

Registered number: 08148546

Central Schools Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2017



Central Schools Trust
(A company limited by guarantee)

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Central Schools Trust
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Reference and Administrative Details
For the Year Ended 31 August 2017

Members	J S Court T G Miller G P Sawyer C J Shadbolt R A Smith	
Trustees	T G Miller, Chair of Trustees up to 1 September 2017 (resigned 10 July 2017) J C Barnes, Vice Chair of Trustees G T Burgess, Executive Head Teacher J S Court (resigned 24 April 2017) R Murray, Chair of Trustees from 9 October 2017, Chair of Local Governing Body at Balsall Common Primary School C J Shadbolt, Chair of Local Governing Body at Damson Wood Infant and Nursery School V J Von Rittershausen (resigned 10 July 2017) G A Wish (deceased 20 June 2017) L Evans (appointed 10 July 2017) D Robinson (appointed 10 July 2017) H C Dean (appointed 10 July 2017) S-J Miller (appointed 10 July 2017)	
Company registered number	08148546	
Company name	Central Schools Trust	
Principal and registered office	Balsall Street East Balsall Common Coventry CV7 7FS	
	Name	Office/position
Senior management team	G T Burgess	Executive Head Teacher and Head Teacher Balsall Common Primary School
	M Brown	Assistant Head Teacher Balsall Common Primary School
	N Ireland	Assistant Head Teacher Balsall Common Primary School
	E Hughes	Head Teacher Damson Wood Infant and Nursery School
	R Fitter	Deputy Head Teacher Damson Wood Infant and Nursery School
	D Chillcott	Director of Finance
Independent auditors	Dains LLP Statutory Auditor 15 Colmore Row Birmingham B3 2BH	
Bankers	Lloyds Bank plc 9-11 Poplar Road Solihull B91 3AN	

Central Schools Trust
(A company limited by guarantee)

Trustees' Report
For the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 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.

Structure, governance and management

a. Constitution

The Trust is a charitable company limited by guarantee and an exempt charity. The charitable company was constituted under a Memorandum and Articles of Association dated 18 July 2012, and amended 20 July 2016.

The Trustees of Central Schools Trust are also the directors of the charitable company for the purpose of company law.

On 1 August 2016, Balsall Common Primary School converted to a Multi Academy Trust. The charitable company is now known as Central Schools Trust. There are two schools within Central Schools Trust; Balsall Common Primary School, and Damson Wood Infant and Nursery School. Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

The management of the Trust is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

In accordance with the Articles of Association, the Trust's Board comprises the following:

- Up to 8 Trustees appointed by the members
- The Executive Head Teacher, who is treated for all purposes as being an ex-officio Trustee
- Up to 3 Co-opted Trustees appointed by the Trustees

Trustees are appointed for a four-year period, except that this time limit does not apply to the Executive Head Teacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

The Trust Board has agreed that each Academy within the Trust will be overseen by a Local Governing Body, the Chair of which will report on progress to the Trust Board. Each Local Governing Body will be made up as follows:

- The Local Governing Body Chair is approved by the Trust Board and is also a Trustee
- The Head Teacher (or Executive Head Teacher if fulfilling this role), who is treated for all purposes as being an ex-officio Governor
- At least 2 Parent Governors
- At least 2 Governors appointed by the Trust (including the Chair)
- One other staff governor (in addition to the Head of School or Executive Head Teacher)

Governors are appointed for a four year period, except this time limit does not apply to the Head Teacher/ Executive Head Teacher. Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected providing they have signed and complied with the Governors' Code of Conduct.

When appointing Governors, the Trust Board will give consideration to the skills and experience mix of the existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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

The Trust Board has devised an informal induction process to ensure that all Trustees/Governors understand their roles and responsibilities. The training and induction provided for new Trustees/Governors will depend on their experience but would always include a tour of the Academy/Academies with the Chair of the Trust/Governors and a chance to meet staff and pupils. All Trustees/Governors have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as Trustees/Governors. Trustees/Governors make regular use of the training packages offered by Solihull Governor Services; these activities are coordinated by the Clerk to the Board. All Trustees/Governors are subject to DBS checks.

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

The Trust Board review, consult upon and adopt a Trust Pay Policy on an annual basis. This document is provided by the Department for Education and is overviewed, after consultation has taken place with all stakeholders, by the Human Resources Department at Solihull Metropolitan Borough Council. The Trust takes advice on the wording approved from Solihull Metropolitan prior to undertaking its own internal consultation process and adopting the policy. All pay and remuneration decisions for key management personnel are undertaken in line with the Pay Policy, following completion of the performance management review process. The performance management review is undertaken in line with the Trust Appraisal Policy, which again is issued by the Department for Education, reviewed and consulted upon by Solihull Metropolitan Borough Council and then adopted by the Trust.

f. Organisational structure

The Trust Board meets at least once each term. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference, and procedures of Committees, Local Governing Bodies and other groups. It receives reports, including policies, from its Committees for ratification. It monitors the activities of the Committees through the minutes of its meetings and may, from time to time, establish Working Groups to perform specific tasks over a limited timescale.

There are 3 committees which report to the Trust Board as follows:

Finance and General Purposes Committee

This normally meets every half term and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and compliance with reporting and regulatory requirements. It also receives reports from Solihull Metropolitan Borough Council on additional checks carried out in the year and drafts the annual budget. It is also responsible for monitoring the site and buildings of the Academies of the Trust, determining what routine improvements should be made and planning for the future expansion or enhancement of the current facilities.

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

Staffing and Performance Committee

This committee normally meets every half term and maintains oversight of staffing structures, management systems, pupils' progress and attainment via the schools' pupil data tracking systems and the effect of Pupil Premium. It is also kept informed about curriculum developments and their effect on future resources.

The following decisions are reserved to the Trust Board; to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Executive Head Teacher, Head Teacher and Clerk to the Trustees and to approve the budgets.

The Trustees are responsible for setting general policy, adopting annual plans and budgets, approving the statutory accounts, monitoring the Trust by use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments. The Trustees have devolved responsibility for the day to day management of the Academies to the Executive Head Teacher, Head Teacher and Senior Management teams.

The Executive Head Teacher is the Accounting Officer.

Pay Committee

This committee meets at least once a year and is authorised by the Trust Board to determine all matters relating to pay and related performance of staff to establish a whole trust pay policy. The pay policy is adopted by the Trust Board and is monitored and reviewed as necessary.

