference to the school's perception in the community and there is a renewed community confidence in the school with a rising student intake.

Hartshill School, whose performance had declined the previous year, saw a pleasing rise in GCSE outcomes under new and stable leadership.

Heath Lane Academy delivered its first set of student outcomes in 2017 having opened in September 2016 following the merger of Heathfield Academy and William Bradford Academy. The A-level results maintained the high standard which had been set by William Bradford and the GCSE results delivered a Progress 8 measure above floor standard.

The headline measure below (5 GCSEs at A\*-C, including English and maths) was the Department for Education's (DfE) standard measure until 2016 and is included alongside the new Progress 8 measure.

# Strategic Report

## Achievements and Performance

**Headline success rates (GCSEs 5+, A-C, including English and Mathematics) and Progress 8.**

	The Nuneaton Academy	The George Eliot School	Hartshill School	Heath Lane Academy
2014-15 5+EM	21%	48%	51%	Opened Sept 16
2015-16 5+EM	30%	59%	41%	
2015-16 Pro 8	-0.78	-0.16	-0.48	
2016-17 5+EM	41%	45%	48%	33%
2016-17 Pro 8 (Provisional)	-0.97	-0.84	-0.42	-0.37

The progress 8 measure at The Nuneaton Academy indicates a need to ensure that all students take 8 subjects to GCSE (something which has now been enabled by a staffing restructure) and the almost doubling of the amount of students achieving five good passes at GCSE including English and Maths between 2015 and 2017 is a strong indicator of an improving school.

The decline in results at George Eliot School has been addressed by a change in leadership and the new leadership at Hartshill has seen the beginnings of improvement in both progress 8 measures and the amount of students obtaining five good GCSEs including English and Maths.

The achievements of the Trust in 2016-17 include:

- The appointment of an Executive Principal who joined the Trust in December 2016
- A restructuring of all posts within the schools in order to establish a common staffing structure for the purposes of collaborative development
- A common curriculum developed for implementation across the Trust in September 2017
- OFSTED monitoring visit to The Nuneaton Academy indicating good progress and confidence in both the Academy and Trust leadership at operational and governance level.
- OFSTED inspection of Hartshill School indicating confidence in the new leadership team and the Trust
- New Continuing Professional Development programme prepared for all staff across the Trust based on collaborative working practices for curriculum and pedagogy development.

## **The Midland Academies Trust**

### **Equality of opportunity and the employment of disabled persons**

The Midland Academies Trust is committed to ensuring equality of opportunity for all who learn and work within it. Through its core values it respects and values positively differences in race, gender, able-bodiedness, sexual orientation, class and age. The Trust strives vigorously to remove conditions, which place individuals at a disadvantage. This policy is resourced, implemented and monitored on a planned basis. The Trust's Equality policy is published on the Trust website.

The Trust considered all applications for employment from disabled persons. An applicant who is disabled and satisfies all the essential criteria of the post is guaranteed an interview. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the Trust continues. The Trust's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

We have a comprehensive series of Workforce policies in place to support managers and leaders in guiding staff through processes affecting their employment within the MAT. These policies enable us to apply consistent employment practice approaches across the organisation and are tailored to ensure that both new and existing employees are able to learn about how we operate and what staff can expect from us as well as what we expect from staff. We are committed to ensuring any change management programme required is implemented sensitively and effectively to ensure minimal impact to staff and students alike. This will include engaging and communicating with staff and their representatives from the beginning of the process and providing assurances around a transparent and fair process. In addition, we would expect to meet with all staff on an individual basis to explore their professional/personal circumstances and to allow opportunity to raise any questions that may arise as part of the change programme.

### **Key Performance Indicators**

The Finance and Resources Committee monitor actual performance against budget and cash flow forecast during the period being reported. Financial KPIs and non-financial indicators used are as follows;

- Staff Costs as a % of GAG which was above the ESFA recommended guideline of 80% for the year, however this was actioned by a Trust wide restructure.
- Expenditure types as a % of total expenditure performed within target as the forecast results were met.
- Average staff cost per FTE was a monitoring KPI for information for the Finance and Resources Committee.
- Average staff cost per Pupil was a monitoring KPI for information for the Finance and Resources Committee.
- Staff Cost split by Staff type as a % of total Staff Costs was a monitoring KPI for information for the Finance and Resources Committee.
- Strategic Objective Monitoring showing completion status of Trust Objectives such as progress 8 attainment. (seen in page 12 and 13)
- Monitoring and reporting of headline measures regarding exam results (seen on page 8)
- Staffing KPIs such as % sickness absence, split of pay by gender reported to the Board every meeting.
- Student data is also analysed and reported on within Board reports, with KPIs such as Contact Ratios, % disadvantaged children, student numbers versus projections.
- Further financial and non-financial indicators will be developed as the Trust develops.

## **The Midland Academies Trust**

### **Going Concern**

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

### **Financial Review**

The principal source of funding for the Trust is the General Annual Grant (GAG), together with Pupil Premium. Expenditure has supported the key financial objectives of the Trust which are to:

- i. Efficiently expend Trust funds to effectively support the Trust's educational plans and ambitions;
- ii. Ensure the on-going solvency of each Academy;
- iii. Work efficiently with the sponsor and other educational institutions to efficiently share costs;
- iv. Minimise the scope for claw-back
- v. Improve the Trust estate over the short and medium term

# **The Midland Academies Trust**

## **Summary revenue income and expenditure**

	2017 £'000	2016 £'000
<b>Revenue income</b>		
<i>Revenue grants</i>		
General Annual Grant (GAG)	15,596	16,992
Pupil premium	1,028	1,099
Start-Up Grants (SUG)	6	246
Lead-in and implementation grant		0
Other DfE / EFA grants	56	0
Other LA/Government revenue grants	317	0
Non-Government revenue grants	0	0
Other revenue grants	0	735
<i>Self-generated income</i>	0	
Inherited current assets and liabilities (cash)	0	140
Other Trading Activities	517	573
Other self-generated income	0	15
<b>Total revenue income</b>	<b>17,520</b>	<b>19,800</b>
<b>Revenue expenditure</b>		
Staff costs	14,773	15,836
<i>Non-pay expenditure</i>		
- Estate costs	1,293	1,361
- Educational supplies & services	1,985	2,496
- Other supplies & services	1,432	1,639
- Governance costs	68	90
<b>Total revenue expenditure</b>	<b>19,551</b>	<b>21,422</b>
<b>Net revenue income/(expenditure) for the year</b>	<b>(2,031)</b>	<b>(1,623)</b>
Revenue funding used to pay for capital expenditure	0	0
<b>Revenue surplus/(deficit) for the year</b>	<b>(2,031)</b>	<b>(1,623)</b>
<b>Reconciliation to Statement of Financial Activities:</b>		
Net income/(expenditure) for the year - Unrestricted Funds	(17)	588
Net income/(expenditure) for the year - Restricted General Funds	(2,015)	(2,210)
	<b>(2,031)</b>	<b>(1,623)</b>

The above summary only represents accrual accounting of revenue income and expenditure, shown in the Statement of Financial Activities under 'Unrestricted Funds' (net income / (expenditure) for the year (£17k)) and 'Restricted General Funds' (net income / (expenditure) for the year (£2,015k)) and therefore does not include depreciation and capital expenditure. Excluding transfers between restricted funds, and before gains and losses associated with

## **The Midland Academies Trust**

pensions, during the period ending 31 August 2017, total expenditure of £20,662k (2016: £23,217k) was more than recurrent grant funding of £18,368k (2016: £19,897k); and other incoming resources of £517k (2016: £583k). The excess of expenditure over income for the period was -£1,778k (2016: £865k). This has now been addressed through a Trust-wide restructure which has introduced a new cost effective staffing structure for each school, alongside a merger of two schools and a recovery plan with the ESFA.

