

Company Registration Number: 08531479 (England and Wales)

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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WASHWOOD HEATH MULTI ACADEMY TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

Peter Anstey (resigned 1 September 2017)
Aftab Chughtai
Darren Walsh
Nargis Rashid (appointed 1 January 2017)
Neelam Afzal (appointed 1 September 2017)
Carol Herity (appointed 1 September 2017)

Trustees

Pete Anstey, Chair
Beverley Mabey, Accounting Officer
Aftab Chughtai
Darren Walsh
Clive Bailey
Nusrat Iqbal
Cecil Knight
Habib Rehman
Ian Lowe
Mike York
Paul Bracher
Athos Chrysanthou (appointed 1 September 2017)

Company registered number

08531479

Company name

Washwood Heath Multi Academy Trust

Principal and registered office

Burney Lane
Stetchford
Birmingham
B8 2AS

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

Advisers (continued)

Company secretary

Angela Sutheran

Chief executive officer

Beverley Mabey

Senior management team

Beverley Mabey, Chief Executive Officer
Heather McLachlan, Head of Academy (Washwood Heath)
Peter Weir, Head of Academy (Saltley)
Ashley Winters, Head Teacher (Brownmead)
Sarah Amin, Head Teacher (Gossey Lane)
Christopher Etheridge, Head Teacher (Tile Cross)
Jonathan Cale, Finance Director

Independent auditors

Moore Stephens LLP
Chartered Accountants
35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Bankers

Lloyds Bank PLC
114-116 Colmore Row
Birmingham
B3 3BD

Solicitors

Mills & Reeve LLP
78 - 84 Colmore Row
Birmingham
B3 2AB

Browne Jacobson
Victoria Square House
Victoria Square
Birmingham
B2 4BU

WASHWOOD HEATH MULTI ACADEMY TRUST
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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.

We are a family of schools serving a discrete community within east Birmingham. The company was incorporated on 16 May 2013 and commenced activities as Washwood Heath Academy on 1 July 2013. On 1 November 2014 the trust became Washwood Heath Multi Academy Trust (WHMAT) with the inclusion of Brownmead Primary School. Currently we have five schools (1 all-through, 2 secondaries and 2 primaries), having been joined by Saltley Secondary on 1 March 2015, Gossey Lane Primary on 1 May 2016 and Tile Cross Secondary on 1 May 2017.

The underlying principle and moral purpose of the WHMAT is that 'we are stronger working together in partnership'. The schools are fully inclusive and serve a very rich and diverse community of cultures and faiths. Each of the schools is unique in its own identity but the strong links between the schools has enabled high quality collaboration to ensure the continued successes of everyone in the partnership.

Structure, governance and management

CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of Washwood Heath Multi Academy Trust are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Washwood Heath Multi Academy Trust.

Details of the Trustees who served during the are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides Governors Liability cover up to £5,000,000 on any one claim and separate Professional Negligence cover of up to £1,000,000.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association. The members of the trust are responsible for the appointment of Directors / Trustees. When appointing new Trustees, the members will give full consideration to the skills and experience mix of existing Trustees in order to ensure that new appointees have the necessary qualities to contribute fully to the Trusts development.

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

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Although there isn't a formal policy and/or procedure for Trustee training, the approach adopted by the Academy Trust is to tailor training to the individual based upon an assessment of their need. Thus, whilst the training and induction will always include a tour of the school and a chance to meet pupils and key staff, training offered will depend upon the experience and specific requests of the individual.

As a minimum, new Trustees will be given an induction pack outlining the aims and values of the Academy, governance arrangements, current organisational structures and roles and responsibilities. All new Trustees are recommended to attend a formal Induction Programme delivered by the local authority, Birmingham City Council (BCC). Trustees are also advised of courses offered by BCC's School and Trustee Support service as they become available.

ORGANISATIONAL STRUCTURE

The governance of the Academy Trust is defined in the memorandum and articles of association together with the master and supplemental funding agreements with the Department for Education.

All Trustees are members of the Board of Directors. In addition, Trustees may serve on one of the three strategic groups that report to the Board. These have the same status as sub-committees.

The three strategic groups are:

- Finance, Audit & General Purposes
- Staffing & Pay
- Leadership, Achievement & Behaviour

A number of specified senior staff members sit on the strategic groups, alongside trustees, but they do not have voting rights.

At school level, each academy is advised by a Local Governing Body (LGB).

Board membership consists of up to 14 directors appointed by the members to include the CEO, 2 parents and up to 5 Local Governing Body Chairs. For meetings, the quorum is any one third (rounded up to a whole number) of the total number of Directors holding office at the date of the meeting. Meetings are held four times a year.

LGB membership shall be 7-8 appointed by the Board of Directors, who will also elect the Chair of the LGB. For meetings, the quorum shall be half of the LGB rounded down. Meetings are held at least three times each academic year.

Terms of Reference for the Board, Strategic Groups and LGB have been developed with independent expert advice to ensure governance arrangements are fit for purpose. These are reviewed periodically and updates incorporated into the Trust's Financial Regulations Manual (FRM). The FRM defines delegated authorities within the Trust including delegations to the Chief Executive Officer (CEO) and other senior managers. The FRM was updated in March 2015 to reflect a revised Scheme of Financial Delegations following the formation of the MAT; the current version was approved with minor amendments in September 2016.

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

The current Scheme of Financial Delegations is as follows:

Trust Board	£75,000 +
Finance, Audit & General Purposes Strategic Group	£25,000 to £75,000
Chief Executive Officer	£10,000 to £25,000
Finance Director	£10,000 to £25,000
Head Teachers/Heads of Academies	Up to £10,000

The new governance arrangements for the MAT, including changes to the organisational structure, were originally approved December 2014. The current governance arrangements were approved September 2016. Due to the continued expansion of the Trust, we are currently reviewing governance arrangements in order to remain fit-for-purpose into the foreseeable future.

PAY POLICY FOR KEY MANAGEMENT PERSONNEL

It is the responsibility of the Board of Directors to appoint all teaching staff on leadership scale and all support staff on Grade 6 or above. Pay is determined with reference to national agreements on pay and conditions for both teachers and support staff.

The review of performance and pay of the CEO and Head Teacher/Head of Academy's is delegated to the Staffing and Pay Strategic Group who, in turn, receive independent advice from an externally appointed School Improvement Partner. Recommendations are referred back to the Board for their approval.