Local Governing Bodies

Each Academy is overseen by a Local Governing Body which then reports into the Trust Board and its committees on a minimum termly basis. It is the responsibility of each Local Governing Body to monitor their Academy performance against its' approved School Improvement Plan and Budget. Any major concerns or need to deviate from the approved plans must be brought to the attention of the Trust Board for prior approval.

g. Connected organisations, including related party relationships

McNally Enterprises Limited, a company of which G T Burgess is a shareholder, supplies consultancy services to Balsall Common Primary School. These transactions in turn generate funds for the Academy. Further information has been included within the related party transactions note 26.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Central Schools Trust to provide education for pupils aged 3 - 11, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering broad and balanced curriculums;

The main aims of the Trust during the year ending 31 August 2017 are summarised below;

- To enlarge each child's experience, knowledge, imagination and understanding, thus enabling them to realise their potential for learning and capacity for enjoyment.
- To help pupils develop lively and enquiring minds, the ability to question, argue and develop ideas rationally and to apply themselves to tasks and physical skills.
- To help pupils become increasingly independent and self-motivated, developing learning capacities which will help them to become confident, capable, creative life-long learners.
- To help pupils develop strategies for self-evaluation and to encourage in them a desire to strive for excellence in all areas of school life.
- To encourage children to co-operate with each other, to be sensitive to the needs of others and to develop tolerance and understanding of other races, religions and ways of life.
- To encourage children to be sensitive to the needs of the local environment and to develop links with the community in order that the school becomes an active part of the community.
- To encourage parents to take an active part in their children's education and the daily life of the school.

b. Objectives, strategies and activities

The following key areas for development in 2016/17 were prioritised in the CST School Development plan as follows:

CST

Governance

1. Formally agree the physical make-up of the committees
 - a. Members
 - b. Board of Directors
 - c. Finance and General Purposes Committee
 - d. Staffing and Performance Committee
 - e. DW LGB
 - f. BCPS LGB
2. Formally agree Terms of Reference for each body
3. Formally agree the Scheme of Delegation
4. Set meetings dates and times

Finance

1. New bank accounts
2. Agree method of control
 - a. Set level of procurement of Head Teacher
 - b. Process for purchasing orders
 - c. Process for authorising orders
3. Service Level Agreements
4. Management of change process to ensure appropriate levels of staffing across the Trust
 - a. Budget for 2017-2018
5. Sponsorship
6. Dragons and Woodies

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

Website Design and Policy Review

1. Design a new website to use as the CST
2. Policies reviewed so that BCPS or DW references are replaced with shared policies for the CST

Leadership and Management

1. Members of SLT allocated to monitor and report on key areas of Attainment and Achievement, Pupil Premium and SEN and Inclusion, Quality of Teaching, Curriculum, Safeguarding and Leadership and Management. Members of SLT identified as:

Area	CST	BCPS	DW
Attainment and Achievement	Neil (AHT)	Neil (AHT)	Emily (HT)
Pupil Premium and SEN and Inclusion	Neil (AHT)	Neil (AHT)	Ros (DHT)
Quality of Teaching	Emily (HT)	TBC (AHT)	Emily (HT)
Curriculum	TBC (AHT)	TBC (AHT)	Ros (DHT)
Safeguarding	Ros (DHT)	Neil (AHT)	Ros (DHT)
Leadership and Management	Graeme (EHT)	Graeme (EHT and HT)	Emily (HT)

2. Clear plan to ensure regular meetings across the year with CST Senior leaders to discuss each half termly report from CST leads.
3. At school level, clear expectation, with timescales, for senior managers to submit records of their leadership actions.
Agree a centralised system for assessment data for the CST

Quality of Teaching

1. Consistent approach to lesson observations, records and ensuring that next steps for improvement are structured and impact positively on pupil outcomes.
2. Effective reporting arrangement to ensure that CST is fully informed regarding the quality of teaching across the trust.

Curriculum

1. Review of curriculum across the Trust schools to ensure consistency and high quality.

Safeguarding

1. Consistent approach to safeguarding across the Trust to ensure that all pupils are kept safe from harm.

Outcomes for Pupils

1. Ensure that the progress made by disadvantaged pupils and SEND pupils matches that made by other pupils, or is rapidly catching up.
2. The proportions of pupils making expected progress is close to the national averages and those making better than expected is high in comparison with the national averages

Balsall Common

Leadership and Management

1. Establish new team
 - a. Coaching for monitoring.
2. Address issues of first year of the new curriculum
 - a. Maths
 - b. Reading comprehension
 - c. Spelling
 - d. Handwriting.
3. CST NQT Lead
 - a. Phase directors as NQT mentors.

Teaching, Learning and Assessment

1. QFLT
2. Subjects
 - a. Maths
 - b. Coverage in science
 - c. Reading comprehension
 - d. Spelling
 - e. Handwriting
3. GAP tasks
4. Marking – moving on and checking
5. Planning detail
6. Phonics

Personal Development, Behaviour and Welfare

1. Attendance
 - a. Rewards linked to improvement
2. Behaviour
 - a. ATL cup for KS1

EYFS

1. Establishing a new team
2. GLD by end of reception year is above the national average (most recent school reception GLD score, 86%)
3. Phonics lead supports the development of phonics in Year 1
4. Development of Forest School

Outcomes for Pupils

1. New curriculum
 - a. Standards required to reach ARE in all subjects are better understood, better taught and outcomes improve as a result.
2. Pupil premium
 - a. The progress and attainment of this group of pupils is tracked by teachers, phase directors and senior leaders
3. Special Needs
 - a. The progress and attainment of this group of pupils is tracked by teachers, phase directors and senior leaders
4. More able pupils
 - a. The progress and attainment of this group of pupils is tracked by teachers, phase directors and senior leaders

Damson Wood

Leadership and Management

1. Establish new Senior Leadership Team and Senior Management Team
2. Monitoring by senior leaders and managers
3. High quality subject leadership and monitoring of curriculum delivery
4. Improve ICT provision across the school
5. Improve school library provision
6. Gather views of parents, pupils and staff to identify areas for development to improve standards for all
7. Termly Planner / Shared Calendar

Teaching

1. High quality first teaching
2. Assessment for learning
 - a. Higher attaining pupils
 - b. Gifted and talented
3. Assessment Tracking System to show attainment and progress of pupils
4. Marking – consistent and effective
5. Standards in:
 - a. Phonics
 - b. Maths
 - c. Handwriting
 - d. Reading comprehension
 - e. Spelling
6. Planning – consistent and of a high standard
7. Increased Parental Help

Personal development, welfare and behaviour

1. Attitude Towards Learning
2. Behaviour Policy
3. Bullying
4. Attendance

EYFS

1. Outdoor Area
2. Consistently high QFT
3. High proportions of pupils reaching AREs and Good Level of Development (>70%) across EYFS
4. Embed characteristics of learning (link to BLP across school)
5. Increase numbers of applicants to Nursery
6. Parents

Outcomes

1. High proportions of pupils at or above AREs across all classes
 - a. Phonics Screening
2. Improve presentation of outcomes data reported, especially in KS1
3. High outcomes in each year group
4. High quality teaching and learning
5. Work in books showing improvement
 - a. Children applying English and Maths skills across the curriculum

Childcare (Woodies)

1. Enhance childcare offered to include 2 year olds +
2. Develop provision to enable 30 hours provision for 3 year olds
3. Improve physical environment to ensure fit for purpose
4. Outdoor Learning Provision

c. Public benefit

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

d. Volunteers and sponsors

During the year, the Trust received donated assets and services with an estimated value of £50,000. This includes educational trips, monies from passive income streams and considerable savings made on professional fees.