At 31 August 2017 the net book value of fixed assets was £34,086k (2016: £34,030k), and movements in fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academies.

The Trust's non - teaching staff is entitled to membership of the Local Government Pension Scheme. The Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy's balance sheet shows a net liability of £6,822k (2016: £9,259k). This is not a controllable deficit, however this has reduced from the prior year due to a revaluation.

The Trust's budget for 2017-18 shows a planned surplus of £41k (2016-17: deficit of £1,041k) for that year. Including the cumulative funds to be carried forward of £27,627k for the current year, results in a total of unrestricted (£2,540k) and restricted (-£2,689k) negative funds of £149k for academic year 2017-18. The vast majority of these funds are represented by fixed assets (£34,598k) and pension reserve (-£6,822k) Given the subsequent decrease in the size of the Trust and the uncertainty over levels of funding, it is not possible to reliably predict the Trust's financial position beyond this planning period, although three year financial plans have been prepared.

## **Financial and Risk Management Objectives and Policies**

The Trust's financial and risk management objectives are documented in its:

- i. Official budgets;
- ii. Scheme of Delegation;
- iii. Financial Regulations;
- iv. Risk Management Policy.

These documents are available on request, and particular items which warrant specific disclosure are noted within this annual report.

## **Reserves Policy**

The Trust's policy on reserves is to maintain sufficient reserves to enable the Trust to operate effectively in what is becoming a less certain economic and funding environment, to address any current year shortfall in funding, or to use them in the on-going investment in the Academy estate, subject to satisfying terms and conditions of the grant funding. The Trust currently holds unrestricted and restricted income reserves in deficit of -£149k, and the Trust has a 3 year financial plan to recover this position. Detailed descriptions of the purpose and nature of the reserves are within Note 18 to the accounts.

## **Investment Policy**

All investments are made in accordance with the policy of the Trust. The Trust's policy on investments is one of minimum risk, with all investments being held with the Trust's bankers. The Trust will nevertheless seek to maximise interest receipts within this arrangement. Investments are made with regard to Charity Commission guidance in relation to investments.

## **The Midland Academies Trust**

### **Principal Risks and Uncertainties**

The Board has considered the risks faced by the Trust throughout its normal operational business. It has sought to address the risks faced by the Trust by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Board considers that these arrangements have been effective throughout the period being reported.

The Board has established a formal risk management policy, which has formally documented the managerial action that is taking place, and enables risk management to be systematic.

At the time of reporting, the Trust's identified key risks are:

- Progress and attainment of students is not delivered at pace;
- Estates do not comply with legislative and regulatory requirements;
- Student numbers fall and budgets are not managed;
- IT support to teaching and learning is not at the required level;
- The above key risks not managed and reputation is damaged.

Mitigating action, both current and planned, has been identified to address these risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood.

### **Plans for Future Periods**

The future plans for the Trust include:

- i. Improving outcomes for students
- ii. Continued development of governance and management processes and structures in light of experience over time
- iii. A continuous assessment of Trust viability.

### **Funds Held as Custodian Trustee on Behalf of Others**

No funds are held as a Custodian Trustee on behalf of others.

### **Auditor**

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its behalf by:

**Signed**



**Tim Render - Chair**

## **The Midland Academies Trust**

**Date:** 12<sup>th</sup> December 2017

# **Governance Statement**

## **Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Midland Academies Trust and the Secretary of State for Education. The Chief Executive is responsible for reporting to the board of trustees any material weaknesses or breakdown in internal control.

The Accounting Officer for the Trust is, Marion Plant OBE, who is also the Chief Executive of the Midland Academies Trust.

## **Governance**

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met on six occasions during the academic year 2016-2017. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Attendance</b>	<b>Out of a Possible</b>
Mrs K Adair	5	5
Mrs S Beckett (resigned 1.4.17)	3	3
Mr M Coult	5	5
Mr I Dunn	4	5
Mrs L Hagger-Vaughan (appointed 20.2.17)	3	3
Mrs W Martin	4	5
Ms A Melville	5	5
Mrs M Plant (Chief Executive & Accounting Officer)	5	5
Mr J Ramsay	5	5
Mr T Render (Chair)	5	5
Dr J Walsh	4	5

The membership of the board of trustees was stable during 2016-2017 with two resignations and one appointment.

Particular issues dealt with by the board of trustees during 2016-2017 included:

- i. the appointment of an Executive Principal;
- ii. the scrutiny and approval of a Trust wide curriculum and staffing re-structure;



### **The Midland Academies Trust**

- iii. considering the outcomes of summer 2016 GCSE results and action plans;
- iv. approving and scrutinising the annual strategic plan for 2016-2017;
- v. working to ensure leadership capacity across all Trust academies / schools;
- vi. undertaking a governance review and scrutinising and approving the resulting recommendations;
- vii. developing and ensuring the robustness of academy / school data;
- viii. reviewing proposals to continue to develop shared service with North Warwickshire and Hinckley College;
- ix. reviewing risk management activity as a standing item and approving the Risk Management Policy on the recommendation of the Audit Committee.

On the 12<sup>th</sup> July 2016, the Board agreed that there should be a review of Local Governing Body (LGB) governance. Options and proposals were put forward at the Board's Strategy Day in April 2017 to address a number of issues which had been identified over time.

The Board discussed these options and provided a number of steers to further inform the review, requesting the presentation of a final paper for decision at the Board meeting on 11<sup>th</sup> July 2017. That paper set out a number of weaknesses relating to the current model of LGB governance, highlighted external and internal drivers for change, identified the aims and intended outcomes of the review and provided a raft of recommendations and options, together with a rationale for each. All but one recommendation was approved and it was agreed that an external governance review be commissioned towards the end of the academic year 2017-2018 to review and evaluate the effectiveness and impact of the outcomes of the Trust review and make recommendations for further improvements or changes.

The following recommendations have been implemented:

- Local level governance to be undertaken through a single body for each academy/school (a Raising Achievement Board).
- The change of title from Local Governing Bodies to RABs.
- Re-definition of the purpose, role and core functions of RABs.
- Revised RAB membership.
- Revised guidance on the appointment and tenure of RAB chairs.
- Refreshed RAB chair purpose and role description.
- A single Pay Committee to be constituted.
- Strengthening of Board/RAB engagement.