The review of performance and pay for members of each school Senior Leadership Team (SLT) is carried out by their Head Teacher/Head of Academy. Results are moderated by the CEO.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy belongs to a partnership of schools that together form the East Birmingham Network (EBN). The network founded the EBN Academy, a free school, which aims to provide a second chance to those pupils for whom mainstream schooling has been challenging. Membership of the EBN provides a system of managed moves and Alternative Provision for our young people for whom a normal route through education is inappropriate.

Objectives and Activities

OBJECTS AND AIMS

The Academy Trust's objective is to advance, for the public benefit, education for children aged 4 to 19 by establishing and maintaining schools which offer a broad and balanced curriculum.

The mission of Washwood Heath MAT has been to strive to provide the very best for all the members of our schools community. Learning to succeed is what Washwood Heath Multi Academy Trust is about: a passion for and love of learning with the drive and motivation to succeed.

Our aim is for students to fulfil their limitless potential through perseverance and effort, to recognise that excellence is a habit not an act (Aristotle). Staff are highly trained and here to support, guide and inspire students to continue their learning after school and when they do leave our schools, to do so with the confidence to see the world as an opportunity.

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

We aim to provide the best opportunities for learning and a climate within which a sense of moral responsibility is clear and that each child recognises that humanity and the common good is a key aim for all. We have four pillars for success:

- Students who achieve in the top 20% of similar schools, who go on to fulfil their highest aspiration and are seen as ambassadors for the school and positive role models in the community.
- Staff for whom we are the employer of choice, providing a great place in which to work and an environment where they can be the best.
- Parents/Carers, who know that Washwood Heath Multi Academy Trust really cares about their children, recognise that it has effective strategies to meet individual needs and for whom the School is the natural choice to entrust the education of their children.
- A Community for whom we are a partner of choice which improve outcomes locally, regionally, nationally and globally.

By the time our students leave the Washwood Multi Academy Trust they will be literate, numerate confident young people with high aspirations, independent learning skills and a sense of moral responsibility.

OBJECTIVES, STRATEGIES AND ACTIVITIES

Leadership and Management

Ensure that Governance in all of our schools is well informed and supports accurate and perceptive self-evaluation.

Support the recruitment and retention of high quality staff.

Embed appraisal so that every member of staff feels valued and well supported to excel at their job.

Behaviour and safety of students

Develop an intolerance of bullying across all of our schools so that every learner across the campus feels happy and safe

Student Attainment and Achievement

Ensure that the attainment and progress of learners in all of our schools is above the national average

Quality of Teaching

Ensure that best practice is shared across all of our schools and that every teacher aspires to be outstanding

Estates/Resources

Improve Washwood Heath Multi Academy Trust facilities by providing and maintaining a safe and comfortable working environment, conducive to both student learning and teacher performance.

Value for Money

Ensure that each of our schools is well supported and adequately resourced to ensure the best outcomes for learners.

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

PUBLIC BENEFIT

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

The Academy provides facilities for recreational and other leisure time occupation for the local community in the interests of social welfare and with the interest of improving the life of the said community.

Strategic report

Achievements and performance

CEO's Introduction

All five schools within the trust continue to make sustained progress in terms of both attainment and progress. The measures for secondary are new this year and the focus is on progress. Both Washwood Heath Academy and Saltley Academy are in the top 25% of schools nationally with regard to the Progress 8 score. Tile Cross Academy, which joined the trust mid-year, currently does not own any validated data as it only became an academy in May 2017.

The primaries continue on their journey, Gossey Lane Academy have continued their journey of improvement and Brownmead Academy has made significant progress in KS1/Phonics but unfortunately their KS2 Mathematic results were not as strong as the previous year and below National Standards of expectation. Reading and Writing in Brownmead Academy continue to improve and the number of children making a Good Level of Development has increased across the range of disciplines measured.

The trust continues to grow to meet the needs of the community. Saltley Academy have increased their Published Admission Number (PAN) by 30 children and this will continue over the next few years. Washwood Heath Academy became an all through school (4-19) from September 2017 and is progressing nicely through a major build programme. Reception and year 3/4 have joined the academy this year and they are currently sited in temporary accommodation but this is an exciting addition to the Trust. The Post 16 element of Washwood Heath Academy continues to grow which has also resulted in the addition of 4 classrooms to the existing site. Brownmead Academy continues to expand to a two form entry school and currently KS1 now has 2 forms of entry and the school will continue to grow over the next 4 years. Consequently, there is a build programme on site to enhance the school estate by another 6 classrooms. Meanwhile Tile Cross Academy is to receive a new sports hall and 4 classroom build plus 2 Multi Use Games pitches.

In summary, progress is steady and the whole Washwood Heath Multi Academy Trust estate is expanding which will benefit both the young people and families of our community here in the East of Birmingham.

Washwood Heath Academy

The Academy's Progress 8 score significantly increased from +0.16 in 2016 to +0.23 in 2017. This is largely due to the success of recent curriculum changes in introducing a wider range of more academic subjects where students achieved good progress. Subjects in the EBACC range of qualifications made significant improvements, resulting in the contribution of +0.55 towards our whole school progress measure. Many of these subjects: Urdu, Spanish, Triple and Additional Science, History, Computer Science and English achieved A*-C/9-5 results above national expectations and in some cases, well above.

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

Many subjects have sustained good and outstanding progress for last three to five years in a row: English, History, Religious Education, Child Development, Media Studies and in 2017 at least 25% of all students in these subjects achieved A*-A (9-7) grades in these subjects. Our most able students had their best ever set of results, making +0.03 progress across all their subjects.

There were significant improvements in Science, Urdu, Spanish, Design Technology, Computer Science, GCSE ICT, BTEC Sport and Hospitality. However, Maths results were below predictions and have become the main focus of the academy for the 2017-18 academic year. Additional challenge has been introduced through a transformation of pedagogy, targeting independent problem-solving.

The Special Educational Need and Disability (SEN/D) cohort made rapid progress this year and achieved a Progress 8 significantly higher than SEN progress nationally. Free school meal (FSM) students also made good progress with a Progress 8 score of +0.19, significantly above national expectations

Post 16 Results

Achievement was good in Biology, Psychology, Sociology, History, English Literature all Vocational subjects and GCSE (Re-sit) English and Maths. This was due to improved curriculum planning, CPD training for A level and L3 teachers, an increased emphasis on tracking and assessment plus setting high expectations for Post-16 students.

Progress in GCSE Maths and English re-sit was well above national expectations with a progress measure of +0.75 for English and +0.3 in Maths. Specialist staffing and appropriate curriculum time have led to excellent results in this key area.