Through rigorous research and tendering, this allowed for extra work to be carried out on maintenance of the buildings.

Achievements and performance

a. Going concern

The Trustees assess whether the use of the going concern basis is appropriate and whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. After making appropriate enquiries, the Trust Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

b. Key performance indicators

The Trustees aim to ensure that the Trust meets the following financial requirements:

- Operates within its means and remains solvent
- Achieves best value for all activities undertaken and contracted services
- Maintains appropriate reserves
- Maintains a balanced budget going forward, taking likely contingencies into account
- Seeks to maintain the numbers of children in the school

c. Review of activities

Damson Wood Infant and Nursery School became part of Central Schools Trust on 1 August 2016.

Standards of Achievement

In February 2014, Balsall Common Primary School received an Outstanding Ofsted grading, with standards of attainment and achievement being particularly high.

Standards of Attainment and Progress 2017

Balsall Common

Attainment

2017 EYFS Profile Scores Compared to LA and National (2016)

Good Level of Development

An assessment for a good level of development is based on children's performance across a number of academic and non academic areas.

	National % (2017)	Solihull %	BCPS %
% achieving GLD	71	72	
Avg pts score	34.5	34.8	

c. Review of activities (continued)

**BCPS 2017 Data Comparison to Local and National
KS1**

ARE/Expected Standard

	Solihull	National	BCPS
Reading	79	76	
Writing	70	69	
Maths	77	76	

Greater Depth

	Solihull	National	BCPS
Reading	28	25	
Writing	18	16	
Maths	23	21	

Phonics

	Solihull	National	BCPS
Phonics Screening	85	81	

KS2

ARE/Expected Standard

	Solihull	National	BCPS
Reading	75	71	
Writing	78	76	
Maths	78	75	
GPS	79	77	73
Science	79	82	

Greater Depth

	Solihull	National	BCPS
Reading	28	25	
Writing	20	18	
Maths	26	23	21
GPS	32	24	24

c. Review of activities (continued)

Progress

KS1

There has been a significant improvement in the proportion of children reaching ARE+ and GD since they left Year 1 last year; all outcomes are higher than last year's published national average for the end of Year 2.

Year	Reading				Writing				Maths			
	ARE+ 2016	ARE+ 2017	GD 2016	GD 2017	ARE+ 2016	ARE+ 2017	GD 2016	GD 2017	ARE+ 2016	ARE+ 2017	GD 2016	GD 2017
	KS1 NA ARE+ 74% GD 24%				KS1 NA ARE+ 65% GD 13%				KS1 NA ARE+ 73% GD 18%			
2	65	84	14	36	57	82	1	30	62	84	5	30

KS2

Progress from their Year 5 starting points is good in reading, and outstanding in writing, because value has been added at both ARE+ and GD.

Year	Reading				Writing				Maths			
	ARE+ 2016	ARE+ 2017	GD 2016	GD 2017	ARE+ 2016	ARE+ 2017	GD 2016	GD 2017	ARE+ 2016	ARE+ 2017	GD 2016	GD 2017
Brackets – 2016	KS2 NA ARE+ 71% (66%) GD (19%)				KS2 NA ARE+ 76% (74%) GD (15%)				KS2 NA ARE+ 75% (70%) GD (17%)			
SATs Score	72	75	18	22	51	80	11	22.5	66	65	27	21

c. Review of activities (continued)

Damson Wood

Attainment

2017 EYFS Profile Scores Compared to LA and National (2016)

Good Level of Development

An assessment for a good level of development is based on children's performance across a number of academic and non academic areas.

	National % (2017)	Solihull %	DW %
% achieving GLD	71	72	69 (60)
Avg pts score	34.5	34.8	34.1 (30.2)

DW 2017 Data Comparison to Local and National

KS1

ARE/Expected Standard

	Solihull	National	DW
Reading	79	76	70
Writing	70	69	57
Maths	77	76	56

Greater Depth

	Solihull	National	DW
Reading	28	25	23
Writing	18	16	
Maths	23	21	13

Phonics

	Solihull	National	DW
Phonics Screening	85	81	78

c. Review of activities (continued)

Progress

KS1

The proportion of pupils making accelerated progress from their starting points is outstanding. The proportion making better than expected progress is far higher than they used to be under previous levels at Year 2.

Year	Reading		Writing		Maths	
	Expected+	Better than Expected	Expected+	Better than Expected	Expected+	Better than Expected
1	89 (96)	68 (72)	85 (91)	52 (54)	82 (85)	49 (48)
2	93 (92)	52 (54)	83 (85)	67 (69)	69 (73)	48 (50)

Admission Numbers

Balsall Common

Year Group	Number of classes	Pupil Numbers
N	N/A	83
R	3	90
1	4	105
2	4	120
3	3	93
4	3	83
5	3	88
6	3	90
Forecast Pupil Population		752

Damson Wood

Year Group	Expected September 2017
FS1 (Nursery)	25
FS2 (Reception)	44
Year 1	58
Year 2	65
Total	192

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

Financial review

a. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

At 31 August 2017, the Trust had free reserves of £101,518 (2016 - £63,886), fixed asset reserves of £9,982,849 (2016 - £8,268,837) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £1,849,000 (2016 - £1,659,000).

b. Financial review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The Trust also receives grants for fixed assets from the DfE and these are shown in the Statement of Financial Activities as Restricted Income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2017, total expenditure, excluding fixed asset funds and movements on the pension scheme, of £3,894,917 was covered by recurrent grant funding from the DfE and other income of £3,966,218. £33,669 of revenue reserves was used to fund capital additions so the revenue surplus in the year was £37,632.

At 31 August 2017, the net book value of fixed assets was £9,996,001 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

In April 2017, the finance systems for both schools were centralised at Balsall Common Primary School. The Internal Audit review of the newly created finance systems was deferred until April 2018.