The **Finance and Resource Committee** is a sub-committee of the main board of trustees. It is responsible for:

- the detailed consideration of to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academy finances and resources, including proper planning, monitoring and probity.
- receiving reports from members of Academy staff about matters relating to any of the issues listed in its terms of reference.
- scrutinising Trust budgets and financial arrangements.

The Committee meet on six occasions during the academic year 2016-2017.

## The Midland Academies Trust

Director (Trustee)	Attendance	Out of a Possible
Ian Dunn	5	6
Wendy Martin	5	6
Ann Melville (Chair)	5	6
Marion Plant (Chief Executive & Accounting Officer)	6	6
Tim Render	6	6

Particular issues dealt with by the Committee during 2016-2017 included:

- reviewing financial performance reports;
- scrutinising the medium term financial plan for 2017/18- 2019/20 and budget for 2017-2018;
- considering the Estates strategy and capital projects programme;
- monitoring compliance reviews and health and safety audits for academies / schools;
- receiving staffing updates.

The **Audit Committee** is a sub-committee of the main board of trustees. It is responsible for:

- reviewing the risks to internal financial control and agree a programme of work that will address these risks, inform the statement of internal control and, so far as possible, provide assurance to the external auditors.
- receiving reports from members of Academy staff about matters relating to any of the issues listed in their terms of reference.
- scrutinising the Trust's internal controls systems and risk management arrangements.

The Committee meet on four occasions during the academic year 2016-2017.

Trustee	Attendance	Out of a Possible
Kate Adair	4	4
Mr M Coult	4	4
Mr J Ramsay	4	4

Particular issues dealt with by the Committee during 2016-2017 included:

- reviewing risk management activity as a standing item;
- agreeing the Risk Management Policy for recommendation to the Board;
- agreeing the Internal Audit Strategy for recommendation to the Board;
- scrutinising internal audit reports;
- receiving the External Audit Service audit plan, audit findings report, a discussion paper on fraud and assessment and updates on accounting and auditing standards and guidelines.

## **The Midland Academies Trust**

### **Review of Value for Money**

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

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

- utilising services offered in the wider Learning Group effectively,
- driving educational benefit from a Trust wide successful futures program,
- driving efficiencies through Group procurement and learning from excellent schools / trusts by working with Heads from these other areas.

### **The Purpose of the System of Internal Control**

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

### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that have been in place for the period 1<sup>st</sup> September 2016 to 31<sup>st</sup> August 2017 and up to the date of approval of the annual report and financial statements.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget recommended by the Finance and Resources Committee and approved by the Board;
- periodic financial reports which are reviewed and agreed by the Board's Finance and Resources Committee;
- the establishment of an experienced management framework, to oversee financial management within the Trust;
- the development of robust financial regulations and procedures, and the establishment of audit requirements;

## **The Midland Academies Trust**

- delegation of authority and segregation of duties;
- identification and management of risks on a more systematic basis for all academies and the Trust.

The board of trustees has considered the need for a specific internal audit function and in December 2016 appointed Moore Stephens as the internal auditors for the Trust, effective from 9 March 2017. Moore Stephens have carried out their role since appointment.

The Audit Committee Annual report sets out the work undertaken by Moore Stephens LLP which is reported to the board of trustees through the Audit Committee on the operation of the systems of control.

All internal audit reports are reviewed for accuracy and the Midland Academies Trust has implemented the recommendations made in these reports.

## **Review of Effectiveness**

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of the reviews of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.


Approved by order of the members of the Trust on 12 December 2017 and signed on its behalf by:

**Signed:**



**Tim Render**  
Chair

**Signed:**



**Marion Plant OBE**  
Chief Executive & Accounting Officer

#### 4. Statement of Regularity, Propriety and Compliance

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

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

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

Signed:

*M. G. Plant*

Marion Plant OBE

Chief Executive and Accounting Officer

Date: 12 December 2017

## 5. Statement of Trustees' Responsibilities

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

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

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

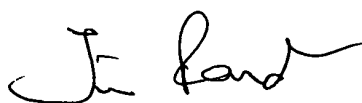
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the board of trustees on 12 December 2017 and signed on its behalf by:

**Signed**



**Tim Render**  
Chair



## **Independent auditor's report to the members of The Midland Academies Trust Opinion**

We have audited the financial statements of The Midland Academies Trust ('the charitable company') for the year ended 31 August 2017 which comprise the Statement of Financial Activities (including the income and expenditure account), the Balance Sheet, the Cash Flow Statement and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

### **Basis for opinion**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

### **Who we are reporting to**

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' report set out on pages 4 to 15, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matter 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 Strategic Report and Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

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

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

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

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



## Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the trustees (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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

*Grant Thornton UK LLP*

William S Devitt  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham

*20 December 2017*



## Independent reporting accountant's assurance report on Regularity to The Midland Academies Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Midland Academies Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of The Midland Academies Trust's Accounting Officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Midland Academies Trust's funding agreement with the Secretary of State for Education dated 28 July 2011 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 period 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 trust's income and expenditure.

## The Midland Academies Trust

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

### 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 period 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.

Grant Thornton UK LLP

Reporting Accountant

Grant Thornton UK LLP  
Chartered Accountants  
Birmingham

20 December 2017

# The Midland Academies Trust

## The Midland Academies Trust

### Statement of Financial Activities for the year ended 31 August 2017 (including Income and Expenditure Account)

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Note	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	1,364	1,364	824
Transfer from local authority on conversion		-	-	-	-	3,603
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	4	-	17,004	-	17,004	19,073
Other trading activities	5	517	-	-	517	573
Investments	6	-	-	-	-	-
Other Income		-	-	-	-	11
<b>Total</b>		<b>517</b>	<b>17,004</b>	<b>1,364</b>	<b>18,885</b>	<b>24,083</b>
<b>Expenditure on:</b>						
Raising funds	7	361	-	-	361	342
<b>Charitable activities:</b>						
Academy trust educational operations	8	172	19,018	1,110	20,301	22,875
Other		-	-	-	-	-
<b>Total</b>		<b>534</b>	<b>19,018</b>	<b>1,110</b>	<b>20,662</b>	<b>23,217</b>
<b>Net income / (expenditure)</b>		<b>(17)</b>	<b>(2,015)</b>	<b>254</b>	<b>(1,778)</b>	<b>865</b>
<b>Transfers between funds</b>	18	-	-	-	-	-
<b>Other recognised gains / (losses):</b>						
Profit/(loss) on disposal of fixed assets	7	-	-	(83)	(83)	(6,370)
Actuarial (losses) / gains on defined benefit pension schemes	18,29	-	3,016	-	3,016	(3,003)
<b>Net movement in funds</b>		<b>(17)</b>	<b>1,001</b>	<b>171</b>	<b>1,155</b>	<b>(8,508)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		2,557	(10,513)	34,427	26,471	34,979
<b>Total funds carried forward</b>		<b>2,540</b>	<b>(9,511)</b>	<b>34,598</b>	<b>27,627</b>	<b>26,471</b>

All of the academy trust's activities derive from continuing operations during the above two financial periods.

