

**Finham Park Multi-Academy Trust  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
Year ended 31 August 2017**

**Company Registration Number:  
07700317 (England and Wales)**



# **Finham Park Multi-Academy Trust**

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# Finham Park Multi-Academy Trust

## Reference and Administrative Details

Members	P Burns* (Chair) M Mottram* (Vice Chair) P Yavash F Anderson* A Bharbra
Trustees	F Anderson* M Bailie* (Executive Headteacher and accounting officer) K Blakeman (resigned 05/12/2016) J Blundell* P Burns* D Hewitt *members of the finance committee
Company Secretary	M Gilmore
Senior Management Team:	
Central:	
Executive Headteacher	M Bailie
Business Director	M Gilmore
Improvement Officer	B Pettman
Finham Park School:	
Headteacher	C Bishop
Deputy Headteacher	S Megeney
Assistant Headteacher	A Ditch
Assistant Headteacher	A Ford
Assistant Headteacher	E Pyne
Assistant Headteacher	C Buckenham
Head of Sixth Form	R Downie
Finham Park 2:	
Headteacher	R Plester
Deputy Headteacher	J Brake
Assistant Headteacher	L Allton
Finham Primary:	
Headteacher	R Machin
Deputy Headteacher	S Bracken
Assistant Headteacher	M Wilding
Lyng Hall School:	
Headteacher	P Green
Deputy Headteacher	L Kingston
Deputy Headteacher	C Smith
Assistant Headteacher	K Ingram
Assistant Headteacher	J Keller
Assistant Headteacher	D Smith
Business Manager	J Sellers
Principal and Registered Office	Finham Park Multi-Academy Trust, Green Lane, Coventry, CV3 6EA
Company Registration Number	07700317

## **Finham Park Multi-Academy Trust Reference and Administrative Details (continued)**

Independent Auditor

Moore Stephens LLP  
35 Calthorpe Road  
Birmingham, B15 1TS

Bankers

Lloyds Bank  
2nd Floor, 30 High Street  
Coventry, CV1 5RA

Solicitors

Browne Jacobson LLP  
Mowbray House, Castle Meadow Road  
Nottingham, NG2 1BJ

# **Finham Park Multi-Academy Trust**

## **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 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 18, and comprises 1 primary and 3 secondary schools in Coventry. Its academies have a combined pupil capacity of 3200 at September 2017. (Finham Park 1,484, Finham Park 2, 360, Finham Primary 472, Lyng Hall 884) and had a combined roll of 3,031 (Finham Park 1,485, Finham Park 2, 359, Finham Primary, 469, Lyng Hall 718) in the school census, October 2017.

## **Structure, Governance and Management**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

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

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

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

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

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

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

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

# **Finham Park Multi-Academy Trust**

## **Trustees' Report (continued)**

### **Organisational Structure**

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

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

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

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

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

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

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

### **Objectives and Activities**

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

Finham Park 2 (11-18), Free School opened in September 2015

Finham Primary School (3-11) joined us on 1st April 2016

Lyng Hall School (11-18) joined us on 1st July 2016

# Finham Park Multi-Academy Trust

## Trustees' Report (continued)

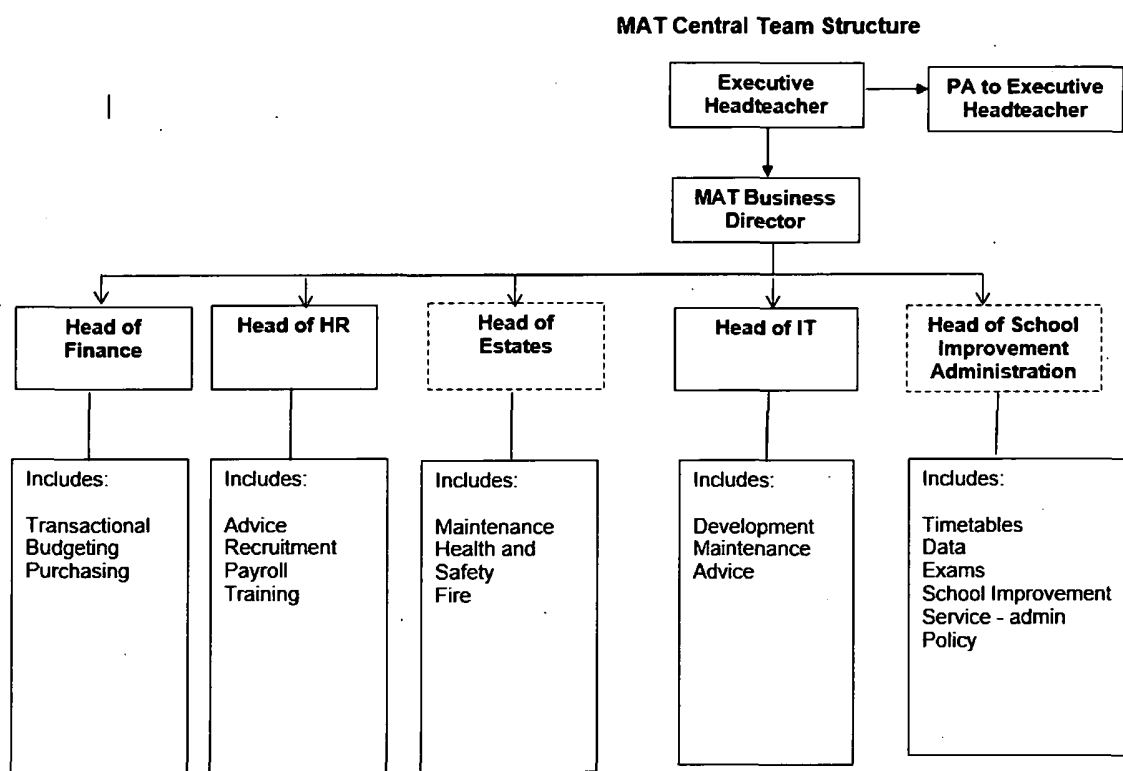
Our intention is to continue to grow a Coventry/West Midlands based MAT consisting of several secondary schools in addition to their partners in the primary sector. The vision for Finham Park MAT is outlined in the paragraph below and has of course been shared with all our stakeholders:

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

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

### Leadership

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



# **Finham Park Multi-Academy Trust**

## **Trustees' Report (continued)**

### **Resource**

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

#### **Finham Park School**

- Boiler and central heating system replacement; and toilet refurbishment projects have all been completed/initiated following successful bids to the Education Funding Agency

#### **Finham Park 2 School**

- Works were completed on the permanent site at Leigh Court, Torrington Avenue, Coventry. Staff and students have been left with a fabulous building, including a brand new sports hall and MUGA pitch
- The MATs Central Team have started to re-locate from Finham Park School to Leigh Court. This is being phased during 1718 to ensure capacity at local level is not compromised.

#### **Lyng Hall School**

- Capital projects at Lyng Hall, including a brand new conference facility, were completed by August 2017. These were agreed and planned prior to the school's conversion to Academy status in July 2016.

### **Wider Partnerships**

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

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

### **Public Benefit**

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

We have continued to play a central role in Coventry City Council's City wide school improvement programme. Key areas of focus during 2016-17 have been primary-secondary partnerships and the delivery of a secondary school centred improvement programme.

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

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



# **Finham Park Multi-Academy Trust**

## **Trustees' Report (continued)**

### **Equal Opportunities**

The Directors recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued. We are committed to ensuring equality of opportunity for all who learn and work at the Multi Academy Trust. We respect and value positively differences in race, gender, sexual orientation, ability and age.

## **Strategic Report**

### **Achievements and performance**

Examination reports for GCSE, Advanced Level and other qualifications were presented to each school's Local Governing Body meeting during September / October 2017 and to the MAT Standards Committee on Tuesday 10th October 2017. All outcomes are not yet validated.

#### **Finham Park School**

- 2017 examination results were positive at both GCSE and Ppst-16 – well above national averages for almost all key indicators – student progress in core subjects and 'closing gaps' for disadvantaged young people were particularly positive features this year.
- The new Progress 8 accountability measure indicated positive progress for this cohort when compared with similar pupils nationally: +0.15 up from +0.1 in 2016.
- Progress in English & Mathematics were both significantly above local and national averages at the end of Key Stage 4.

#### **Finham Park 2 School**

- Finham Park 2, our new Free School was opened for Year 7 pupils in September 2015. There are no external examination results at this stage.
- Assessment practice, tracking and monitoring of pupil progress has been set up to mirror the outstanding practice at Finham park School.
- Regular visits from the Department for Education Advisor, Mr Andy Weymouth, resulted in very positive feedback.
- The Executive Headteacher (also an Ofsted Inspector) and another Headteacher conducted two additional Health Check visits during the academic year – both commented on the positive progress of pupils.
- Year 7 and 8 Progress data, benchmarked against Year 7 data from Finham Park School, indicated that pupils made progress in line with their peers in an outstanding setting.

#### **Finham Primary School**

- 2017 pupil outcomes indicate that there has been a significant improvement in attainment measures from 2016: Reading; Writing; SPAG; Maths and Combined were all above local and national for pupils achieving the expected standard
- At EYFS 83.1% pupils reached GLD (Good Level of Development) – an increase on 2016 – only bettered by 83.3% in 2015 over a four year period
- End of Key Stage 1 data was in line with national expected attainment in Reading, Writing and Mathematics and below for science.
- At Key Stage 1, more pupils surpassed the expected standard in reading than nationally, although fewer pupils than national achieved this standard in Writing and Mathematics
- At Key Stage 2 a higher proportion of pupils reached the expected standard in Reading, Writing and Mathematics than nationally.
- Key Stage 2 Progress is not yet in line with national, although there are clear signs of improvement in some areas of the curriculum.

# Finham Park Multi-Academy Trust

## Trustees' Report (continued)

### Lyng Hall School

- Outcomes for Post-16 students at Lyng Hall continued to be very positive in 2017. Outcomes were some of the best ever achieved in terms of the percentage of the highest grades and the overall pass rates. This was consistent for AS, A2 and BTEC qualifications.
- Attendance for the year remained high and persistent absence very low for both similar schools and compared with national data. There were no NEETs.
- Although changes to assessment protocols and new, more literacy-weighted specifications at GCSE continue to pose problems for large numbers of pupils at Lyng Hall, KS4 outcomes improved significantly in 2017.
- Overall Progress 8 was +0.06 (-0.34 and below average in 2016). This reflects the positive impact of several key school improvement activities – notably a concentrated and consistent focus on upskilling pupil literacy to better enable them to access 'new-style' GCSE questions and also a whole school approach to improving reading levels across all pupils. These initiatives are ongoing.
- Progress for EAL pupils was especially positive

### Admissions

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

### Key Performance Indicators

Staff costs as a percentage of total income 2016/17:

Teaching Staff	49%
Support Staff	22%

Staff costs for 2017/18 (Target):

Teaching Staff	54%
Support Staff	23%

Pupil Attendance:

	Finham Park	Finham Park 2	Finham Primary	Lyng Hall
Actual 15/16	95.9%	95.8%	96.4%	95.1%
Target 16/17	96.0%	96.5%	97.0%	95.0%

Most of the trust's income is obtained from the DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

### Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the schools within the Multi Academy Trust have 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.