Key financial policies adopted or reviewed during the previous period include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Executive Head Teacher, Head Teacher, senior leaders, budgets holders and other staff, as well as delegated authority for spending.

c. Financial and risk management objectives and policies

The Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by the Trustees and include the financial risks to the Trust. The register and plan are formally reviewed annually.

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finance, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Risks to revenue funding from a falling roll are small at Balsall Common Primary School, but at Damson Wood Infant and Nursery School there are some spaces due to previous poor OFSTED reports received. Work to improve standards and therefore pupil numbers has already commenced and the Trustees expect Damson Wood Infant and Nursery School to see an improving position in the short term. However, the freeze on the Government's overall education budget, and increasing employment and premises costs, mean that budgets are exceptionally tight and there is substantial pressure on maintaining a balanced position. Cost savings as a result of rationalisation measures have been undertaken across both schools which are forecast to result in a breakeven position for the forthcoming year across the Trust.

The Trustees examine the financial health formally every half term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Board and Finance and General Purposes Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known anticipated commitments.

At the period end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Trustees recognise that the defined benefit scheme deficit (Local Government Pension Scheme) which is set out in Note 24 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

d. Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial – The Trust has considerable reliance on continued funding through the ESFA. Whilst the current level of funding is expected to continue if not increase due to the Fair Funding Review which is due to be implemented from 1 September 2018, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in Governance or Management – The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational – The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, the Trustees ensure that pupil success and achievement are closely monitored and reviewed.

Safeguarding and Child Protection – The Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

Fraud and Mismanagement of Funds – The Trust has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. The Director of Finance has undergone AAT training and is an experienced management accountant.

Staffing – The success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning in place.

e. Investment policy

The Trustees review the investment policy annually. Due to the nature of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the use of additional short term bank investment accounts to take advantage of higher interest rates. The Trust's current policy is only to invest funds in risk free and short term (1-3 months) accessible deposit accounts. No other form of investment is currently authorised.

f. Risk management

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to specific teaching, provision of facilities and other operational areas of the Trust and its finances. The Trustees have implemented a system to assess risks the Trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety, and school trips) and in relation to the control of finance. They have introduced systems and internal financial controls in order to minimise risk; all identified risks are reviewed on at least an annual basis. Where significant financial risk still remains the Trustees have ensured that they have adequate insurance cover.

The Trust has an effective system of internal financial controls and this is explained in more detail in the Statement of Internal Control.

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

Plans for future periods

The aims for the future from a financial perspective are to:

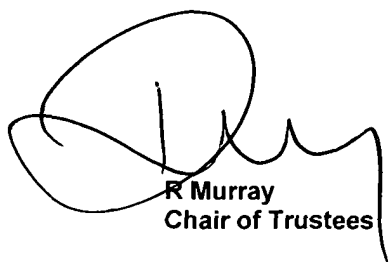
- Maintain a balanced budget
- Plan for and maintain an appropriate level of reserves
- Use funds prudently to ensure continued proactive upkeep of the estate and buildings
- Have regard for, and monitor, the LGPS liabilities

Disclosure of information to auditors

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

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

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 27 November 2017 and signed on its behalf by:



R Murray
Chair of Trustees

Central Schools Trust
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Governance Statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Central Schools 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 Head Teacher, 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 Central Schools 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 6 times during the year, the Finance and General Purposes Committee has met 5 times and the Staffing and Performance Committee 5 times during the year. The Local Governing Body of Balsall Common Primary School was established in January 2017 and has met 4 times during the year. Damson Wood Infant and Nursery School became an Academy on 31 July 2016 when the Academy also joined Central Schools Trust. The Local Governing Body of Damson Wood Infant and Nursery School was established in January 2017 and has 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
T G Miller (resigned 10 July 2017)	6	6
J C Barnes	6	6
G T Burgess, Executive Head Teacher	6	6
J S Court (resigned 24 April 2017)	4	4
R Murray	5	6
C J Shadbolt	6	6
V J Von Rittershausen (resigned 10 July 2017)	6	6
G A Wish (deceased 20 June 2017)	0	5

The Finance and General Purposes Committee is a sub-committee of the main Trust Board.

Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regulatory requirements
- Receive and act upon reports from the Responsible Officer
- Draft the annual budget
- Monitor the site and buildings of the Trust, determining what routine improvements should be made and plan for the future expansion or enhancement of the current facilities

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G T Burgess, Executive Head Teacher	5	5
J S Court, Chair of the Committee until 1 April 2017	3	5
T G Miller	1	5
C J Shadbolt, Chair of the Committee from 1 April 2017	5	5
V J Von Rittershausen	5	5

Central Schools Trust
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Governance Statement (continued)

The Staffing and Curriculum Committee is also a sub-committee of the Trust Board.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J C Barnes, Chair of the Committee	5	5
G T Burgess, Executive Head Teacher	5	5
T G Miller	2	5
R Murray	5	5
G A Wish	1	4

Review of Value for Money

As Accounting Officer, the Executive Head Teacher has responsibility for ensuring that the 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 appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by:

Governance

The Trust has a very strong Trust Board and management structure in place.

- We have ensured that Trustees have been placed on the committees that best suit their professions i.e. an banker on Finance and General Purposes Committee
- Committees meet on a regular basis and feed back to Full Board Meetings
- The Chair of the Trust, Chairs of the Local Governing Boards, Head Teacher and Executive Head Teacher are in contact on a regular basis

Budget & Controls

The Trust continues to use SAGE as a financial package that best suited the Trust's needs. This came into operation on 1 September 2014.

- Accountants, a Responsible Officer and financial system advisors continue in their roles
- Comprehensive insurance policies are reviewed and put in place annually
- Although the Trust does have preferred providers, we do check the market place prices to ensure continuing good value
- The following policies are reviewed and amended if applicable on a regular (annual) basis - Purchasing Policy, Cash Management Policy, Fixed Asset Policy and an Investment Policy. (N.B. Any amendments to the above policies will reflect any recommendations from the Responsible Officer, Accountants and financial system advisors.)
- Monthly budget monitoring takes place
- Investments are discussed at the Finance and General Purposes Committee meetings and handled through the bank when applicable
- Services and contract renewal checks are made to ensure continuing good service and value
- In 2014 we began a relationship with a procurement company SJ Solutions. SJ Solutions add an additional level of resourcing and assist in obtaining best value

Governance Statement (continued)

Review of Value for money (continued)

Better Income generation

The Funding and Publicity Manager, dedicated to researching additional funding streams and creating links with local businesses, continues to be highly successful.