Our Vocational cohort of students made good progress with an APS of 36.08, resulting in an average grade of Distinction. In our second year of A levels, there is some room for improvement in the Academic cohort of students with an average grade of D, although value added for key subjects like Biology was well above national expectations.

Overall, our retention rates remain high at 93% and we continue to have for the fifth year in a row, 0% NEETs at time of exit.

Saltley Academy

Our GCSE results again show the impressive impact Saltley Academy is having.

Our students – for the third year running – have made over a quarter of a grade more progress than the national average (Progress 8: +0.26). We have also successfully increased the levels of progress for our more able students, who made over half a grade (+0.55) more progress than the national average.

Once again, a particular feature of the Academy's success has been to ensure that students from disadvantaged backgrounds achieve well. Nationally, disadvantaged students' progress is below the average for that of other students. At Saltley, these students make more progress than the national average for all and are very close to our overall average at 0.24. This is particularly significant as 105 of the 187 students which counted in our official statistics were eligible for Pupil Premium funding, the indicator used here to define a disadvantaged background. This is supported by the fact that their attendance is above the national average also.

In terms of attainment, the average grade for students, as shown by the 'Attainment 8' measure, demonstrates the success of these students as the gap between those eligible for Pupil Premium funding and those not is insignificant (44.74 compared to 42.30).

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

51% of our young people achieved the new Grade 4 or above in both English and Maths, and 33% at Grade 5 or better, with progress in Maths being above the national average and progress in English at the national average, the latter an important target for improvement from last year.

Saltley Academy has achieved this while offering a very broad curriculum. Once again, those subjects which form the 'English Baccalaureate' have shown excellent results and an overall progress measure which is over a half a grade (+0.55) above the national average, with, again, insignificant variation for disadvantaged students in their progress (+0.51) in these subjects, highlighted by the Government for their academic rigour. This included on-going improvement in Geography, a target from last year.

Our commitment to ensuring this success while delivering a broad curriculum and one which enables our young people to be well prepared for their life beyond school is reflected in the fact all students study both Citizenship and multi-faith Religious Education in all years to GCSE (with 60% and 74% achieving at C grade or above respectively). This is also supported by our range of enrichment activities, which focus on key social issues as well as providing opportunities for all students to grow their 'cultural capital'. One example of this is that all Year 7 students visit Birmingham City Centre as part of a project with the University of Birmingham's History PGCE course and all Year 8 students take part in performances of Shakespeare in Stratford-upon-Avon. These are annual events and part of the guaranteed experiences of all students at Saltley.

Our preparation for life after school includes careers and work-related learning to all years, with all students undertaking work experience in Year 10. Year 11 students receive guidance on their post-school options and how to apply for them. The result of this is that we had no students not in education, training or employment with training (NEET) in 2016 and are presently supporting two students to find a suitable pathway from 2017. This figure is significantly better than both the local and national average.

Tile Cross Academy

Year 11 Progress 8 results for the 61 students with prior data closely matched our predictions. We were predicting to achieve -0.37 and achieved -0.36. Once all 120 students (including those without prior data) were included we achieved a positive score of +0.1. On average since the start of the Year our students in Year 11 have made rapid in year progress of +1.5 grades in each subject on average.

34.2% of our students have achieved the benchmark score of grade 4 or above in both English and Maths. This increased from a May prediction of 29.5% and exceeded target our target of 29.1% based on prior attainment at KS2.

English achieved 43.3% Grade 4 or above and Maths achieved 51.7% Grade 4 or above. Increasing the crossover is a target for us next year.

The in school gap between Disadvantaged and Non-Disadvantaged students narrowed to zero with both groups of students achieving a -0.4 Progress 8 Score. The in school gap between SEN and Non-SEN students also narrowed to zero with both groups of students also achieving a -0.4 Progress 8 Score.

Bringing disadvantaged and SEN performance up to a positive residual is a target for us next year. Maths achieved a Positive Progress 8 Score of +0.1 (all pupils +0.5). Science also achieved positive subject residuals alongside Art, Resistant Materials, Health & Social care, Photography, Media, RE, Drama & Child Care.

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TRUSTEES' REPORT (continued)
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It is worth noting that these results were achieved in the difficult circumstances of an extremely mobile population at Tile Cross Academy. Less than a quarter of students who sat GCSE examinations began Year 7 at the school and the number of pupils without prior data exceeded that of any other secondary school in Birmingham or Solihull. We are incredibly proud that in our local area (7 schools in 2 mile radius) we actually achieved the third highest progress 8 score. However, it still needs to improve further so that pupils are achieving a positive residual on average.

It is also worth noting that all Year 11 students have had regular contact with our internal Careers advisors and 100% of students were offered a place to study following on from Year 11.

Brownmead Academy

Key Stage 2 Headline Figures

Reading

67% of our pupils achieved the national benchmark of a standardised score of 100+. This is below the national average of 71% but above the Birmingham average of 65%. The average score was 101 against a national average of 104. The progress measure indicates a score of -0.4, where a score of 0 indicates expected progress. This is an improvement from last year's score of -0.8.

Writing

67% of all pupils achieved the expected standard in writing. This is below the national average of 76% and also below the local authority figure of 70%. However, there is a 1% increase in the percentage of children achieving ARE in comparison to the previous year. The progress measure scored -0.8, where a score of 0 indicates expected progress. Although still below expected progress, this shows a significant improvement over the previous year's figure of -2.3.

Trustees' Report (Continued)

Spelling, Punctuation and Grammar (SPAG)

60% of all pupils achieved the expected standard in SPAG. This is below both the national average of 77% and the local authority figure of 77%. There has also been a marked 12% fall in overall attainment over last year's figure of 72%. Our progress score of 102 is below the national average of 104, this remains constant with last year's results.

Maths

Only 43% of all pupils achieved the expected standard in maths. This is significantly below both the national average of 75% and the Birmingham figure of 72%. Overall, the progress measure from KS1 for maths is -3.6. There has been a disappointing fall in both achievement and progress this year. Reversing this dip is a priority for 2017/18 and the Trust and School Leadership Team are determined to return to the good progress in Maths made in previous years.

Reading, Writing and Maths combined

33% of our pupils achieved the expected standards in reading, writing and maths. This is below the national average of 61% and the Birmingham local authority figure of 55%.

Overall, progress in Reading and Writing has improved from last year, Writing markedly so. However, SPAG has fallen as has Maths attainment and progress. Maths results are particularly disappointing given the significant improvements in this subject in recent years; this has been targeted as priority for the current year.