# **Finham Park Multi-Academy Trust**

## **Trustees' Report (continued)**

### **Financial Review**

The academy built up reserves of £43,087k.

At the end of the year we have carried forward £46,291k in restricted capital funds; £1,804k in restricted general reserves, and £2,224k in unrestricted reserves. The balance on general restricted reserves is before deducting the defined benefit pension liability of £7,232k, which was calculated by the actuary.

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

#### **Reserves policy**

The Multi Academy Trust holds reserves totalling £43,087k, which includes free reserves of £2,224k. All expenditure is categorised according to the source of funding, including tracking unrestricted reserves.

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

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

#### **Investment policy**

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

During the current year we initiated a number of short and medium term investments in order to generate optimum interest levels, with due reference to anticipated cash outflows. The interest received in respect of these investments totalled £18k. The situation will be reviewed regularly to ensure the academy maximises its cash.

### **Principal Risks and Uncertainties**

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

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

## **Finham Park Multi-Academy Trust Trustees' Report (continued)**

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

The LGPS pension scheme is reviewed by qualified actuaries on behalf of the academy. There is currently a deficit on this scheme as disclosed in note 26. The Trustees of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and the employer to ensure that the pension scheme is properly funded over time.

# **Finham Park Multi-Academy Trust**

## **Trustees' Report (continued)**

### **Plans for Future Periods**

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

The transition of the Executive Head teacher from a combined substantive Head teacher / Executive Headteacher role to focus full-time on the work of the MAT should only serve to increase leadership capacity over the next twelve month period. This was also enhanced by the appointment of an experienced School Improvement Leader in June 2017.

The Trust will continue to work in close collaboration with the Department for Education and Coventry City Council in seeking further opportunities to develop and support other schools in joining Finham Park Multi Academy Trust in 2017-18.

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

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

### **Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 19 December 2017 and signed on the board's behalf by:



Mr P Burns  
Chair

19 December 2017

# Finham Park Multi-Academy Trust

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Executive Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Finham Park Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Peter Burns (Chair)	4	4
John Blundell	2	4
Kerry Blakeman(resigned 05/12/2016)	2	2
Fanny Anderson	3	4
Mark Bailie (executive headteacher and accounting officer)	4	4
D Hewitt	3	4

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

	Meetings attended	Out of a possible
Peter Burns (Chair)	4	4
John Blundell	3	4
Fanny Anderson	4	4
Mark Bailie (executive headteacher and accounting officer)	4	4

### Review of Value for Money

As accounting officer, the executive head 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:

- Leaders and governors are given regular management accounts to track, and hold to account, the finances of the Trust and Academies. These reports are used to make informed decisions about the best use of the Academy funds. A schedule of delegation is reviewed and ratified each academic year by the Directors, as is the risk register.

## **Finham Park Multi-Academy Trust**

### **Governance Statement (continued)**

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

#### **Specific examples**

- A number of joint procurement projects have taken place during the year to benefit from economies of scale. The largest of these was the cleaning contract for 3 of the 4 schools in the MAT where a significant saving was achieved.
- The continuation of setting up the central support team which supports all schools in the MAT, enabling efficiencies.
- An on-going strategic rolling programme for replacement and improvement of our IT facilities is in place which strengthens and enhances the teaching and learning structure of the Trust. Key Personnel are working towards further expanding our network infrastructure to benefit additional schools, so that administration, purchasing, and overall management can be supported by a core central IT services team & maximise efficiency & consistency.

### **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 Finham Park Multi-Academy Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

# **Finham Park Multi-Academy Trust**

## **Governance Statement (continued)**

### **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 has been in place for the 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and decided not to appoint an internal auditor. However, the trustees commissioned Harrison Beale & Owen Limited to undertake an Internal Audit in the Summer Term, to perform additional checks. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the recent period included:

Testing of payroll system

Testing of purchase systems

Testing of control accounts/bank reconciliations

A report has been provided to the Directors on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal audit report dated August 2017 found that the audit demonstrated that procedures and controls are of a good standard. It recommended a number of improvements to further strengthen the process, these have been considered by the Directors.

### **Review of Effectiveness**

As accounting officer, the executive headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditor;
- the work of the Business Director within the academy trust who has responsibility for the development and maintenance of the internal control framework.



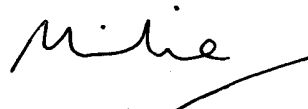
## **Finham Park Multi-Academy Trust Governance Statement (continued)**

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the above and a plan to address weaknesses and ensure continuous improvement of the system is in place, and outstanding issues are being addressed.