# The Midland Academies Trust

## Balance Sheet as at 31 August 2017

Company Number 07191874

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
<b>Fixed assets</b>					
Intangible assets	13		2		
Tangible assets	14		34,086		34,030
<b>Current assets</b>					
Stock	15	13		27	
Debtors	16	559		779	
Cash at bank and in hand	25	<u>2,981</u>		<u>3,967</u>	
		3,553		4,773	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	17	<u>(3,193)</u>		<u>(3,073)</u>	
		(3,193)		(3,073)	
<b>Net current assets</b>			360		1,700
<b>Total assets less current liabilities</b>			34,449		35,730
Creditors: Amounts falling due after more than one year					
<b>Net assets excluding pension liability</b>			<u>34,449</u>		<u>35,730</u>
Defined benefit pension scheme liability	29		<u>(6,822)</u>		<u>(9,259)</u>
<b>Total assets</b>			<u>27,627</u>		<u>26,471</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	18	34,598		34,427	
Restricted income fund	18	(2,689)		(1,254)	
Pension reserve	18	<u>(6,822)</u>		<u>(9,259)</u>	
<b>Total restricted funds</b>			25,087		23,914
<b>Unrestricted income funds</b>					
General fund	18	2,564		2,536	
Designated fund	18	<u>(24)</u>		<u>21</u>	
<b>Unrestricted income funds</b>			<u>2,540</u>		<u>2,557</u>
<b>Total funds</b>			<u>27,627</u>		<u>26,471</u>

The financial statements on pages 28-58 were approved by the trustees, and authorised for issue on 12th December 2017 and are signed on their behalf by.



Tim Render  
Chair

**The Midland Academies Trust**

**Statement of Cash Flows  
for the year ended 31 August 2017**

	Notes	2017 £'000	2016 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	22	(1,186)	89
<b>Cash flows from investing activities</b>	24	200	(70)
<b>Cash flows from financing activities</b>	23	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(986)</u>	<u>20</u>
<b>Cash and cash equivalents at 1 September 2016</b>	25		3,967
<b>Cash and cash equivalents at the 31 August 2017</b>	25	<u>2,981</u>	

## **The Midland Academies Trust**

# **Notes to the Financial Statements for the year ended 31 August 2017**

### **1. Statement of Accounting Policies**

#### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

#### **Going concern**

The directors 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 company to continue as a going concern. The directors make this assessment in respect of a period of one year from the date of approval 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.

#### **Income**

All incoming resources are recognised when the Midland Academies Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

##### **o Grants receivable**

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

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

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

## **The Midland Academies Trust**

### **o Sponsorship Income**

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

### **o Donations**

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

### **o Other income**

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

### **o Donated services and gift in kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as income, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed assets category and depreciated over the useful economic life in accordance with academy trust's accounting policies.

Warwickshire County Council has entered into a construction contract with Shephard Construction Limited to modernise various buildings of The Nuneaton Academy. Once work is completed, the current 5-year lease that ended on the 31 August 2015 - will be replaced with a 125-year lease with Warwickshire County Council for a peppercorn rent.

On 1 September 2012 Hartshill School joined the Trust and assets have been transferred from Warwickshire County Council on conversion. The land and buildings have been valued in accordance with the RICS Valuation - Professional Standards, 8th Edition, as published by the Royal Institution of Chartered Surveyors, in so far as they are consistent with the Charities SORP, financial reporting standards and HM Treasury FReM interpretation.

The Midland Studio College Hinckley (opened on 1 September 2012) has agreed a 48-year lease - ending on and including 23 August 2060 - with North Warwickshire & Hinckley College for a peppercorn rent. On the 11<sup>th</sup> August 2016, the college corporation, with the agreement of the Midland Academies Trust directors, agreed to assign the lease to the Secretary of State for Communities and Local Government.

## **Critical accounting estimates and areas of judgement**

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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pension liability at 31 August 2017. Any differences



## **The Midland Academies Trust**

between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Other significant estimates such as accrued income and expenditure and depreciation are shown in notes 13-17 and policies are shown with the accounting policies note 1.

### **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 the time spent, and depreciation charges allocated on the portion of the asset's use.

#### **o Expenditure on Raising Funds**

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

#### **o Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

### **Tangible fixed assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

## **The Midland Academies Trust**

- |                           |             |
|---------------------------|-------------|
| o Freehold buildings      | 30-50 years |
| o Leasehold buildings     | 50 years    |
| o Furniture and equipment | 10 years    |
| o Computer equipment      | 4 years     |
| o Motor Vehicle           | 5 years     |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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. Impairments losses are recognised in the Statement of Financial Activities.

No depreciation is charged in the year of acquisition on tangible assets.

### **Transfer on conversion**

Valuations for assets transferred from Local Authorities on conversion are made in accordance with the RICS Valuation - Professional Standards, 8th Edition, as published by the Royal Institution of Chartered Surveyors, in so far as they are consistent with the Charities SORP, financial reporting standards and HM Treasury FReM interpretation.

### **Estimates**

Asset records detailing clear values at the point of transfer from predecessor schools were not available for all fixed assets to enable accurate opening values. In order to estimate a transfer value the Trust has identified the assets transferred, obtained cost estimates and applied an adjustment to represent consumption at the assets' useful economic lives at transfer. This is considered to provide reasonable estimate of the value of the assets for initial recognition proposes but should be regarded as a significant estimate in relation to the accounts.

### **Intangible fixed assets**

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful economic lives. No amortisation is charged in the year of acquisition on intangible assets.

- |            |         |
|------------|---------|
| o Software | 4 years |
|------------|---------|

## **The Midland Academies Trust**

### **Leased Assets**

Rentals under operating leases are charged on an annual, quarterly or monthly basis over the lease term.

### **Financial Instruments**

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

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

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

Financial liabilities -trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### **Stock**

All stock is valued at the lower of cost or net realisable value.

### **Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### **Pensions Benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. These contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 29, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is

## **The Midland Academies Trust**

therefore treated as a defined contribution scheme and contributions recognised as they are paid each year.

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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

## **Fund Accounting**

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

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

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

# The Midland Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State some academies within the academy trust were 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 trust has not exceeded these limits during the year ended 31 August 2017.