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

Gossey Lane Academy

Key Stage 2 Headline Data

Reading

48% of pupils achieved the expected standard in reading. This is below the national average of 71% and below the local authority figure of 65%. However, it shows a marked improvement over the previous year's figure of 23%. Overall, the progress measure from KS1 for reading is -3.1. This compares favourably with last year's figure of -6.0. There is currently a focus on reading across the school. CTs and TAs have been trained in the delivery of inference sessions which form a crucial part of the school's reading strategy.

Writing

58% of all pupils achieved the expected standard in writing. This is below the national average of 76% and below the local authority figure of 70%. There is a 5% increase in the percentage of children achieving ARE in comparison to the previous year. Overall, the progress measure from KS1 for writing is -3. This shows an improvement over the previous year's figure of -3.5.

Spelling, Punctuation and Grammar (SPAG)

67% of all pupils achieved the expected standard in SPAG. This is below the national average of 77% and the local authority figure of 77%. There has been a 10% rise in overall attainment over last year's figure of 57%.

Maths

54% of all pupils achieved the expected standard in maths. This is below the national average of 75% and below the local authority figure of 72%. However, there is a marked increase in overall attainment in comparison to the previous year's figure of 33%. Overall, the progress measure from KS1 for maths is -4.8. This shows a small improvement over the previous year's figure of -5.2. There is a focus of differentiation by depth across the school – designed to challenge all ability levels. The school's newly appointed AHT is a previous mathematics leader with close links to the NCETM. He is taking small groups of Year 6 children for their daily maths lessons.

Reading, Writing and Maths combined:

38% of all pupils achieved the expected standards in reading, writing and maths. This is below the national average of 61% and the local authority figure of 55%. However, there has been a marked increase in the school's combined figure over the previous year of 17%.

Floor Standards 2017

2017 Floor Standard is 65% combined (The same as 2016) in Reading, Writing and Maths, and / or progress of: -5 Reading, -5 Maths and -7 Writing

Therefore the school is now above floor standard based upon the progress measures. Maths is the main weakness. This is due in part to very high end of KS1 results.

Non-Examination Achievements

As important as they are, school is about more than just examination results. The following examples give a flavour of the wider experiences and achievements of our pupils over the last year.

WASHWOOD HEATH MULTI ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Washwood Heath Academy

Whole School Awards and Events

- Won 'best school' at the Asian Apprentice Awards
- Won the Learning Plus UK data P16 Progress Award
- Won bronze at the UK Intermediate Math Challenge
- Art and Design GCSE class participated in the Young Enterprise Challenge at Birmingham Airport

Sporting Successes

- Boys Cricket Team won the West Midlands region championship trophy – the Docker Shield - 2 years in a row
- Y7 girls Athletics team won Bronze at Central Region 'Your School' awards
- Junior Sports Leader Award Central Region won by WHA Y9 boys and girls
- Girls boxing club won the Sports4Life Award

Community and Charity Successes

- Erasmus 'Knowing Me, Knowing You' Partnership enabled visiting teachers to visit WHA and Year 12 students to visit Romania.
- P16 Envision team won the Problem-solving and Resilience Award supporting the Amirah women's refuge centre.
- Our musicians performed at the Mosaic end of year awards, Migrant Music Festival, Monk Music by the Birmingham Repertoire and held a joint Drama club with Saltley school to perform at both schools as well as the Dolphin's women's rescue hostel.
- Filmed by BBC Panorama as part of the Healthy Schools campaign to promote Diabetes Awareness

Saltley Academy

Careers

- All our Year 10 students complete work experience
- Our Year 7s reached the finals of the National Enterprise Challenge.
- Year 10 students took part in Professional Services Week in Birmingham.
- For the second year running, we have exceptionally high numbers of students from Year 11 going on to education or training.

The Arts

- All of our Year 8 performed A Midsummer's Night Dream in Stratford-upon-Avon
- A group of singers, along with our partner schools, performed at the Water City festival at the Tower of London.
- We also celebrated our Grand Iftar alongside our partner schools during Ramadan.
- A group of Year 9 students took part in a city-wide jewellery project.

Citizenship

- We have led the way in the Mentors in Violence Prevention programme and just supported the creation of a Police Cadet group.
- We have led a student leadership programme across our schools, including a visit to Parliament.
- A key part of our work is as a UNICEF UK Rights Respecting School. We are working towards Level 2.

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TRUSTEES' REPORT (continued)
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Sport

- Our sporting programme has expanded with the addition of rugby, supported by the RFU and two local clubs.
- We were a pilot school for Warwickshire County Cricket Club's (WCCC) Glow in the Dark Cricket aimed at encouraging girls to play the game.
- We worked with Deloitte's and WCCC to organise this year's community cohesion cricket event featuring boys and girls playing together from 8 different schools from Birmingham and Solihull.
- A group of students joined others from our partner schools for an outdoor education experience in Wales.

Tile Cross Academy

International Relations

- Over the academic year 2016/17 six overseas trips took place involving 52 pupils. The visits were to France, Hungary, Spain, Germany, Turkey and the USA.
- The school hosted visits from schools from Pakistan, Germany, Romania, Turkey, France, and Croatia.

Citizenship

- Pupils have completed Bronze and Silver Duke of Edinburgh's expeditions
- The summer term saw the school become involved in the Cadet Expansion Programme linked to TS Stirling Sea Cadets.
- 5 girls attended the centenary event to mark 100 years of women in the Armed Forces at the National Memorial Arboretum.
- 60 pupils had tours of Parliament followed by workshops on democracy in action at the Parliamentary Education Centre. Some pupils stayed overnight and visited the Japanese Embassy the next day.

Brownmead Academy

Diversity

- We received the LGBT Silver quality mark

Sport

- Our KS2 boys and girls finished in first place in the Kingsbury Sports Partnership Competition league
- Our boys football team finished top of the Saltley league, unbeaten through the whole season
- We had 2 children represent the Erdington and Saltley District team
- We took part in our first Swimming Gala

Gossey Lane Academy

The Arts

- The children put on a successful production of Joseph and the Technicolor Dream Coat as part of the Creative Connections core offer.

KEY FINANCIAL PERFORMANCE INDICATORS

Cash is available to meet liabilities as they fall due. An average current account balance of £2.912 million has been maintained during the period (2016: £2.791 million). All liabilities have been met. Further details are given in the section on Reserves Policy below.