Approved by order of the members of the board of trustees on 19 December 2017 and signed on its behalf by:



Mr P Burns  
Chair



Mr M Bailie  
Accounting Officer

## **Finham Park Multi-Academy Trust**

### **Statement on Regularity, Propriety and Compliance**

As accounting officer of Finham Park Multi-Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education 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 material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Mr M Bailie  
Accounting Officer  
19 December 2017

## **Finham Park Multi-Academy Trust**

### **Statement of Trustees' Responsibilities**

The trustees (who act as governors of Finham Park Multi-Academy 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 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 19 December 2017 and signed on its behalf by:



Mr P Burns  
Chair

# **Finham Park Multi-Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Finham Park Multi-Academy Trust**

### **OPINION**

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

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

In our opinion the financial statements:

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

### **BASIS OF OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **CONCLUSIONS RELATING TO GOING CONCERN**

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

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

# **Finham Park Multi-Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Finham Park Multi-Academy Trust (continued)**

### **OTHER INFORMATION**

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

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

We have nothing to report in this regard.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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

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

# **Finham Park Multi-Academy Trust**

## **Independent Auditor's Report on the Financial Statements to the Board of Trustees of Finham Park Multi-Academy Trust (continued)**

### **RESPONSIBILITIES OF TRUSTEES**

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

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

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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



Nicholas Simkins (Senior Statutory Auditor)

for and on behalf of  
**Moore Stephens LLP**

35 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

19 December 2017

# **Finham Park Multi-Academy Trust**

## **Independent Reporting Accountant's Assurance Report on Regularity to Finham Park Multi-Academy Trust and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 6th July 2015 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 Finham Park Multi-Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirement of Finham Park Multi-Academy Trust's funding agreement with the Secretary of State for Education, and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **APPROACH**

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

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

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

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

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2016 to 2017. This includes an evaluation of the control environment of the school, enquiry, analytical review and substantive testing.

# **Finham Park Multi-Academy Trust**

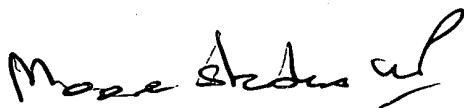
## **Independent Reporting Accountant's Assurance Report on Regularity to Finham Park Multi-Academy Trust and the Education Funding Agency (continued)**

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the period for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

### **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.



**Moore Stephens LLP**

35 Calthorpe Road  
Edgbaston  
Birmingham  
B15 1TS

19 December 2017



**Finham Park Multi-Academy Trust**  
**Statement of Financial Activities for the Year Ended 31**  
**August 2017 (including Income and Expenditure Account)**

			Unrestricted	Restricted	Restricted		
			Funds	General	Fixed	Total	Total
	Note		£000	Funds	Asset	2017	2016
				£000	Funds	£000	£000
<b>Income and endowments from:</b>							
Donations and capital grants	3	-	-	3	4,098	4,101	12,171
Assets Transferred on conversion	3	-	-	-	(1)	(1)	17,585
<b>Charitable activities:</b>							
- Funding for the academy trust's educational operations	4	-	-	16,131	-	16,131	10,317
Other trading activities	5	793	793	261	-	1,054	909
Investments	6	18	18	-	-	18	16
<b>Total</b>			<b>811</b>	<b>16,395</b>	<b>4,097</b>	<b>21,303</b>	<b>40,998</b>
<b>Expenditure on:</b>							
Raising funds	7	660	660	261	-	921	726
<b>Charitable activities:</b>							
- Academy trust's educational operations	8	-	-	15,516	1,812	17,328	10,530
<b>Total</b>			<b>660</b>	<b>15,777</b>	<b>1,812</b>	<b>18,249</b>	<b>11,256</b>
<b>Net income / (expenditure)</b>			<b>151</b>	<b>618</b>	<b>2,285</b>	<b>3,054</b>	<b>29,742</b>
Transfers between funds	18	-	-	(488)	488	-	-
			<b>151</b>	<b>130</b>	<b>2,773</b>	<b>3,054</b>	<b>29,742</b>
<b>Other recognised gains and losses</b>							
Actuarial gains/(losses) on defined benefit pension schemes	26	-	-	13	-	13	(2,339)
<b>Net movement in funds</b>			<b>151</b>	<b>143</b>	<b>2,773</b>	<b>3,067</b>	<b>27,403</b>
<b>Reconciliation of funds</b>							
Total funds brought forward			<b>2,073</b>	<b>(5,571)</b>	<b>43,518</b>	<b>40,020</b>	<b>12,617</b>
<b>Total funds carried forward</b>			<b>2,224</b>	<b>(5,428)</b>	<b>46,291</b>	<b>43,087</b>	<b>40,020</b>

**Finham Park Multi-Academy Trust**  
**Statement of Financial Activities for the Year Ended 31**  
**August 2016 (including Income and Expenditure Account)**

	Unrestricted Funds £000	Restricted General Funds £000	Fixed Asset Funds £000	Total 2016 £000
<b>Income and endowments from:</b>				
Donations and capital grants		9	12,162	<b>12,171</b>
Assets Transferred on conversion	1,069	(2,446)	18,962	<b>17,585</b>
Charitable activities: - Funding for the academy trust's educational operations	-	10,317	-	<b>10,317</b>
Other trading activities	678	231	-	<b>909</b>
Investments	16	-	-	<b>16</b>
<b>Total</b>	<b>1,763</b>	<b>8,111</b>	<b>31,124</b>	<b>40,998</b>
<b>Expenditure on:</b>				
Raising funds	495	231	-	<b>726</b>
Charitable activities: - Academy trust's educational operations	-	9,652	878	<b>10,530</b>
<b>Total</b>	<b>495</b>	<b>9,883</b>	<b>878</b>	<b>11,256</b>
<b>Net income / (expenditure)</b>	<b>1,268</b>	<b>(1,772)</b>	<b>30,246</b>	<b>29,742</b>
Transfers between funds	-	(509)	509	-
	<b>1,268</b>	<b>2,281</b>	<b>30,755</b>	<b>29,742</b>
<b>Other recognised gains and losses</b>				
Actuarial (losses) gains on defined benefit pension schemes	-	(2,339)	-	<b>(2,339)</b>
<b>Net movement in funds</b>	<b>1,268</b>	<b>(4,620)</b>	<b>30,755</b>	<b>27,403</b>
<b>Reconciliation of funds</b>				
Total funds brought forward	805	(951)	12,763	<b>12,617</b>
<b>Total funds carried forward</b>	<b>2,073</b>	<b>(5,571)</b>	<b>43,518</b>	<b>40,020</b>