### 3 Donations and capital grants

	Unrestricted Funds £'000	Restricted Funds £'000	Restricted Fixed Asset Funds £'000	Total 2017 £'000	Total 2016 £'000
<b>DfE/ESFA Capital grants</b>					
.School Condition Allocation Fund (SCA)	-	-	1,296	1,296	745
.Devolved Formula Capital (DFC)	-	-	68	68	75
			1,364	1,364	820
Donated fixed assets	-	-	-	-	-
School Fund Income	-	-	-	-	2
Other Donations	-	-	-	-	2
<b>Total Donations and Capital Grants</b>	-	-	1,364	1,364	824
<b>2016 total</b>	4	-	820	824	

### 4 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
<b>DfE / ESFA grants</b>				
. General Annual Grant (GAG)	-	15,596	15,596	16,992
. Pupil Premium	-	1,028	1,028	1,099
. Start Up Grants	-	6	6	246
. Other DfE/ESFA grants	-	56	56	308
	-	16,687	16,687	18,645
<b>Other Government grants</b>				
. Local authority grants	-	139	139	245
. Special needs income	-	178	178	190
	-	317	317	434
<b>Other income from the academy trust's educational operations</b>				
. Awards for all	-	-	-	(7)
. Other non-government grants	-	-	-	-
	-	-	-	(7)
<b>Total Funding</b>	-	17,004	17,004	19,073
<b>2016 total</b>	-	19,073	19,073	

Any income with unfulfilled conditions and other contingencies has been deferred into the next financial year (£172k)

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017  
(continued)**

**5 Other Trading activities**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Educational visits	88	-	88	69
Hire of facilities	23	-	23	74
Non- teaching Income	75	-	75	-
Other teaching income	-	-	-	-
Sales of meals	307	-	307	236
Supplies and services contribution	-	-	-	141
Uniform sales	24	-	24	53
<b>Total Other Trading Activities</b>	<b>517</b>	<b>-</b>	<b>517</b>	<b>573</b>
<b>2016 total</b>	<b>573</b>	<b>-</b>	<b>573</b>	

**6 Investment income**

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	-	-	-	-
<b>Total Investment Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2016 total</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**7 Expenditure**

	Staff Costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds	-	-	361	361	342
Academy's educational operations:					
Direct costs	11,770	-	1,667	13,437	14,872
Allocated support costs	3,003	1,293	2,651	6,947	8,004
<b>Total Expenditure</b>	<b>14,773</b>	<b>1,293</b>	<b>4,680</b>	<b>20,745</b>	<b>23,217</b>

Net income/(expenditure) for the period includes:

	2017 £000	2016 £000
Operating lease rentals - Land and buildings	-	-
Operating lease rentals - Equipment	61	-
Depreciation	1,110	1,699
(Gain)/loss on disposal of fixed assets	83	6,370
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	-	96
Fees payable to auditor for:		
- audit	21	20
- other services	10	5

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

**8 Charitable Activities**

	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Direct costs – educational operations	13,437	14,872
Support costs – educational operations	6,947	8,004
<b>Total Charitable Activities</b>	<b>20,384</b>	<b>22,875</b>

**Analysis of support costs**

	<b>Educational</b>	<b>Total</b>	<b>Total</b>
	<b>operations</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Support staff costs	3,003	3,003	3,138
Depreciation	1,110	1,110	1,699
Technology costs	41	41	76
Premises costs	1,293	1,293	1,361
Other support costs	1,432	1,432	1,639
Governance costs	68	68	90
<b>Total support costs</b>	<b>6,947</b>	<b>6,947</b>	<b>8,004</b>

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

**9 Staff**

**9a. Staff costs**

Staff costs during the period were:

	<b>Total</b>	<b>Total</b>
	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	10,927	11,642
Social security costs	1,035	978
Operating costs of defined benefit pension schemes	1,671	1,825
Apprenticeship Levy	13	-
	<b>13,647</b>	<b>14,446</b>
Supply staff costs	750	943
Staff restructuring costs	120	128
<b>Total Staff Costs</b>	<b>14,517</b>	<b>15,516</b>
Staff restructuring costs comprise:		
Redundancy payments	120	128
	<b>120</b>	<b>128</b>

**9b. Non statutory/non contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £120,255 (2016: 127,722). Individually, the payments were:

£585.30	£397.58	£3,840.64	£1,337.31	£2,228.46	£618.02	£594.30
£198.12	£771.39	£3,823.82	£964.26	£5,882.36	£518.10	£16,220.65
£10,024.50	£11,736	£200.75	£185.00	£2,196.46	£892.20	£633.20
£2,738.70	£848.60	£4,461.37	£802.44	£1,800.56	£14,162.36	£7,335
£927.70	£11,254.17	£1,317.46	£10,758			

**9c. Staff numbers**

The average number of persons (including senior management team) employed by the Academy during the year ended 31 August 2017 expressed as full time equivalents was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers	165	155
Administration and support	138	154
Management	36	43
<b>Total Staff Numbers</b>	<b>338</b>	<b>352</b>



**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

**9d. Higher paid staff**

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

	2017 No.	2016 No.
£60,001 - £70,000	7	5
£70,001 - £80,000	3	2
£80,001 - £90,000	3	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
	<hr/> 13	<hr/> 9

**9e. Key Management Personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 3. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,042,207 (2016: £734,071).

## The Midland Academies Trust

### Notes to the Financial Statements for the year ended 31 August 2017 (continued)

#### 10 Central Services

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

- Business Management services: this service is provided on a actual cost basis of the pay costs of the Trust's Head of Academies' Business Management.
- Estate Management services: this service is provided on a actual cost basis of the pay costs of the Trust's Head of Estates and Facilities.
- Educational support services: this service is provided on an actual cost basis of appointed Educational Consultants as part of the Successful Futures Programme.
- Financial services: this service is provided on a actual cost basis of the pay costs of the Trust's Finance Manager.
- Estates, Marketing, Clerking, HR and payroll services; these services are provided on an actual cost basis of the SLA with North Warwickshire and Hinckley College
- Human Resources, Payroll and Finance systems, Governance training and other back office contracts; provided on an actual cost basis of Trust level contracts for all academies.
- Payroll services: this service is provided on a actual cost basis of the pay costs of the Trust's Payroll Coordinator.

The trust charges for these services on the following basis:

These services are divided over all academies as a percentage based on their GAG allocation as a percentage of the total MAT GAG allocation.

The actual amounts charged during the year were as follows:

	2017	2016
	£'000	£'000
- The Nuneaton Academy	208	242
- The George Eliot School	240	205
- Hartshill School	315	278
- The Midland Studio College Hinckley		39
- The Midland Studio College Nuneaton		35
- William Bradford Academy		88
- Heathfield Academy		70
Heath Lane Academy	171	-
	<hr/>	<hr/>
	934	956

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

**11 Related Party Transactions - Trustees' Remuneration and Expenses**

Principal and staff governors only receive remuneration in respect of services they provide undertaking the role of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors.

During the period ended 31 August 2017, there was no travel and subsistence expenses reimbursed or paid directly to any trustee (2016: Nil).

**12 Trustees' and Officers' Insurance**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2017 was £58,000 (2016: £96,000). The cost of this insurance is included in the total insurance cost.