The current ratio, current assets to current liabilities, is monitored as an indicator of liquidity. A ratio less than 1 suggests that a company would be unable to pay its obligations as they arose. At balance sheet date, the academy has a current ratio of 1.8 (2016: 2.2). Therefore, the MAT continues to maintain a healthy liquidity position, indicating that it is capable of paying its obligations as they fall due.

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

Staff costs as a percentage of total resources expended is monitored as staffing is considered to be the key asset deployed by each school. For the twelve month period to 31 August 2017, this was 71.2% (2016: 69.8%). This is slightly higher than the previous year but within the MAT's target of 70% to 73%.

GOING CONCERN

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

Financial review

FINANCIAL REVIEW

Financial Review for Period

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2017 and the associated expenditure are shown as Restricted General Funds in the Statement of Financial Activities.

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

At 31 August 2017 the net book value of tangible fixed assets was £38.446 million (2016: £32.657 million) and movements in fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and associated support services to the pupils of the five academies within the Trust.

Leasehold land and buildings valued at £7.250 million were transferred to the Trust upon conversion of Tile Cross secondary (re-named from The International School). The land and buildings were professionally valued, on a depreciated replacement cost basis. No cash balances were transferred as the school was formerly in deficit. The deficit was written off by Birmingham City Council on conversion.

A pension deficit on the LGPS of £1.133 million was also inherited on conversion. This gave total net assets on conversion of £6.117 million.

Key financial policies and procedures adopted or reviewed during the year include the Accountancy Policies, Reserves Policy, Investment Policy, Fixed Assets Policy and the Financial Regulations Manual.

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

RESERVES POLICY

The Trustees review the reserve levels of the Academy 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 will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The Trustees have determined that the minimum level of free reserves should be equivalent to one month's payroll cost. This was estimated to be approximately £1.504 million (2016: £1.069 million). Free reserves are measured by unrestricted funds plus unused General Annual Grant. It is Trust policy to pool free reserves for use across all schools.

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The Academy monitors the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the Academy will strive to rebuild reserves up to the level needed.

At balance sheet date free reserves were £2.392 million (2016: £2.526 million). This is almost 1.6 times (2016: 2.8 times) the estimated monthly payroll cost meaning that the reserves target was comfortably met.

Whether or not reserves are covered by cash is also important as 'reserves' does not necessarily mean 'cash'. The average month end bank balance, excluding investments, was £2.912 million (2016: £2.791 million) indicating that the working capital objective was also met throughout the period.

In addition to free reserves, the balance of restricted funds (excluding pension reserve) at 31 August 2017 was £38,509 million (2016: £32,657 million); being the fixed asset (38.446 million) and restricted income (£0.063 million) funds. The restricted income fund represents unused General Annual Grant which is available for use in future years. Realising the value of the fixed asset fund would require the sale of the trusts' tangible fixed assets. Any such disposal would have to exclude all land and buildings as they are leased from Birmingham City Council.

INVESTMENTS POLICY

In balancing risk against return, investments are geared towards avoiding risk as opposed to maximizing any return on the investment. Accordingly, it is the Trust's policy to only invest funds in low risk and immediately accessible deposit accounts or similar financial products.

Officers regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current account has adequate balances to meet forthcoming commitments.

Any funds identified that are surplus to immediate cash requirements are transferred to an appropriate high interest deposit account rate. The maximum investment term should be no longer than twelve months from the date of deposit.

Of the £4.452 million cash (2016: £3.915 million) held by the Trust at balance sheet date, £1.275 million (2016: £1.269 million) was invested in a thirty-two day notice High Interest Deposit Account with Lloyds Bank.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. During 2016/17, approximately 97.6% (2015/16: 97.6%) of incoming resources was ultimately Government funded. Whilst this level is expected to continue into 2017/18, there is limited assurance that Government policy or practice will remain the same or that public funding will continue at the same levels. Recent Government announcements indicate that funding will continue to be squeezed at a time when we are facing increasing cost pressures especially with public sector pay constraint starting to be relaxed. The implementation of the National Funding Formula is expected to impact adversely on our core funding.

Failures in governance and/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. Recent Ofsted inspections have concluded that leadership and management was good confirming that this risk is being managed.

Reputational – the success of the Trust is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student 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 procedures and health, safety and welfare. Recent Ofsted inspections have concluded that safeguarding arrangements meet requirements confirming that this risk is being also being managed.

Staffing - the success of each academy school is reliant on the quality of its staff. Trustees monitor and review policies and procedures to ensure the continued training and development of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds – The Trust has appointed an independent internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. In addition, all finance staff receive training to keep them up to date with financial management best practice and to develop their skills in this area. The latest internal audit concluded that controls evaluated were found to be 'adequate, appropriate and effective to ensure that risks are being managed and objectives achieved'.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Trust has an approved Risk Management Policy, a Risk Management Methodology and Risk Registers at both trust and school level. These have been discussed by Trustees and include the financial risks to the Academy. The policy and methodology will be reviewed periodically whilst registers are maintained as a live document to help both Trustees and senior staff manage risks.

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to its finances, 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.

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

The Trustees examine the financial health formally every half-term, reviewing performance against budgets and overall expenditure by means of regular update reports at Finance, Audit and General Purpose Group meetings. The Trustees also regularly review the cash position of all schools within the trust and ensure sufficient funds are held to cover all known and anticipated commitments.

The Academy Board recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 21 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the MAT is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimized.

Plans for future periods

FUTURE DEVELOPMENTS

School Improvement

The 2017/18 School Improvement Plans (SIP) are structured around the Ofsted Inspection Framework. They build on recent successes and underpin each academy's drive to achieve 'outstanding' status. Priorities include, but are not limited to, the following:

Achievement

- Investigate and implement alternative systems for tracking pupil progress
- Celebrate success and inspire students to independently achieve

Teaching & Learning

- Embed strategies to create independent, resilient learners
- Integrate literacy strategy across curriculum including pastoral activities

Leadership & Management

- Develop wider parental and community engagement
- Deliver highly effective, financially secure support services to enable the Academy to focus on excellence in all activities

Behaviour & Safety

- Develop role of student leadership to embed excellence and high standards at all levels
- Embed shared ethos for safeguarding and child protection in light of local contexts

Growth of the MAT

On 1 November 2014 the Washwood Heath Academy became a Multi Academy Trust (MAT) acting as sponsor for Brownmead Junior and Infant School; now known as Brownmead Academy. Since then the MAT has been joined by Saltley, Gossey Lane and Tile Cross academies to form the current five school family.