- Generating additional support from a number of businesses
- Solihull Chamber of Commerce has been a terrific source for networking and opening doors and raising the Trust's profile
- The Trust's profile continues to be raised through the local press
- The pupils have benefited greatly from additional visits sourced by the Funding and Publicity Manager, mainly through the chamber
- The PTA continues to be an outstanding funding resource
- In January 2017 Balsall Common Primary School entered into partnership with a swim school to ensure high quality swim lessons and to generate additional income
- Balsall Common Primary School's Before and After School Club continues to return high levels of use.

Improving educational outcomes

- Annual survey questionnaire which includes staff, pupils and parents. The outcomes are posted on each school's website and form part of the Schools' Development Plan.
- Staff structure in place to provide the opportunity for pupils to raise their individual levels of attainment and progress
- An effective SEN team to cater for one-to-one requirements
- An effective strategy for the more able
- Excellent safeguarding procedures are in place
- The role of Play workers continues to enhance the lunch hour experience for pupils
- Delegated responsibility to Senior leaders to ensure that leaders and managers at all levels impact on pupil outcomes
- A highly effective program of teacher observations / feedback meetings enhances the performance management process which impacts on the pupils
- Data evidence of the effectiveness of the staffing structure and systems in place
- Highly effective Self-evaluation used to drive improvement
- An effective CPD program is in place to aid in staff's knowledge
- Through the Before and After School Cubs we can offer a better early education for the children

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Central Schools Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The 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 has decided not to appoint an internal auditor. However, the Trustees have appointed Solihull Metropolitan Borough Council to perform additional checks.

The Council's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In April 2017, the finance systems for both schools were centralised at Balsall Common Primary School. The Internal Audit review of the newly created finance systems was deferred until April 2018.

Governance Statement (continued)

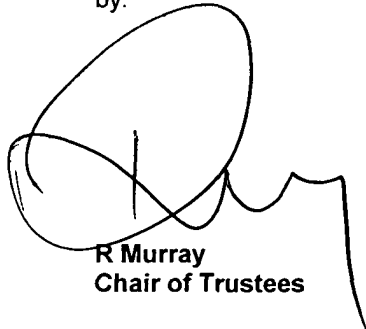
Review of Effectiveness

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


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

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

Approved by order of the members of the Board of Trustees on 27 November 2017 and signed on their behalf, by:



R Murray
Chair of Trustees



G T Burgess
Accounting Officer

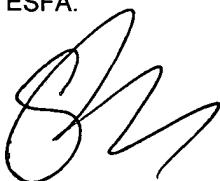
Central Schools Trust
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Statement on Regularity, Propriety and Compliance

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

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

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



G T Burgess
Accounting Officer

Date: 27 November 2017

Central Schools Trust
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Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

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

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

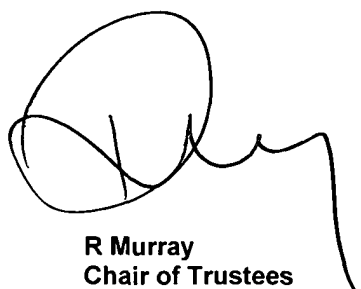
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 27 November 2017 and signed on its behalf by:



R Murray
Chair of Trustees

Independent Auditors' Report on the Financial Statements to the Members of Central Schools Trust

Opinion

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent Auditors' Report on the Financial Statements to the Members of Central Schools Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

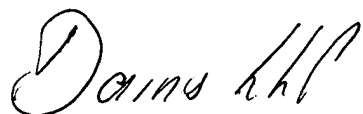
Central Schools Trust
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Independent Auditors' Report on the Financial Statements to the Members of Central Schools Trust

Auditor's responsibilities for the audit of the financial statements

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

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



Andrew Morris FCA (Senior Statutory Auditor)

for and on behalf of

Dains LLP

Statutory Auditor

Birmingham

27 November 2017

Central Schools Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Central Schools Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 7 November 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Schools 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 Central Schools Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Central Schools 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 Central Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Central Schools Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Central Schools Trust's funding agreement with the Secretary of State for Education dated 28 July 2016, 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.

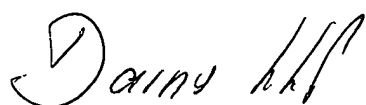
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

Central Schools Trust
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Independent Reporting Accountants' Assurance Report on Regularity to Central Schools Trust and the Education Funding Agency (continued)

Conclusion

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

A handwritten signature in black ink, appearing to read 'Dains LLP', is written over the printed name of the firm.

Dains LLP
Statutory Auditor
Chartered Accountants
Birmingham
27 November 2017

Central Schools Trust
(A company limited by guarantee)

Statement of Financial Activities (incorporating Income and Expenditure account and Statement of Total Recognised Gains and Losses)
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	-	-	1,880,000	1,880,000	(553,197)
Donations and capital grants	2	185,991	-	65,700	251,691	459,779
Charitable activities:	5					
Funding for the Academy's educational operations		32,732	3,522,410	-	3,555,142	2,660,887
Other trading activities	3	224,840	-	-	224,840	212,433
Investments	4	245	-	-	245	369
Total income		443,808	3,522,410	1,945,700	5,911,918	2,780,271
Expenditure on:						
Raising funds	3,7	193,570	-	-	193,570	161,458
Charitable activities		20,566	3,841,781	265,357	4,127,704	3,264,042
Total expenditure	6	214,136	3,841,781	265,357	4,321,274	3,425,500
Net income / (expenditure) before transfers		229,672	(319,371)	1,680,343	1,590,644	(645,229)
Transfers between Funds	19	(184,086)	150,417	33,669	-	-
Net income / (expenditure) before other recognised gains and losses		45,586	(168,954)	1,714,012	1,590,644	(645,229)
Actuarial losses on defined benefit pension schemes	14	-	(29,000)	-	(29,000)	(416,000)
Net movement in funds		45,586	(197,954)	1,714,012	1,561,644	(1,061,229)
Reconciliation of funds:						
Total funds brought forward		17,534	(1,612,648)	8,268,837	6,673,723	7,734,952
Total funds carried forward		63,120	(1,810,602)	9,982,849	8,235,367	6,673,723

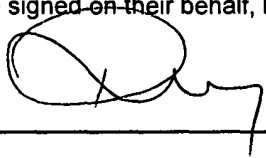
Central Schools Trust
(A company limited by guarantee)
Registered number: 08148546