# Finham Park Multi-Academy Trust

## Balance Sheet as at 31 August 2017

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
<b>Fixed assets</b>					
Tangible assets	13		42,719		38,623
<b>Current assets</b>					
Stock	14	7		4	
Debtors	15	3,900		7,832	
Cash at bank and in hand		5,442		4,669	
		<u>9,349</u>		<u>12,505</u>	
<b>Liabilities:</b>					
Creditors: Amounts falling due within one year	16	<u>(1,708)</u>		<u>(3,729)</u>	
<b>Net current assets</b>		<u>7,641</u>		<u>8,776</u>	
<b>Total assets less current liabilities</b>			<u>50,360</u>		<u>47,399</u>
Creditors: Amounts falling due after more than one year	17		(41)		(41)
<b>Net assets excluding pension liability</b>			<u>50,319</u>		<u>47,358</u>
Defined benefit pension scheme liability	26		(7,232)		(7,338)
<b>Total net assets</b>			<u>43,087</u>		<u>40,020</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
- Fixed asset fund	18	46,291		43,518	
- General fund	18	1,804		1,767	
- Pension reserve	18	<u>(7,232)</u>		<u>(7,338)</u>	
<b>Total restricted funds</b>			40,863		37,947
<b>Unrestricted income funds</b>	18		2,224		2,073
<b>Total funds</b>			<u>43,087</u>		<u>40,020</u>

The financial statements on pages 23 - 48 were approved by the trustees, and authorised for issue on 19 December 2017 and are signed on their behalf by:



Mr P Burns  
Chair  
Company Number 07700317

# **Finham Park Multi-Academy Trust** **Cash Flow Statement 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	2,566	(2,428)
<b>Cash flows from investing activities</b>	23	(1,793)	4,689
<b>Cash flows from financing activities</b>		-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>773</u>	<u>2,261</u>
<b>Cash and cash equivalents at 1 September 2016</b>	24	4,669	2,408
<b>Cash and cash equivalents at 31 August 2017</b>	24	<u>5,442</u>	<u>4,669</u>

# **Finham Park Multi-Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017**

### **1 Statement of accounting policies**

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

#### **Basis of Preparation**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Finham Park Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

#### **Going Concern**

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

#### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants**

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

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

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

The trust is benefiting from the ESFA's Free School for the construction of Finham Park 2. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls (through lease) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

- **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.

# **Finham Park Multi-Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **1 Statement of Accounting Policies (continued)**

- **Other Income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'.

Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'. Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### **Expenditure**

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

- **Expenditure on Raising Funds**

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.

- **Charitable Activities**

These are costs 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 £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

# Finham Park Multi-Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 1 Statement of Accounting Policies (continued)

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 life, as follows:

	Useful life Years	Rate
Leasehold land and buildings	17-125	0.8 - 5.9% p.a
Plant and machinery	7	14.3% p.a
Furniture and equipment	5	20% p.a
Computer equipment and software	3	33% p.a

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

#### Liabilities

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

#### Provisions

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

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

#### Leased Assets

Rentals under operating leases are charged on a straight line 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 financial instrument and is measured at face value.

# **Finham Park Multi-Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **1 Statement of Accounting Policies (continued)**

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

#### **Stock**

Catering stock and art stationary are valued at the lower of cost and 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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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



# **Finham Park Multi-Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **1 Statement of Accounting Policies (continued)**

#### **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 trustees.

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

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

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

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

#### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

# Finham Park Multi-Academy 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, the academy trust was not subject to a limit on the amount of GAG that it could carry forward as at 31 August 2017.

### 3 Donations and capital grants

	Unrestricted	Restricted	Restricted Fixed Asset	Total	Total
	Funds	Funds	Funds	2017	2016
	£000	£000	£000	£000	£000
Capital grants	-	-	4,098	4,098	12,162
Donated assets	-	-	(1)	(1)	17,585
Other donations	-	3	-	3	9
	-	3	4,097	4,100	29,756

### 4 Funding for the Academy Trust's educational operations

	Unrestricted	Restricted	Total	Total
	funds	funds	2017	2016
	£000	£000	£000	£000
<b>DfE / ESFA grants</b>				
General Annual Grant (GAG) (note 2)	-	14,606	14,606	9,668
Start Up Grants	-	345	345	170
Pupil premium grant	-	500	500	228
Other DfE/ESFA grants	-	257	257	155
	-	15,708	15,708	10,221
<b>Other government grants</b>				
LA and other grants	-	423	423	96
	-	423	423	96
	-	16,131	16,131	10,317

# **Finham Park Multi-Academy 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
Hire of facilities	76	-	76	164
Catering	376	-	376	253
Sixth form consortium income	27	-	27	27
Tuition Fees	39	-	39	32
Sales	57	-	57	54
Examination fees	7	-	7	9
Training Provision	81	-	81	53
Supply Teacher Claims	10	-	10	9
Contribution to trips	-	233	233	219
Other Income	120	28	148	89
	<b>793</b>	<b>261</b>	<b>1,054</b>	<b>909</b>