The Trustees have agreed a medium term strategy of sustainable growth.

This will be delivered via internal growth of existing schools; Brownmead is converting to a two form entry primary school (first additional intake was September 2016) and Washwood Heath become an all-through school from September 2017.

Our external growth agenda has led to the successful sponsorship of Tile Cross secondary academy, formerly The International School, who joined the Trust 1 May 2017. In addition, the Trust is also in talks with another small local MAT about the possibility of a merger in 2018.

FUNDS HELD AS CUSTODIAN

During the 2016/2017 accounting period the Washwood Heath Multi Academy Trust have not acted as Custodian Trustee on behalf of any others.

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities Policy
- Volunteers' Policy
- Health & Safety Policy

In accordance with the academy's Equal Opportunities Policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

DISCLOSURE OF INFORMATION TO AUDITORS

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2017 and signed on its behalf by:



Pete Anstey
Chair of Trustees

WASHWOOD HEATH MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 9 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
Pete Anstey, Chair	9	9
Beverley Mabey, Accounting Officer	9	9
Aftab Chughtai	6	9
Darren Walsh	7	9
Clive Bailey	5	9
Nusrat Iqbal	5	9
Cecil Knight	4	9
Habib Rehman	7	9
Ian Lowe	9	9
Mike York	9	9
Paul Bracher	7	9

The Finance, Audit and General Purposes Committee is a sub-committee of the main board of trustees. During the year the committee met 4 times.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Aftab Chughtai	3	4
Pete Anstey	4	4
Beverley Mabey	4	4

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GOVERNANCE STATEMENT (continued)

The Staffing and Pay Strategic Group is also a sub-committee of the main board of trustees. During the year the sub-committee met 4 times.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Darren Walsh	3	4
Clive Bailey	3	4
Habib Rehman	0	4
Beverley Mabey	4	4

REVIEW OF VALUE FOR MONEY

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

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

Improving educational results:

To ensure that standards are continually raised each academy operates a programme of lesson observations with a robust coaching, mentoring and support system in place. This ensures the quality of teaching through systematic review and targeted intervention with under-performing staff.

Continued professional development programmes include: bespoke training; peer-to-peer teaching and learning support; distributed leadership linked to school priorities all leading to develop an outstanding performance.

Workforce deployment:

Staffing structure is deployed to support an improved curriculum. Examples of this are additional staffing in core subjects to allow for smaller group sizes and additional small group work. Study skills and revision preparation sessions are also delivered on relevant Saturdays, at after school sessions and during holiday periods.

The Chief Executive Officer undertakes an annual review of teacher deployment. This includes looking at the curriculum offer and assessing the staffing requirement based on pupil/teacher ratios, contact time, teacher workload and average teacher cost.

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GOVERNANCE STATEMENT (continued)

Targeted improvement including new initiatives:

Brownmead Primary employs a Learning Mentor in school, who is available to help both pupils and parents with any issues they might have. For parents, this may be something to do with their children or something about family/home life that they might want support with. For pupils, this could be anything on their mind that is having a negative impact on their learning.

At Washwood Heath, a Skills Schools has been developed to identify underachieving students from key stage 2, adopting targeted intervention to close the gap so that they can reach their end of Key Stage targets in Maths and English.

Both Saltley and Washwood Heath secondary academies run summer school programmes providing an opportunity for year 6 pupils to access Maths and English teaching as well as an enriched 2 week curriculum before they start with us in year 7.

Financial governance and oversight:

There are strong internal and external financial controls operating within the MAT.

Internal controls include: written governance structures for Board, sub-committees and Local Governing Bodies; financial policies covering fixed assets, change cards, investments and reserves; Financial Regulations Manual, scheme of delegations, pecuniary interest process, bank mandates, staffing structures, segregation of duties, budget planning and monitoring etc.

External Controls include: External auditors Moore Stephens LLP appointed to produce annual accounts and carry out statutory and regulatory audits. Mills & Reeve Solicitor commissioned to provide service, in conjunction with Company Secretary, of updating Companies House with all legal statutory requirements. Internal auditors HCSS Education Ltd appointed to undertake reviews and testing of internal controls (to be replaced by Moore Stephens in 2017/18).

Better procurement:

The Trust has procedures for assessing need, and obtaining goods and services which provide "value for money" in terms of suitability, efficiency, time, and cost.

Measures in place include: use of competitive tendering procedures and market testing e.g. a review of energy contracts has led to savings of circa £30,000 per annum, a similar review of insurance has led to savings of circa £20,000; use of framework agreements; annual 'basket of goods' reviews for educational supplies etc. Include note here re catering review, £170k deficit – target is breakeven by 2019/20

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Washwood Heath Multi Academy 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.

WASHWOOD HEATH MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

The academy'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, Audit 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 to appoint HCSS Education as internal auditor during 2016. . Brownmead and Saltley academies were audited in November 2016.

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

- Purchasing processes
- Cash control
- Payroll processes

Minor areas for improvement were identified but no major control failures were found. Trustee's have decided to engage Moore Stephens for future internal audit work. As part of the latest governance review, a separate Audit Committee will be established. Once in place, a new risk-based internal audit programme will be agreed with Moore Stephens.

On an annual basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

WASHWOOD HEATH MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance, Audit 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 7 December 2017 and signed on their behalf, by:



Pete Anstey
Chair of Trustees



Beverley Mabey
Accounting Officer

WASHWOOD HEATH MULTI ACADEMY TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Washwood Heath Multi Academy 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.



Beverley Mabey
Accounting Officer

Date: 7 December 2017

WASHWOOD HEATH MULTI ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Washwood Heath Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 7 December 2017 and signed on its behalf by:



Pete Anstey
Chair of Trustees

WASHWOOD HEATH MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASHWOOD HEATH MULTI ACADEMY TRUST**

OPINION

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

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

WASHWOOD HEATH MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASHWOOD HEATH MULTI ACADEMY 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 including the Strategic 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 academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

WASHWOOD HEATH MULTI ACADEMY TRUST
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WASHWOOD HEATH MULTI ACADEMY TRUST**

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Nicholas Simkins, FCA (Senior Statutory Auditor)

for and on behalf of

Moore Stephens LLP

Chartered Accountants
Registered Auditors

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date:

7/12/2017

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
WASHWOOD HEATH MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 13 October 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 Washwood Heath Multi Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF WASHWOOD HEATH MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Washwood Heath Multi Academy Trust's funding agreement with the Secretary of State for Education dated 19 December 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