# The Midland Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 13 Intangible Fixed Assets

	Computer Software £'000	Total £'000
<b>Cost</b>		
At 1 September 2016	146	146
Additions	2	2
Disposals	-	-
At 31 August 2017	<u>148</u>	<u>148</u>
<b>Amortisation</b>		
At 1 September 2016	146	146
Charged in year	-	-
Disposals	-	-
At 31 August 2017	<u>146</u>	<u>146</u>
<b>Carrying amount</b>		
At 31 August 2016	-	-
At 31 August 2017	<u>2</u>	<u>2</u>

### 14 Tangible Fixed Assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Furniture and Equipment £'000	Computer Hardware £'000	Motor Vehicles £'000	Assets Under Construction £'000	Total £'000
<b>Cost</b>							
At 1 September 2016	31,814	4,041	748	2,120	25	390	39,139
Transfer on conversion							-
Additions	1,220		9	21			1,250
Disposals				(203)		(27)	(229)
Transfer AUC	363					(363)	-
At 31 August 2017	<u>33,397</u>	<u>4,041</u>	<u>757</u>	<u>1,938</u>	<u>25</u>	<u>-</u>	<u>40,159</u>
<b>Depreciation</b>							
At 1 September 2016	2,575	312	748	1,449	25		5,109
Transfer on Conversion							-
Charged in year	713	98		299			1,110
Disposals				(146)			(146)
At 31 August 2017	<u>3,288</u>	<u>410</u>	<u>748</u>	<u>1,602</u>	<u>25</u>	<u>-</u>	<u>6,073</u>
<b>Net book values</b>							
At 31 August 2016	29,239	3,729	-	671	-	390	34,030
At 31 August 2017	<u>30,109</u>	<u>3,632</u>	<u>9</u>	<u>336</u>	<u>-</u>	<u>-</u>	<u>34,086</u>

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

**15 Stock**

	2017 £'000	2016 £'000
Catering and stationery supplies	4	-
Clothing	9	27
<b>Total Stock</b>	<b>13</b>	<b>27</b>

**16 Debtors**

	2017 £'000	2016 £'000
Trade debtors	16	68
VAT recoverable	113	322
Other debtors	-	116
Prepayments and accrued income	430	272
<b>Total Debtors</b>	<b>559</b>	<b>779</b>

**17 Creditors: Amounts Falling due within one year**

	2017 £'000	2016 £'000
<b>Creditors: amounts falling due within one year</b>		
Trade creditors	1,145	328
Other taxation and social security	462	539
ESFA creditor: abatement of GAG	757	1,438
Other creditors	7	123
Accruals and deferred income	822	645
<b>Total Creditors falling due within one year</b>	<b>3,193</b>	<b>3,073</b>

**Deferred income**

	2017 £'000	2016 £'000
Deferred income at 1 September 2016	12	86
Released from previous years	(12)	(86)
Resources deferred in the year	172	12
<b>Deferred Income at 31 August 2017</b>	<b>172</b>	<b>12</b>

# The Midland Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 18 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	2,400	15,596	(18,439)		(443)
Start Up Grant	532	6			538
Pupil Premium		1,028			1,028
Lead-in and implementation grants	(137)				(137)
Other DFE/EFA grants	808	56			864
Other LA/government grants	298	317			615
Other grants	(294)				(294)
Voluntary restricted general	(4,861)				(4,861)
<b>Total Restricted General Funds</b>	<b>(1,254)</b>	<b>17,004</b>	<b>(18,439)</b>	<b>-</b>	<b>(2,689)</b>
<b>Restricted pension reserve</b>					
Pension reserve	(9,259)		(579)	3,016	(6,822)
<b>Total Restricted Pension Reserve</b>	<b>(9,259)</b>	<b>-</b>	<b>(579)</b>	<b>3,016</b>	<b>(6,822)</b>
<b>Restricted fixed asset funds</b>					
School Condition Allocation Fund (SCA)	1,555	1,296	(1,110)		1,742
Assets on conversion	30,513			(83)	30,430
Capital expenditure from restricted general funds	597				597
Capital expenditure from unrestricted funds	3				3
Centrally Managed Programme	2,214				2,214
Devolved Formula Capital (DFC)	405	68			473
Local Authority capital funding	910				910
Restricted donated capital grants	(1,771)				(1,771)
<b>Restricted fixed asset funds</b>	<b>34,427</b>	<b>1,364</b>	<b>(1,110)</b>	<b>(83)</b>	<b>34,598</b>
<b>Total restricted funds</b>	<b>23,914</b>	<b>18,368</b>	<b>(20,128)</b>	<b>2,933</b>	<b>25,087</b>
<b>Unrestricted funds</b>					
General funds	2,536	517	(488)		2,564
Designated funds - school funds	21	0	(46)		(24)
<b>Total unrestricted funds</b>	<b>2,557</b>	<b>517</b>	<b>(534)</b>	<b>-</b>	<b>2,540</b>
<b>Total funds</b>	<b>26,471</b>	<b>18,885</b>	<b>(20,662)</b>	<b>2,933</b>	<b>27,627</b>

The Trust is carrying a net deficit of £149k on restricted and unrestricted general funds (excluding pension reserve). The Trust is taking action to return these funds to surplus within its 3 year financial plan by implementing a Trust-wide restructure and other cost cutting measures, resulting in surpluses that will restore the reserves position.

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

#### Restricted fixed asset funds

Incoming resources have been spent on capital expenditure, resources expended is depreciation and amortisation on fixed assets purchased in previous academic year's (as per the Trust's fixed assets policy), and transfer between funds are represented by capital expenditure funded by revenue income. Therefore balances carried forward on these funds have been committed in future years for depreciation and amortisation.

#### Restricted general funds

Balances carried forward is funding (cash) to be spend on charitable activities of the Trust in accordance with the grant agreements.

#### Unrestricted funds

Any unspent funds (cash) can be used at the discretion of the Board of Directors to meet the charitable objectives of the academy trust.

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 18 Funds (continued)

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

#### School Condition Allocation Fund

These funds have been allocated to the Trust for the delivery of the agreed projects (set out in a specific funding agreement), either tackling building condition issues or new build. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### Assets on conversion

This fund reflects the fixed assets acquired from Local Authorities on conversion. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### Capital expenditure from restricted general funds

The gross transfer from the restricted general fund to the restricted fixed assets fund of £0 represents the total capital expenditure from restricted general funds during the period.

#### Capital expenditure from unrestricted funds

This fund reflects the fixed assets acquired from unrestricted general funds. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### Centrally Managed Programme

This funding was won by the Trust from the Department for Education for capital development for opening a new academy. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### Devolved Formula Capital (DFC)

This funding has been received for utilisation on building improvements and refurbishment. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### Local Authority capital funding

Local Authority funding represent amounts payable to the Trust from Local Authorities. These funds relate specifically to Capital IT funding. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### Restricted donated capital grant

Restricted donated capital grants include monies from donations. The donations received are for restricted purposes and had all been spent in the current academic year. Depreciation on these assets is charged against this fund over the useful life of the associated assets.