## **6 Investment income**

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	18	-	18	16
	<b>18</b>	<b>-</b>	<b>18</b>	<b>16</b>

## **7 Expenditure**

	Staff costs £000	Non pay expenditure		2017 Total £000	2016 Total £000
		Premises £000	Other £000		
Expenditure on raising funds	276	-	645	921	726
Academy's educational operations:					
- Direct costs	10,614	1,776	944	13,334	8,173
- Allocated support costs	2,159	999	836	3,994	2,357
	<b>13,049</b>	<b>2,775</b>	<b>2,425</b>	<b>18,249</b>	<b>11,256</b>

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **7 Expenditure (continued)**

Net income/(expenditure) for the period includes:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Operating lease rentals	30	30
Depreciation	1,812	878
Fees payable to auditor for:		
- audit	16	9
Included within expenditure are the following transaction:		
- Ex-gratia payments	0	46

No Authority was required from the ESFA to make the above ex-gratia payment.

## **8 Charitable activities**

	<b>2017</b>	<b>2016</b>
	<b>Total</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<b>Direct costs – educational operations</b>	<b>13,334</b>	<b>8,173</b>
<b>Support costs – educational operations</b>	<b>3,994</b>	<b>2,357</b>
	<b><u>17,328</u></b>	<b><u>10,530</u></b>
 <b>Analysis of support costs</b>		
Support staff costs	2,159	1,332
Depreciation	36	18
Technology costs	111	127
Premises costs	963	465
Other support costs	706	404
Governance costs	19	11
<b>Total support costs</b>	<b><u>3,994</u></b>	<b><u>2,357</u></b>

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **9 Staff**

### **a. Staff costs**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Staff costs during the period were:		
Wages and salaries	<b>9,639</b>	6,232
Social security costs	<b>923</b>	546
Operating costs of defined benefit pension schemes	<b>2,159</b>	1,218
Apprenticeship levy	<b>14</b>	-
	<b>12,735</b>	7,996
Supply staff costs	<b>314</b>	187
Staff restructuring costs		46
	<b>13,049</b>	8,229

### **b. Staff severance payments**

No staff restructuring costs (2016: £46,000).

### **c. Staff numbers**

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

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>163</b>	118
Administration and support	<b>187</b>	145
Management	<b>21</b>	12
	<b>371</b>	275

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teachers	<b>158</b>	108
Administration and support	<b>123</b>	77
Management	<b>21</b>	12
	<b>302</b>	197

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **9 Staff (continued)**

### **d. Higher paid staff**

The number of employees whose emoluments exceeded £60,000 was:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
£60,001 - £70,000	5	4
£80,001 - £90,000	2	2
£100,001 - £110,000	1	1
£130,001 - £140,000	1	1

### **e. Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,575,000 (2016: £969,000).

## **10 Central Services**

The academy trust has provided the following central services to all schools in the trust, these services include management training, human resources, financial services, operational support, governance costs and educational support. The trusts policy is to fund these costs using a "top Slice" funding method where each academy pays 3.0% of its GAG funding towards the cost of these services.

The actual amounts charged during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Finham Park School	217	*
Finham Park 2	46	53
Finham Primary School	28	20
Lyng Hall School	128	22
	<u>419</u>	<u>95</u>

\*In 2016 Finham Park provided all central services.

# Finham Park Multi-Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 11 Related Party Transactions - Trustees' remuneration and expenses

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

Mr Mark Bailie (executive head and trustee)

Remuneration £130,001 - £140,000 (2016: £130,001 - £140,000)

Employer's pension contribution £20,001 - £25,000 (2016: £20,001 - £25,000)

The Executive Headteacher only received expenses in respect of activities undertaken in the role of Executive Head and not in respect of their activities as trustees

Other related party transactions involving the trustees are set out in note 27.

### 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 £645 (2016: £2,278). The cost of this insurance is included in the total insurance cost.

### 13 Tangible fixed assets

	<b>Leasehold Land and Buildings £000</b>	<b>Other Fixtures £000</b>	<b>Computer and Software £000</b>	<b>Furniture and Fittings £000</b>	<b>Total £000</b>
<i>Cost</i>					
At 1 September 2016	40,454	185	657	665	<b>41,961</b>
Additions	5,146	45	242	475	<b>5,908</b>
At 31 August 2017	<b>45,600</b>	<b>230</b>	<b>899</b>	<b>1,140</b>	<b>47,869</b>
<i>Depreciation</i>					
At 1 September 2016	2,805	42	341	150	<b>3,338</b>
Charged in year	1,367	42	188	215	<b>1,812</b>
At 31 August 2017	<b>4,172</b>	<b>84</b>	<b>529</b>	<b>365</b>	<b>5,150</b>
<i>Net Book Value</i>					
At 31 August 2016	37,649	143	316	515	<b>38,623</b>
At 31 August 2017	<b>41,428</b>	<b>146</b>	<b>370</b>	<b>775</b>	<b>42,719</b>

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **14 Stock**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Art	5	3
Catering	2	1
	<u>7</u>	<u>4</u>

## **15 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	42	49
VAT recoverable	174	287
Prepayments and accrued income	3,684	7,496
	<u>3,900</u>	<u>7,832</u>

## **16 Creditors: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	1,013	1,788
Accruals and deferred income	688	1,934
Other Creditors	7	7
	<u>1,708</u>	<u>3,729</u>

### **Deferred income**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Deferred income at 1 September 2016	153	175
Resources deferred in the year	273	153
Amounts released from previous years	(153)	(175)
Deferred Income at 31 August 2017	<u>273</u>	<u>153</u>

Deferred income relates to trip deposits, rates relief grants, free school meal grants and catering income. All of which have been received in advance of the 17/18 academic year.