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		9,996,001		8,278,242
Current assets					
Stocks	15	5,856		4,633	
Debtors	16	113,025		288,722	
Cash at bank and in hand		409,341		324,217	
		<u>528,222</u>		<u>617,572</u>	
Creditors: amounts falling due within one year	17	<u>(428,349)</u>		<u>(551,583)</u>	
Net current assets			<u>99,873</u>		<u>65,989</u>
Total assets less current liabilities			<u>10,095,874</u>		<u>8,344,231</u>
Creditors: amounts falling due after more than one year	18		<u>(11,507)</u>		<u>(11,508)</u>
Net assets excluding pension scheme liabilities			<u>10,084,367</u>		<u>8,332,723</u>
Defined benefit pension scheme liability	24		<u>(1,849,000)</u>		<u>(1,659,000)</u>
Net assets including pension scheme liabilities			<u><u>8,235,367</u></u>		<u><u>6,673,723</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	38,398		46,352	
Pension reserve	19	(1,849,000)		(1,659,000)	
Restricted fixed asset funds	19	9,982,849		8,268,837	
Total restricted income funds			<u>8,172,247</u>		<u>6,656,189</u>
Unrestricted income funds	19		<u>63,120</u>		<u>17,534</u>
Total funds			<u><u>8,235,367</u></u>		<u><u>6,673,723</u></u>

The financial statements on pages 32 to 61 were approved by the Trustees, and authorised for issue, on 27 November 2017 and are signed on their behalf, by:

R Murray
Chair of Trustees



Central Schools Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>76,010</u>	<u>94,842</u>
Cash flows from investing activities:			
Return on investments and servicing of finance		245	369
Purchase of tangible fixed assets		(56,831)	(180,321)
Capital grants from DfE/ESFA		<u>65,700</u>	<u>180,083</u>
Net cash provided by investing activities		<u>9,114</u>	<u>131</u>
Change in cash and cash equivalents in the year		85,124	94,973
Cash and cash equivalents brought forward		<u>324,217</u>	<u>229,244</u>
Cash and cash equivalents carried forward	22	<u><u>409,341</u></u>	<u><u>324,217</u></u>

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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

Central Schools Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

1. Accounting Policies (continued)

1.3 Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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.

Donations

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

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

Other income

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

1. Accounting Policies (continued)

1.4 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.

Expenditures on Raising Funds

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

Charitable Activities

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Taxation

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

1. Accounting Policies (continued)

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	2% straight line
Leasehold improvements	-	2% to 10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

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

1.7 Operating leases

Rentals under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1. Accounting Policies (continued)

1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the ESFA and DfE.

1. Accounting Policies (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. Accounting Policies (continued)

1.14 Critical accounting estimates and areas of judgment

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

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For the Year Ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	-	-	1,880,000	1,880,000	(553,197)
Donations	42,692	-	12,236	54,928	28,058
Donated assets and services	-	-	-	-	79,464
Parental donations for pupil activities	143,299	-	-	143,299	172,174
Capital grants	-	-	53,464	53,464	180,083
Subtotal	185,991	-	65,700	251,691	459,779
	185,991	-	1,945,700	2,131,691	(93,418)
<i>Total 2016</i>	230,197	(503,698)	180,083	(93,418)	

3. Income from trading activities

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Uniform and DVD sales	-	-	-	10,155
Letting income	12,063	-	12,063	8,309
PGCE income	3,770	-	3,770	5,478
Before and After School Club income	208,735	-	208,735	161,711
Consultancy / Training income	272	-	272	26,780
	224,840	-	224,840	212,433
Net income from income from trading activities	224,840	-	224,840	212,433

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

4. Investment income

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	245	-	245	369
	<u>245</u>	<u>-</u>	<u>245</u>	<u>369</u>
<i>Total 2016</i>	<u>369</u>	<u>-</u>	<u>369</u>	

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

5. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,783,166	2,783,166	2,122,729
Rates grant	-	11,874	11,874	3,899
Pupil premium	-	92,737	92,737	66,298
Universal Infant Free School Meals	-	185,289	185,289	114,713
PE and sports grant	-	19,255	19,255	10,695
Other DfE/ESFA grants	-	4,010	4,010	90,000
	-	3,096,331	3,096,331	2,408,334
Other government grants				
Special Needs funding	-	49,888	49,888	32,380
Nursery funding	-	193,793	193,793	147,715
Other funding	-	26,961	26,961	4,256
Pupil growth funding	-	71,785	71,785	-
	-	342,427	342,427	184,351
Other funding				
Catering income	-	83,652	83,652	53,939
Insurance claim proceeds	32,732	-	32,732	2,177
Other income	-	-	-	12,086
	32,732	83,652	116,384	68,202
	32,732	3,522,410	3,555,142	2,660,887
Total 2016	12,086	2,648,801	2,660,887	

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For the Year Ended 31 August 2017

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising voluntary income	-	-	193,570	193,570	161,458
Activities:					
Direct costs	2,701,776	171,544	352,188	3,225,508	2,514,317
Support costs	354,062	135,687	412,447	902,196	749,725
	<u>3,055,838</u>	<u>307,231</u>	<u>958,205</u>	<u>4,321,274</u>	<u>3,425,500</u>
<i>Total 2016</i>	<u>2,430,919</u>	<u>285,099</u>	<u>709,482</u>	<u>3,425,500</u>	

7. Expenditure on raising funds

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	Total funds 2016 £
Trips costs	70,104	-	70,104	89,837
Uniforms/DVDs for resale	21,688	-	21,688	19,393
Before and After School Club costs	101,778	-	101,778	52,228
	<u>193,570</u>	<u>-</u>	<u>193,570</u>	<u>161,458</u>
<i>Total 2016</i>	<u>161,458</u>	<u>-</u>	<u>161,458</u>	

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Notes to the Financial Statements
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8. Charitable activities

	Total funds 2017 £	Total funds 2016 £
Direct costs		
Wages and salaries	2,064,226	1,622,675
National insurance	177,651	115,892
Pension cost	443,546	287,808
Depreciation	171,929	144,712
LGPS finance cost	35,000	23,000
Supply teachers costs	16,354	18,811
Equipment costs	6,831	10,129
Reprographics costs	10,967	17,388
Catering costs	249,186	200,931
Conversion to MAT costs	-	28,636
Other educational costs	15,280	25,504
Music instruction	34,538	18,831
	<u>3,225,508</u>	<u>2,514,317</u>
Support costs		
Wages and salaries	294,391	237,798
National insurance	18,569	12,198
Pension cost	41,102	31,736
Depreciation	47,143	24,706
Maintenance of premises and equipment	61,216	82,774
Heat and light	43,819	37,033
Rent and rates	30,652	23,440
Welfare costs	11,439	15,583
Equipment costs	22,201	12,636
Vehicle costs	1,450	2,978
Printing, postage and stationery	7,141	7,471
Telephone and fax	2,561	2,019
Staff training	3,859	21,378
Other educational costs	201,209	110,470
Insurance	26,241	44,991
Governance costs	89,203	82,514
	<u>902,196</u>	<u>749,725</u>
	<u><u>4,127,704</u></u>	<u><u>3,264,042</u></u>