#### General Annual Grant (GAG)

Funds received from the EFA are applied to the charitable activities of the Trust as defined in the funding agreement. Under the funding agreement with the Secretary of State, the academy trust was subject to limits on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2017. Note 2 discloses whether the limits were exceeded.

#### Lead-in and implementation grant

Lead-in and implementation grants is to cover eligible expenditure for project development incurred in developing detailed plans for opening a new academy.

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 18 Funds (continued)

#### Other DfE/ESFA grants

Included in other DfE/ESFA grants are the following:

- Bursary fund - is paid to schools and colleges so that they may provide financial help to students whose access to or completion of education might be inhibited by financial consideration.
- Pupil premium - this grant is received to support deprived children, the money can be spent in accordance with the Trust's practices.
- Year 7 Catch-up Premium Grant - is paid to schools for pupils who did not achieve at least level 4 in reading and/or mathematics at Key Stage 2.

#### Other LA/government grants

Included in other LA/government grants are the following:

- Area Behaviour Partnership Funding - is received for secondary aged students at risk of permanent exclusion or who have been excluded.
- Looked After Children - this grant is received to support children who are "looked after" by the Local Authority.
- Managed move grant - funds made available for a formal process leading to the transfer of a pupil to the roll of a new school, aiming to support pupils if a fresh start at a new school would help.
- Special educational needs - this funding is to be used for one to one tuition of children on the special education register.

#### Other restricted grants

Monies received from non public funds and donations for specific educational purposes (as stipulated in the grant agreement).

#### Start-Up Grants (SUG)

Funding to help schools to bridge the gap between school opening and there being pupils in each year (school occupancy at full capacity). SUG has been used to help pay for educational supplies, post-opening staff recruitment costs, some initial senior staff training and cost of employing senior staff when the school opens (staff diseconomy funding).

#### Voluntary restricted general

General monies received for restricted educational purposes not forming part of General Annual Grant or other DfE/ESFA grants.

#### Transfer between restricted general funds and restricted fixed asset funds

During the year the Trust incurred capital expenditure of £1,118k. Of this amount, £1,118k is funded by other restricted fixed asset funding, the residual £nil has been treated as a transfer between funds in accordance with the Department for Education guidelines.

#### Pension reserve

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme overseen by the Local Authorities (Warwickshire and Leicestershire County Councils). Transfers between funds of £2,437k relates to actuarial loss on defined benefit pension schemes.



## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 18 Funds (continued)

#### General funds

Represents funds generated via activities such as from lettings, catering, sale of uniforms, payments from other schools for the provision of teaching staff, income from universities with respect to student teachers, investment income and bank interest receivable. It also includes the brought forward surplus on conversion to academy status. These funds can be used at the discretion of the Board of Directors to meet the charitable objectives of the academy trust.

#### Designated funds

These are unrestricted funds available for the general purpose of the organisation, but which the Board of Directors have chosen to earmark for a particular purpose.

# The Midland Academies Trust

## 18 Funds

### Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £'000	Total 2016 £'000
The Nuneaton Academy	618	1,133
The George Eliot School	(180)	(42)
Hartshill School	1,115	1,024
Central services	(1,446)	(1,237)
Heath Lane Academy	(255)	426
Total before fixed assets and pension reserve	(149)	1,304
Restricted fixed asset fund	34,598	34,427
Pension reserve	(6,822)	(9,259)
Total	27,627	26,471

This has now been addressed through a Trust-wide restructure which has introduced a new cost effective staffing structure for each school, alongside a merger of two schools and a recovery plan with the ESFA.

### Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £'000	Other Support Staff Costs £'000	Educational Supplies £'000	Other Costs (excluding Depreciation) £'000	Total 2017 £'000	Total 2016 £'000
The Nuneaton Academy	2,503	726	362	951	4,541	5,033
The George Eliot School	3,148	579	331	881	4,939	4,614
Hartshill School	3,460	869	654	1,016	5,998	5,662
The Midland Studio College Hinckle	-	-	-	0	-	932
The Midland Studio College Nuneat	-	-	-	0	-	540
Central services	269	321	43	-505	128	(74)
Heath Lane Academy	2,388	510	278	769	3,946	4,362
Academy Trust	11,768	3,005	1,668	3,112	19,552	21,068

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017  
(continued)**

**19 Analysis of Net Assets between Funds**

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Intangible fixed assets	-	-	2	2
Tangible fixed assets	-	-	34,086	34,086
Current assets	2,540	504	510	3,553
Current liabilities	-	(3,193)	-	(3,193)
Non-current liabilities	-	-	-	-
Pension scheme liability	-	(6,822)	-	(6,822)
<b>Total net assets</b>	<b>2,540</b>	<b>(9,511)</b>	<b>34,598</b>	<b>27,627</b>

**20 Capital Commitments**

	2017 £'000	2016 £'000
Contracted for, but not provided in the financial statements	553	-

**21. Commitments under operating leases**

**Operating Leases**

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

Land and buildings

	2017 £'000	2016 £'000
Amounts due within one year	48	-
Amounts due between one and five years	64	-
Amounts due after five years	-	-
	<b>112</b>	<b>-</b>

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017  
(continued)**

**22 Reconciliation of Net Income/(expenditure) to  
Net Cash Flow from Operating Activities**

	2017	2016
	£'000	£'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,778)	865
Adjusted for:		
Transfer of tangible assets from local authority	-	(3,293)
Transfer of other assets and liabilities from local authority	-	(874)
Transfer of pension obligation from local authority	-	
Amortisation (note 13)	-	96
School Fund Expenditure	(46)	
Depreciation charges and loss on disposal of assets (note 14)	1,027	1,699
Capital grants from DfE and other capital income	(1,364)	(820)
Interest receivable (note 6)	(0)	(11)
Gag Abatement	(681)	1,213
Defined benefit pension scheme obligation inherited	-	-
Defined benefit pension scheme cost less contributions payable (note 29)	421	194
Defined benefit pension scheme finance cost (note 29)	199	226
(Increase)/decrease in stocks	14	(18)
(Increase)/decrease in debtors	220	(290)
Increase/(decrease) in creditors	802	1,103
<b>Net cash provided by / (used in) Operating Activities</b>	<b>(1,186)</b>	<b>89</b>

**23 Cash Flows from Financing Activities**

	2017	2016
	£'000	£'000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
<b>Net cash provided by / (used in) financing activities</b>	<b>-</b>	<b>-</b>

**24 Cash Flows from Investing Activities**

	2017	2016
	£'000	£'000
Dividends, interest and rents from investments	-	11
New bank account	89	-
Proceeds from sale of tangible fixed assets	-	-
Purchase of intangible fixed assets	(2)	(7)
Purchase of tangible fixed assets	(1,250)	(893)
Capital grants from DfE/EFA	1,364	820
Capital funding received from sponsors and others	-	-
<b>Net cash provided by / (used in) investing activities</b>	<b>200</b>	<b>(70)</b>

**25 Analysis cash and cash equivalents**

	At 31 August 2017	At 31 August 2016
	£'000	£'000
Cash in hand and at bank	2,981	3,967
Notice deposits (less than 3 months)	-	-
<b>Total cash and cash equivalents</b>	<b>2,981</b>	<b>3,967</b>

**The Midland Academies Trust**

**Notes to the Financial Statements for the year ended 31 August 2017 (continued)**

**26 Guarantees, Letters of Comfort and Indemnities**

The trust provided no guarantees / letters of comfort / indemnities during the year ended 31 August 2017

**27 Contingent Liabilities**

Back payments for holiday pay for support staff on 'term time only' contracts, who's contract of employment has been transferred - in accordance with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) 2006 - from Local Authorities to the Trust on conversion from a school to an academy. Should the court rule in favour of the employees, the Trust will have to pay the outstanding amounts due.