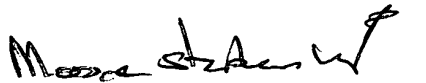
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy's income and expenditure.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
WASHWOOD HEATH MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**
(continued)

CONCLUSION

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



Moore Stephens LLP

Chartered Accountants
Registered Auditors

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

Date: 7/12/2017

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds as restated 2016 £000
INCOME FROM:						
Donations and capital grants	2	-	(1,123)	7,441	6,318	1,403
Charitable activities	3	-	20,720	-	20,720	17,930
Other trading activities	4	82	54	-	136	75
Investments	5	8	-	-	8	11
TOTAL INCOME		90	19,651	7,441	27,182	19,419
EXPENDITURE ON:						
Raising funds		25	112	-	137	114
Charitable activities		55	21,919	1,859	23,833	19,850
TOTAL EXPENDITURE	6	80	22,031	1,859	23,970	19,964
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	10 (207)	(2,380) -	5,582 207	3,212 -	(545) -
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(197)	(2,380)	5,789	3,212	(545)
Actuarial losses on defined benefit pension schemes	23	-	(285)	-	(285)	(3,937)
NET MOVEMENT IN FUNDS		(197)	(2,665)	5,789	2,927	(4,482)
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,728	(11,438)	32,902	24,192	28,227
Prior year adjustment (Note 17)		(202)	-	(245)	(447)	-
TOTAL FUNDS CARRIED FORWARD		2,329	(14,103)	38,446	26,672	23,745

The notes on pages 34 to 58 form part of these financial statements.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 08531479

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£000	2017 £000	2016 as restated £000
FIXED ASSETS				
Tangible assets	14		38,446	32,657
CURRENT ASSETS				
Debtors	15	950		735
Cash at bank and in hand		4,452		3,915
		<u>5,402</u>		<u>4,650</u>
CREDITORS: amounts falling due within one year	16	(3,010)		(2,124)
NET CURRENT ASSETS			<u>2,392</u>	<u>2,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>40,838</u>	<u>35,183</u>
Defined benefit pension scheme liability	23		<u>(14,166)</u>	<u>(11,438)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>26,672</u></u>	<u><u>23,745</u></u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	18	63	-	-
Restricted fixed asset funds	18	38,446	32,657	32,657
Restricted income funds excluding pension liability		38,509	32,657	32,657
Pension reserve		<u>(14,166)</u>	<u>(11,438)</u>	<u>(11,438)</u>
Total restricted income funds			<u>24,343</u>	<u>21,219</u>
Unrestricted income funds	18		<u>2,329</u>	<u>2,526</u>
TOTAL FUNDS			<u><u>26,672</u></u>	<u><u>23,745</u></u>

The financial statements on pages 31 to 58 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:


Pete Anstey
Chair of Trustees

The notes on pages 34 to 58 form part of these financial statements.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £000	2016 <i>as restated</i> £000
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>737</u>	<u>301</u>
Cash flows from investing activities:			
Interest received		8	11
Purchase of tangible fixed assets		(399)	(813)
Capital grants from DfE/ESFA		191	131
Capital funding received from sponsors and others		-	39
Net cash used in investing activities		<u>(200)</u>	<u>(632)</u>
Cash transferred on conversion to the academy trust		-	50
Cash transferred on conversion to the academy trust		<u>-</u>	<u>50</u>
Change in cash and cash equivalents in the year		<u>537</u>	<u>(281)</u>
Cash and cash equivalents brought forward		<u>3,915</u>	<u>4,196</u>
Cash and cash equivalents carried forward	21	<u><u>4,452</u></u>	<u><u>3,915</u></u>

The notes on pages 34 to 58 form part of these financial statements.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

Washwood Heath Multi Academy Trust is a private limited company, limited by guarantee, incorporated in England and Wales and domiciled in England.

The company registration number is 08531479 and the registered office is Washwood Heath Academy, Burney Lane, Stetchford, Birmingham, B8 2AS.

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.

Washwood Heath Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented for Academy Trust as a single entity. The financial statements are presented in Sterling (£), which is the Academy Trust's functional currency and are rounded to the nearest thousand.

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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

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

1.4 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. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £2,500 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the Local Authority schools. On conversion the long leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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	-	Leasehold land is depreciated over the term of the lease at 0.8% per annum. Leasehold property is depreciated at 2% per annum.
Motor vehicles	-	20% per annum.
Fixtures and fittings	-	20% per annum.
Computer equipment	-	Between 20% and 33% per annum.

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

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

1.6 Operating leases

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

1.7 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

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

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

1.11 Taxation

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

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Pensions

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

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

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

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

1.13 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 26.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.14 Fund accounting

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

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

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

1.15 Prior year adjustment

Prior year adjustments have been identified due to the overstatement of fixed asset, VAT debtor, other debtor and bank balances.

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

Pension liability

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

The pension liability will continue to be estimated in this manner, so will continue to represent a significant source of estimation going forward.

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Donations	-	10	191	201	179
Transfer from local authority on conversion	-	(1,133)	7,250	6,117	1,224
	-	(1,123)	7,441	6,318	1,403
<i>Total 2016</i>	50	(636)	1,989	1,403	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds as restated 2016 £000
DfE/ESFA grants				
General annual grant	-	18,239	18,239	16,136
Start up grants	-	263	263	25
Pupil Premium	-	1,609	1,609	1,507
Other Dfe/ESFA grants	-	44	44	10
	-	20,155	20,155	17,678
Other government grants				
Local authority grants	-	402	402	82
	-	402	402	82
Other funding				
Other income	-	163	163	170
	-	163	163	170
	-	20,720	20,720	17,930
<i>Total 2016</i>	-	17,930	17,930	

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Hire of facilities	2	-	2	(6)
Trips income	-	53	53	58
Other income	80	-	80	18
Departmental activities	-	1	1	5
	<u>82</u>	<u>54</u>	<u>136</u>	<u>75</u>
<i>Total 2016</i>	<u>12</u>	<u>63</u>	<u>75</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Short term deposits	8	-	8	11
	<u>11</u>	<u>-</u>	<u>11</u>	
<i>Total 2016</i>	<u>11</u>	<u>-</u>	<u>11</u>	

6. EXPENDITURE

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total as restated 2016 £000
Expenditure on fundraising trading	-	-	137	137	114
Educational operations:					
Direct costs	14,176	1,835	1,437	17,448	14,225
Support costs	2,900	906	2,579	6,385	5,625
Total 2017	<u>17,076</u>	<u>2,741</u>	<u>4,153</u>	<u>23,970</u>	<u>19,964</u>
<i>Total restated 2016</i>	<u>13,941</u>	<u>1,659</u>	<u>4,364</u>	<u>19,964</u>	