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

9. Net income/(expenditure)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	219,072	169,418
Auditors' remuneration	8,650	7,000
	-	(4,500)
Operating lease rentals:		
- other operating leases	3,299	3,674
	<u><u> </u></u>	<u><u> </u></u>

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

10. Staff costs

a. Staff costs

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	2,358,617	1,860,473
Social security costs	196,219	128,090
Operating costs of defined benefit pension schemes	484,648	319,545
	<u>3,039,484</u>	<u>2,308,108</u>
Supply teacher costs	16,354	18,811
	<u>3,055,838</u>	<u>2,326,919</u>

b. Staff numbers

	2017 No.	2016 No.
Teachers	53	45
Midday supervision	23	25
Teaching support	23	28
SEN support	16	12
Administration and clerical	10	7
Caretaker	3	3
Before/after school and swimming clubs	19	19
Management	5	4
	<u>152</u>	<u>143</u>

c. Higher paid staff

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

	2017 No.	2016 No.
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

d. 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 and employer's national insurance) received by key management personnel for their services to the academy trust was £283,945 (2016 - £251,548).

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

11. Central services

No central services were provided by the Trust to its academies during the year and no central charges arose.

12. Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Executive Head Teacher only receives remuneration in respect of services he provides undertaking the role of Executive Head Teacher under his contract of employment, and not in respect of his role as a Trustee. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
G T Burgess	Remuneration	90,000-95,000	85,000-90,000
	Pension contributions paid	10,000-15,000	10,000-15,000

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

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

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £250 (2016 - £170).

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

14. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	8,329,263	354,884	146,874	65,273	8,896,294
Additions	-	32,314	1,950	22,567	56,831
Transfer from Local Authority on conversion	1,880,000	-	-	-	1,880,000
At 31 August 2017	10,209,263	387,198	148,824	87,840	10,833,125
Depreciation					
At 1 September 2016	465,544	30,924	72,963	48,621	618,052
Charge for the year	143,438	28,106	29,743	17,785	219,072
At 31 August 2017	608,982	59,030	102,706	66,406	837,124
Net book value					
At 31 August 2017	9,600,281	328,168	46,118	21,434	9,996,001
At 31 August 2016	7,863,719	323,960	73,911	16,652	8,278,242

15. Stocks

	2017 £	2016 £
Goods for resale	5,856	4,633

16. Debtors

	2017 £	2016 £
Trade debtors	14,614	6,526
VAT recoverable	-	88,085
Other debtors	19,809	85,503
Prepayments and accrued income	78,602	108,608
	113,025	288,722

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For the Year Ended 31 August 2017

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	87,539	254,026
Other taxation and social security	81,925	50,312
Other creditors	49,127	47,306
Accruals and deferred income	209,758	199,939
	<u>428,349</u>	<u>551,583</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	181,658	222,888
Resources deferred during the year	189,429	175,059
Amounts released from previous years	(181,658)	(216,289)
	<u>189,429</u>	<u>181,658</u>
Deferred income at 31 August 2017	<u>189,429</u>	<u>181,658</u>

Deferred income includes unspent capital funding, an amount relating to the 2017/18 Universal Infant Free School Meals incentive, unspent PTA funds, and Woodies income and music income received in advance of the 2017/18 academic year.

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

	2017 £	2016 £
Salix loan	<u>11,507</u>	<u>11,508</u>

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

	2017 £	2016 £
Repayable by instalments	<u>4,931</u>	<u>4,932</u>

Included within creditors is a loan of £13,151 from Salix, in relation to the DFE's Capital Investment Fund. This loan is interest free and repayable over 8 years.

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

19. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	17,534	443,808	(214,136)	(184,086)	-	63,120
Restricted funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	-	2,783,166	(3,133,441)	350,275	-	-
Other DfE / ESFA grants	44,434	313,163	(172,308)	(160,793)	-	24,496
Catering	-	83,652	(37,724)	(32,026)	-	13,902
Other income	1,918	342,429	(337,308)	(7,039)	-	-
Pension reserve	(1,659,000)	-	(161,000)	-	(29,000)	(1,849,000)
	<u>(1,612,648)</u>	<u>3,522,410</u>	<u>(3,841,781)</u>	<u>150,417</u>	<u>(29,000)</u>	<u>(1,810,602)</u>
Restricted fixed asset funds						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Gift from local authority	7,757,729	1,880,000	(170,947)	-	-	9,466,782
Capital donations	41,514	12,236	(12,236)	-	-	41,514
Capital grants and capital expenditures from GAG	222,529	46,865	(75,575)	33,669	-	227,488
Capital maintenance grants and CIF	247,065	6,599	(6,599)	-	-	247,065
	<u>8,268,837</u>	<u>1,945,700</u>	<u>(265,357)</u>	<u>33,669</u>	<u>-</u>	<u>9,982,849</u>
Total restricted funds	<u>6,656,189</u>	<u>5,468,110</u>	<u>(4,107,138)</u>	<u>184,086</u>	<u>(29,000)</u>	<u>8,172,247</u>
Total of funds	<u>6,673,723</u>	<u>5,911,918</u>	<u>(4,321,274)</u>	<u>-</u>	<u>(29,000)</u>	<u>8,235,367</u>

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

19. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Designated funds						
Designated funds	60,000	-	-	(60,000)	-	-
	<u>60,000</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>	<u>-</u>	<u>-</u>
General funds						
General Funds	34,780	422,827	(192,580)	(247,493)	-	17,534
	<u>34,780</u>	<u>422,827</u>	<u>(192,580)</u>	<u>(247,493)</u>	<u>-</u>	<u>17,534</u>
Total Unrestricted funds	<u>94,780</u>	<u>422,827</u>	<u>(192,580)</u>	<u>(307,493)</u>	<u>-</u>	<u>17,534</u>
Restricted funds						
	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	2,122,729	(2,414,872)	292,143	-	-
Other DfE / ESFA grants	-	285,605	(109,528)	(131,643)	-	44,434
Catering	-	53,939	(200,932)	146,993	-	-
Other income	-	292,088	(290,170)	-	-	1,918
Pension reserve	(618,000)	(577,000)	(48,000)	-	(416,000)	(1,659,000)
	<u>(618,000)</u>	<u>2,177,361</u>	<u>(3,063,502)</u>	<u>307,493</u>	<u>(416,000)</u>	<u>(1,612,648)</u>

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

Restricted fixed asset funds

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Gift from local authority	7,896,965	-	(139,236)	-	-	7,757,729
Capital donations	52,501	-	(10,987)	-	-	41,514
Capital grants and capital expenditures from GAG	205,668	33,760	(16,899)	-	-	222,529
Capital maintenance grants and CIF	103,038	146,323	(2,296)	-	-	247,065
	<u>8,258,172</u>	<u>180,083</u>	<u>(169,418)</u>	<u>-</u>	<u>-</u>	<u>8,268,837</u>
Total restricted funds	<u>7,640,172</u>	<u>2,357,444</u>	<u>(3,232,920)</u>	<u>307,493</u>	<u>(416,000)</u>	<u>6,656,189</u>
Total of funds	<u>7,734,952</u>	<u>2,780,271</u>	<u>(3,425,500)</u>	<u>-</u>	<u>(416,000)</u>	<u>6,673,723</u>

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

Restricted general funds

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

Pension reserve

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

Restricted fixed asset funds

This fund represents grants received from the DfE, ESFA and other funders to carry out works of a capital nature.