## **17 Creditors: amounts falling greater than one year**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Other creditors	41	41
	<u>41</u>	<u>41</u>

Included within other creditors is a Salix Loan which is provided at zero interest.



# Finham Park Multi-Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 18 Funds

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, Losses and Transfers £000	Balance at 31 August 2017 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,592	14,606	(14,169)	(488)	1,541
Other DfE/ESFA grants	47	257	(173)	-	131
Other government grants	-	423	(413)	-	10
Other restricted funds	63	264	(264)	-	63
Start Up Grant	-	345	(345)	-	-
Pupil Premium	65	500	(506)	-	59
Pension reserve	(7,338)	-	93	13	(7,232)
	<u>(5,571)</u>	<u>16,395</u>	<u>(15,777)</u>	<u>(475)</u>	<u>(5,428)</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	12,774	4,098	(642)	-	16,230
Inherited fixed assets	29,512	(1)	(951)	-	28,560
Capital expenditure from GAG	1,232	-	(219)	488	1,501
	<u>43,518</u>	<u>4,097</u>	<u>(1,812)</u>	<u>488</u>	<u>46,291</u>
<b>Total restricted funds</b>	<u>37,947</u>	<u>20,492</u>	<u>(17,589)</u>	<u>13</u>	<u>40,863</u>
<b>Unrestricted funds</b>					
Unrestricted funds	2,073	811	(660)	-	2,224
<b>Total unrestricted funds</b>	<u>2,073</u>	<u>811</u>	<u>(660)</u>	<u>-</u>	<u>2,224</u>
<b>Total funds</b>	<u>40,020</u>	<u>21,303</u>	<u>(18,249)</u>	<u>13</u>	<u>43,087</u>

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

#### Restricted general funds

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

#### General Annual Grant (GAG)

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

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **18 Funds (continued)**

### **DfE/ESFA grants**

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

### **Pupil Premium**

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

### **Other restricted funds**

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

### **Restricted fixed asset fund**

The restricted fixed asset fund represents the brought forward balance of the inherited fixed assets introduced from the LA upon conversion of the academy less accumulated depreciation up to 31 August 2017 together with restricted GAG funds expended on fixed assets during the year.

### **Unrestricted funds**

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

## **Total funds analysis by academy**

Fund balances at 31 August 2017 were allocated as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Finham Park School	<b>2,304</b>	2,215
Finham Park 2	<b>617</b>	360
Finham Primary	<b>34</b>	130
Lyng Hall	<b>766</b>	1,124
Central services	<b>307</b>	11
Total before fixed assets and pension reserve	<b>4,028</b>	3,840
Restricted fixed asset fund	<b>46,291</b>	43,518
Pension reserve	<b>(7,232)</b>	(7,338)
<b>Total</b>	<b>43,087</b>	40,020

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **18 Funds (continued)**

### **Total cost analysis by academy**

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

	<b>Teaching and Educational Support Staff Costs £000</b>	<b>Other Support Staff Costs £000</b>	<b>Educational Supplies £000</b>	<b>Other Costs (excluding Depreciation) £000</b>	<b>Total 2017 £000</b>	<b>Total 2016 £000</b>
Finham Park	5,340	952	523	1,019	<b>7,834</b>	7,882
Finham Pak 2	805	226	111	301	<b>1,443</b>	840
Finham Primary	1,328	315	108	315	<b>2,066</b>	792
Lyng Hall	3,357	672	233	628	<b>4,890</b>	735
Central Services	9	45	17	134	<b>205</b>	129
<b>Academy Trust</b>	<b>10,839</b>	<b>2,210</b>	<b>992</b>	<b>2,397</b>	<b>16,438</b>	10,378

## **19 Analysis of net assets between funds**

Fund balances at 31 August 2017 are represented by:

	<b>Unrestricted Funds £000</b>	<b>Restricted General Funds £000</b>	<b>Restricted Fixed Asset Funds £000</b>	<b>Total Funds £000</b>
Tangible fixed assets	-	-	42,719	<b>42,719</b>
Current assets	2,224	3,553	3,572	<b>9,349</b>
Current liabilities	-	(1,708)	-	<b>(1,708)</b>
Non-current liabilities	-	(41)	-	<b>(41)</b>
Pension scheme liability	-	(7,232)	-	<b>(7,232)</b>
<b>Total net assets</b>	<b>2,224</b>	<b>(5,428)</b>	<b>46,291</b>	<b>43,087</b>

## **20 Capital Commitments**

	<b>2017 £000</b>	<b>2016 £000</b>
Contracted for, but not provided in the financial statements	737	3,390

# Finham Park Multi-Academy Trust

## Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

### 21 Financial Commitments

#### Operating Leases

At 31 August 2017 the Academy Trust's future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Non land and buildings operating leases which expire:		
Within one year	36	37
Within two and five years inclusive	94	64
	<u>130</u>	<u>101</u>

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

	2017 £000	2016 £000
Net income	3,067	29,742
Depreciation (note 13)	1,812	875
Donations - inherited fixed assets less pension liability (note 3)	-	(16,516)
Capital grants from DfE and other capital income (note 3)	(4,097)	(12,162)
Interest receivable (note 6)	(18)	(16)
FRS 102 pension cost less contributions payable (note 26)	(237)	49
Pension finance costs (note 26)	144	112
Decrease/(increase) in debtors (note 15)	3,932	(7,251)
(Decrease)/increase in creditors (note 16 and note 17)	(2,021)	2,734
(Increase)/decrease in stocks (note 14)	(3)	2
<b>Net Cash Inflow from Operating Activities</b>	<u><b>(2,566)</b></u>	<u><b>(2,428)</b></u>