**28 Members' Liability**

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

## **The Midland Academies Trust**

# **Notes to the Financial Statements for the period ended 31 August 2017 (continued)**

### **29 Pension and Similar Obligations**

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

#### **Teachers' Pension Scheme**

##### **Introduction**

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

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

##### **Valuation of the Teachers' Pension Scheme**

Not less than every four years 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 (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million, giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the period amounted to £1,155,990

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

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

## The Midland Academies Trust

# Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 29 Pension and Similar Obligations (continued)

#### Local Government Pension Scheme

For assumptions, we have used the Warwickshire report. Leicestershire assumptions may vary. All figures represent the combined report totals.

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2017 was £673,000, of which employer's contributions totalled £523,000 (2016: £555,835) and employees' contributions totalled £150,000 (2016: £166,000). The agreed contribution rates for future years are 22.3 per cent for employers and 5.5 per cent - 8.5 per cent for employees, dependent on salary.

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

#### Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.00%	4.10%
Rate of increase for pensions in payment/inflation	2.40%	2.10%
Discount rate for scheme liabilities	2.50%	2.10%
Inflation assumption (CPI)	2.40%	2.10%
Commutation of pensions to lump sums	50.00%	50.00%

#### Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2017:	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	1,602
1 year increase in member life expectancy	3%	459
0.5% increase in the Salary Increase Rate	2%	290
0.5% increase in the Pension Increase Rate	11%	1,284

#### Notes:

In order to quantify the impact of a change in the financial assumptions used, calculations and comparisons have been made on the value of the scheme liabilities as at 31 August 2017 on varying bases. The approach taken is consistent with that adopted to derive the FRS102 figures provided in the 'FRS102 as at 31 August 2017 - Results Schedule'.

To quantify the uncertainty around life expectancy, the difference in cost to the Employer of a one year increase in life expectancy has been calculated. For sensitivity purposes, this is assumed to be an increase in the cost of benefits of broadly 3%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominately apply at younger or older ages).

The above figures have been derived on the membership profile of the Trust as at the date of the most recent actuarial valuation.

# The Midland Academies Trust

## Mortality Assumptions

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

	At 31 August 2017 Years	At 31 August 2016 Years
<i>Retiring today</i>		
Males	22.5	22.4
Females	24.7	24.4
<i>Retiring in 20 years</i>		
Males	24.3	24.3
Females	26.7	26.6

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

	Fair value at 31 August 2017 £'000	Fair value at August 2016 £'000
Equities	5,539	5124
Corporate Bonds	1825	1695
Property	876	817
Cash and other liquid assets	225	77
<b>Total market value of assets</b>	<b>8,464</b>	<b>7,713</b>

The actual return on scheme assets was £2.6%

## Amounts recognised in the statement of financial activities

	2017 £'000	2016 £'000
Current service cost (net of employee contributions)	929	788
Net interest cost	199	226
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	15	30
<b>Total operating charge</b>	<b>1,143</b>	<b>1,044</b>

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

	2017 £'000	2016 £'000
<b>At 1 September</b>	<b>16,972</b>	<b>10,612</b>
Upon conversion		995
Current service cost	929	788
Interest cost	367	459
Employee contributions	150	177
Actuarial (gain)/loss	(3,016)	3,958
Benefits paid	(131)	(47)
Plan introductions, benefit changes, curtailments and settlements	15	30
<b>At 31 August</b>	<b>15,286</b>	<b>16,972</b>

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

	2017 £'000	2016 £'000
<b>At 1 September</b>	<b>7,713</b>	<b>5,371</b>
Upon conversion		400
Interest income	168	233
Return on plan assets (excluding net interest on the net defined pension liability)	41	955
Actuarial gain/(loss)	-	-
Employer contributions	523	624
Employee contributions	150	177
Benefits paid	(131)	(47)
Plan introductions, benefit changes, curtailments and settlements	-	-
<b>At 31 August</b>	<b>8,464</b>	<b>7,713</b>



# The Midland Academies Trust

## Notes to the Financial Statements for the year ended 31 August 2017 (continued)

### 30 Related Party Transactions

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

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

*Splinters - a company in which Mr K Beebe, an employee of the trust, is the sole owner:*

- Transactions totalling £2,545 (2016: £1,104), relating to building maintenance works from Splinters took place in the year. There were no amounts outstanding at 31 August 2017 (2016: £nil).
- The trust made the purchase at arms' length in accordance with its financial regulations.
- In entering into the transaction the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

*North Warwickshire and Hinckley College - sponsor to the Midland Academies Trust.*

The Trust has a formal relationship with the North Warwickshire and Hinckley college as its sponsor.

The college, as sponsor, provided support services for the Trust as contractually agreed in the Service Level Agreement, and on (ad hoc) consultancy basis. Charges for this were as follows;

	2017 £'000	2016 £'000
- Sponsor support	113	80
- Corporate governance	54	59
- Financial advice	49	61
- Procurement & bidding	6	7
- Estate support	9	10
- HR client side support	5	5
- Payroll Supervision	10	
- Marketing & public relations	12	13
- ICT support	3	4
- Health & safety support	9	9
- Reprographics fixed charges	56	56
Charges for support services provided to the whole of the Trust	328	305
- Estate Costs	0	100
- Estate management	0	7
- ICT technician	0	13
- Lecturers & teaching assistants	0	45
- Exams management	0	0
- Student transport	0	0
- Catering Support	0	15
Charges for support services provided to the studio colleges	0	180
- Building maintenance	0	2
- Catering and hospitality	0	3
- Curriculum support	0	76
- Examination fees	0	0
- ICT managed services	0	21
- Inspire Learners	282	235
- Other support & services	0	9
- Reprographics Variable Charges	32	0
- Chaplaincy	6	0
- Vehicle hire	0	4
Charges for ad-hoc services provided to individual schools and studio colleges	319	350
Total charges for provided services	647	835

The Midland Academies Trust

**Notes to the Financial Statements for the year  
ended 31 August 2017 (continued)**

**31 Events after the end of the period**

No adjusting or non-adjusting events to report.

**The Midland Academies Trust**

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