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

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

19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Balsall Common Primary School	64,237	801
Damson Wood Infant and Nursery School	12,785	18,924
Multi Academy Trust	24,496	44,161
Pension reserve	(1,849,000)	(1,659,000)
Total before fixed asset fund	(1,747,482)	(1,595,114)
Restricted fixed asset fund	9,982,849	8,268,837
Total	<u>8,235,367</u>	<u>6,673,723</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
Balsall Common Primary School	2,045,099	266,775	420,368	306,028	3,038,270	3,183,800
Damson Wood Infant and Nursery School	656,678	87,286	125,004	148,679	1,017,647	72,282
	<u>2,701,777</u>	<u>354,061</u>	<u>545,372</u>	<u>454,707</u>	<u>4,055,917</u>	<u>3,256,082</u>

20. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	9,996,000	9,996,000
Current assets	63,120	454,514	10,585	528,219
Creditors due within one year	-	(416,116)	(12,229)	(428,345)
Creditors due in more than one year	-	-	(11,507)	(11,507)
Provisions for liabilities and charges	-	(1,849,000)	-	(1,849,000)
	<u>63,120</u>	<u>(1,810,602)</u>	<u>9,982,849</u>	<u>8,235,367</u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total funds
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	8,278,242	8,278,242
Current assets	17,534	593,883	6,155	617,572
Creditors due within one year	-	(547,531)	(4,052)	(551,583)
Creditors due in more than one year	-	-	(11,508)	(11,508)
Provisions for liabilities and charges	-	(1,659,000)	-	(1,659,000)
	<u>17,534</u>	<u>(1,612,648)</u>	<u>8,268,837</u>	<u>6,673,723</u>

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,590,644	(645,229)
Adjustment for:		
Depreciation charges	219,072	169,418
Interest receivable	(245)	(369)
Increase in stocks	(1,223)	(4,633)
Decrease/(increase) in debtors	175,697	(114,367)
(Decrease)/increase in creditors	(123,235)	245,105
Capital grant from DfE/ESFA and other capital income	(65,700)	(180,083)
Defined benefit pension scheme obligation inherited	-	577,000
Defined benefit pension scheme cost less contributions payable	161,000	48,000
Land and building transferred on conversion	(1,880,000)	-
Net cash provided by operating activities	<u>76,010</u>	<u>94,842</u>

22. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	409,341	324,217
Total	<u>409,341</u>	<u>324,217</u>

23. 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 may be required, not exceeding £10 for the debts and liabilities contracted before he/ she ceases to be a member.

24. Pension commitments

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

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

Contributions amounting to £43,888 were payable to the schemes at 31 August 2017 (2016 - £45,623) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £210,000 (2016 - £166,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £226,000 (2016 - £159,000), of which employer's contributions totalled £178,000 (2016 - £124,000) and employees' contributions totalled £48,000 (2016 - £35,000). The agreed contribution rates for future years are 17.9% for employers and 5.5% - 9.9% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	3.75 %
Rate of increase for pensions	2.70 %	2.00 %

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24. Pension commitments (continued)

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

	2017	2016
Retiring today		
Males	21.8 years	23.1 years
Females	24.3 years	25.8 years
Retiring in 20 years		
Males	24.0 years	25.3 years
Females	26.6 years	28.1 years

	At 31 August 2017	At 31 August 2016
Sensitivity analysis	£	£
Discount rate +0.1%	75	61
Discount rate -0.1%	(76)	(63)
Mortality assumption - 1 year increase	64	53
Mortality assumption - 1 year decrease	(62)	(51)
CPI rate +0.1%	110	75
CPI rate -0.1%	(106)	(73)

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

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equities	977,000	621,000
Government bonds	113,000	72,000
Other bonds	59,000	90,000
Property	113,000	83,000
Cash and other liquid assets	77,000	67,000
Derivatives	206,000	113,000
Total market value of assets	1,628,000	1,115,000

The actual return on scheme assets was £338,000 (2016 - £163,000).

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

	2017	2016
	£	£
Current service cost	(304,000)	(149,000)
Interest cost	(35,000)	(23,000)
Total	(339,000)	(172,000)

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24. Pension commitments (continued)

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

	2017 £	2016 £
Opening defined benefit obligation	2,705,000	1,428,000
Inherited upon conversion	-	577,000
Current service cost	304,000	149,000
Interest cost	60,000	57,000
Employee contributions	48,000	35,000
Benefits paid	(14,000)	(86,000)
Actuarial losses on liabilities	291,000	545,000
	<u>3,394,000</u>	<u>2,705,000</u>
Closing defined benefit obligation	<u>3,394,000</u>	<u>2,705,000</u>

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

	2017 £	2016 £
Opening fair value of scheme assets	1,046,000	810,000
Return on assets	172,000	129,000
Interest on assets	25,000	34,000
Contribution by employer	178,000	124,000
Employee contributions	48,000	35,000
Benefits paid	(14,000)	(86,000)
Actuarial gains	90,000	-
	<u>1,545,000</u>	<u>1,046,000</u>
Closing fair value of scheme assets	<u>1,545,000</u>	<u>1,046,000</u>

25. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	11,583	7,258
Between 1 and 5 years	21,348	19,959
	<u>32,931</u>	<u>27,217</u>
Total	<u>32,931</u>	<u>27,217</u>

26. Related party transactions

Trustees' remuneration and expenses is already disclosed in note 11 and key management remuneration is already disclosed in note 10.

McNally Enterprises Limited, a company of which G T Burgess is shareholder, supplied consultancy services to the Trust to the value of £142 (2016 - £11,158). As at 31 August 2017 the amount outstanding was £Nil (2016 - £Nil).

These transactions in turn generated funds for the school of £272 (2016 - £20,000).

The school operates an equal opportunities policy in regard to appointments which allows relations of both staff and governors to apply. On such occasions, the interviewing and appointing body does not comprise members of the candidate's family, thus ensuring that appointments remain fair and impartial.

No other related party transactions took place in the period of account.