### 23 Cash flows from investing activities

Interest received	18	16
Purchase of tangible fixed assets	(5,908)	(7,489)
Capital grants from DfE/ESFA	4,097	12,162
<b>Net cash provided by / (used in) investing activities</b>	<u><b>(1,793)</b></u>	<u><b>4,689</b></u>

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **24 Analysis of cash and cash equivalents**

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	5,442	4,669
<b>Total cash and cash equivalents</b>	<b>5,442</b>	<b>4,669</b>

## **25 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.

# **Finham Park Multi-Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **26 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 West Midland Pension Scheme. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016. 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 will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **26 Pension and similar obligations (continued)**

The employer's pension costs paid to TPS in the period amounted to £1,251k (2016: £725k).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

### **Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £1,140k (2016: £470k), of which employer's contributions totalled £1,001k (2016: £395k) and employees' contributions totalled £139k (2016: £75k). The agreed contribution rates for future years are between 18.9-21.8% per cent for employers, varying between schools, and 5.5-12.5% per cent for employees, depending on salary band.

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.

<b>Principal Actuarial Assumptions</b>	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
Rate of increase in salaries	<b>4.20%</b>	3.75%
Rate of increase for pensions in payment/inflation	<b>2.70%</b>	2.00%
Discount rate for scheme liabilities	<b>2.60%</b>	2.10%
Inflation assumption (CPI)	<b>2.70%</b>	2.00%

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

	<b>At 31 August 2017</b>	<b>At 31 August 2016</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	23.1
Females	<b>24.3</b>	25.8
<i>Retiring in 20 years</i>		
Males	<b>24.0</b>	25.3
Females	<b>26.6</b>	28.1

# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **26 Pension and similar obligations (continued)**

### **Sensitivity analysis**

	<b>At 31 August 2017 £'000</b>	<b>At 31 August 2016 £'000</b>
Discount rate +0.1%	250	202
Discount rate -0.1%	(255)	(206)
Mortality assumption – 1 year increase	(417)	(273)
Mortality assumption – 1 year decrease	403	276
CPI rate +0.1%	(206)	(157)
CPI rate -0.1%	201	154

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

	<b>Fair value at 31 August 2017 £'000</b>	<b>Fair value at 31 August 2016 £'000</b>
Equities	3,277	2,132
Government bonds	379	249
Other Bonds	200	308
Property/infrastructure	379	286
Cash	258	231
Other	688	388
<b>Total market value of assets</b>	<b>5,181</b>	<b>3,594</b>

The actual return on scheme assets was £680,000 (2016: £490,000)



# **Finham Park Multi-Academy Trust** **Notes to the Financial Statements for the Year Ended 31** **August 2017 (continued)**

## **26 Pension and similar obligations (continued)**

### **Amounts recognised in the statement of financial activities**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employee contributions)	<b>762</b>	<b>49</b>
Net interest cost	<b>144</b>	<b>111</b>
Administration Expenses	<b>2</b>	<b>1</b>
Total amount recognised in the SOFA	<b>908</b>	<b>161</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 September</b>	<b>10,932</b>	<b>4,675</b>
Current service cost	<b>762</b>	<b>444</b>
Interest cost	<b>230</b>	<b>207</b>
Employee contributions	<b>139</b>	<b>75</b>
Actuarial loss	<b>481</b>	<b>2,733</b>
Benefits paid	<b>(131)</b>	<b>(34)</b>
Business Combinations	<b>-</b>	<b>2,832</b>
<b>At 31 August</b>	<b>12,413</b>	<b>10,932</b>

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

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>At 1 September</b>	<b>3,594</b>	<b>2,283</b>
Interest income	<b>86</b>	<b>96</b>
Actuarial gains/(losses)	<b>494</b>	<b>394</b>
Admin Expenses	<b>(2)</b>	<b>(1)</b>
Employer contributions	<b>1001</b>	<b>395</b>
Employee contributions	<b>139</b>	<b>75</b>
Benefits paid	<b>(131)</b>	<b>(34)</b>
Business combinations	<b>-</b>	<b>386</b>
<b>At 31 August</b>	<b>5,181</b>	<b>3,594</b>

# **Finham Park Multi-Academy Trust**

## **Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)**

### **27 Related Party Transactions**

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is not unusual that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

*Ava Event Styling* – a company owned by Mrs A Plester (a wife of Mr R Plester, head teacher of Finham Park 2).

- The Trust purchased floristry from Ava Event Styling totalling £1,090 (2016: £1,673) during the year. There were no amounts outstanding at 31 August 2017.
- The Trust made the purchase at arms' length and in accordance with its financial regulations. Mr R Plester had no involvement in the purchasing process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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

- The Trust purchased membership totalling £420 (2016: £3,090) during the year. There were no amounts outstanding at 31 August 2017.
- The Trust made the purchase at arms' length and in accordance with its financial regulations. Mr M Bailie and Mr P Burns had no involvement in the purchasing process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

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

- The Trust provided IT support to the value of £8,784 (2016: £nil). There were no amounts outstanding at 31 August 2017.
- The Trust made the purchase at arms' length and in accordance with its financial regulations. Mr Blundell had no involvement in the sales process nor influenced the decision.
- In entering into the transaction the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

There were no further related party transactions during the period.