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. SUPPORT COSTS

	Educational operations £000	Total 2017 £000	Total as restated 2016 £000
Pension finance cost	257	257	261
Maintenance of premises and equipment	881	881	648
Cleaning	185	185	208
Rent & rates	88	88	112
Energy costs	182	182	237
Insurance	113	113	86
Security and transport	49	49	31
Catering	611	611	379
Other support costs	838	838	977
Auditors remuneration	34	34	25
Legal and professional fees	222	222	224
VAT Write off	-	-	142
Wages and salaries	2,113	2,113	1,680
National insurance	160	160	115
Pension cost	627	627	473
Depreciation	25	25	27
	<u>6,385</u>	<u>6,385</u>	<u>5,625</u>
At 31 August 2016	<u>5,625</u>	<u>5,625</u>	

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£34,000 (2016 - £25,000) included within the table above in respect of Educational operations.

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the charity	1,860	1,659
Auditors' remuneration - audit	21	21
Auditors' remuneration - other services	13	4
Operating lease rentals	<u>53</u>	<u>36</u>

WASHWOOD HEATH MULTI ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. STAFF COSTS

Staff costs were as follows:

	2017 £000	2016 <i>As restated</i> £000
Wages and salaries	12,157	10,613
Social security costs	1,214	948
Operating costs of defined benefit pension schemes	3,051	1,805
	<u>16,422</u>	<u>13,366</u>
Apprenticeship levy	22	-
Supply teacher costs	566	562
Staff restructuring costs	66	13
	<u>17,076</u>	<u>13,941</u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	-	13
Severance payments	66	-
	<u>66</u>	<u>13</u>

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £61,350 (2016: £12,764). Individually, the payments were: £1,000, £1,600, £3,750, £6,200, £9,300, £9,300, £10,200 and £20,000.

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

	2017 No.	2016 No.
Teachers	207	192
Administration and Support	185	172
Management	31	25
	<u>423</u>	<u>389</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	6	5
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	2	2
In the band £150,001 - £160,000	0	1
In the band £160,001 - £170,000	1	0

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NOTES TO THE FINANCIAL STATEMENTS
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9. STAFF COSTS (continued)

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 pension contributions) received by key management personnel for their services to the academy trust was £597,532 (2016: 483,745)

10. CENTRAL SERVICES

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

- Financial services
- Legal services
- Education and support services
- Estate management
- Insurance service
- Human resource service

The academy charges for these services on the following basis:

Flat percentage of General Annual Grant (GAG) income of 4% for all schools.

The actual amounts charged during the year were as follows:

	2017	2016
	£000	£000
Washwood Heath Academy	333	343
Saltley Academy	251	247
Brownmead Primary Academy	40	13
Gossey Lane Academy	40	40
Tile Cross Academy	64	-
	<u>728</u>	<u>643</u>
Total	<u><u>728</u></u>	<u><u>643</u></u>

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11. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£000	£000
B Mabey	Remuneration	165-170	150-155
	Pension contributions paid	0-5	10-15

During the year ended 31 August 2017, 2 Trustees received reimbursed travel expenses of £431 (2016 - £749 to 3 Trustees).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim, and for the year ended 31 August 2017 the cost for this is included within total insurance cost within support costs.

13. OTHER FINANCE INCOME

	2017	2016
	£000	£000
Interest income on pension scheme assets	54	59
Interest on pension scheme liabilities	(311)	(320)
	(257)	(261)

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**NOTES TO THE FINANCIAL STATEMENTS
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14. TANGIBLE FIXED ASSETS

	Assets under construction £000	Long-term leasehold property £000	Motor vehicles £000	Office equipment £000	Total £000
Cost					
At 1 September 2016	380	35,020	40	872	36,312
Additions	144	7,334	52	119	7,649
Transfer between classes	(404)	404	-	-	-
At 31 August 2017	120	42,758	92	991	43,961
Depreciation					
At 1 September 2016	-	3,235	26	394	3,655
Charge for the year	-	1,667	19	174	1,860
At 31 August 2017	-	4,902	45	568	5,515
Net book value					
At 31 August 2017	120	37,856	47	423	38,446
At 31 August 2016	380	31,785	14	478	32,657

15. DEBTORS

	2017 £000	2016 as restated £000
Trade debtors	59	14
VAT recoverable	459	352
Other debtors	-	248
Prepayments and accrued income	432	121
	950	735

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16. CREDITORS: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	108	2
Other taxation and social security	1,504	310
Other creditors	41	859
Accruals and deferred income	1,357	953
	<u>3,010</u>	<u>2,124</u>

	2017 £000	2016 £000
Deferred income		
Deferred income at 1 September 2016	80	45
Resources deferred during the year	322	80
Amounts released from previous years	(80)	(45)
Deferred income at 31 August 2017	<u>322</u>	<u>80</u>

Deferred income relates to universal infant free school meal income, devolved capital grant, pupil premium and trip income received in advance for the 17/18 year and unspent CIF grant income. (2016: relates to universal infant free school meal income and devolved capital grant received in advance for the 16/17 year).

17. PRIOR YEAR ADJUSTMENT

Prior year adjustments have been made to correct material errors in relation to the under provision of depreciation on long-leasehold land and buildings an overstatement of the year end VAT debtor. These adjustments have increased the deficit and reduced funds carried forward by £447,000.

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2016 as restated £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
Unrestricted funds	2,526	90	(80)	(207)	-	2,329
Restricted funds						
General Annual Grant (GAG)	-	17,336	(17,273)	-	-	63
Pupil Premium	-	1,609	(1,609)	-	-	-
Other grants	-	1,576	(1,576)	-	-	-
Start up Grant	-	263	(263)	-	-	-
Pension reserve	(11,438)	(1,133)	(1,310)	-	(285)	(14,166)
	<u>(11,438)</u>	<u>19,651</u>	<u>(22,031)</u>	<u>-</u>	<u>(285)</u>	<u>(14,103)</u>
Restricted fixed asset funds						
Assets transferred on conversion	29,037	7,250	(1,156)	-	-	35,131
DfE/ESFA Capital Grants	426	191	(52)	-	-	565
Capital expenditure from other funds	3,155	-	(647)	207	-	2,715
Other capital donations	39	-	(4)	-	-	35
	<u>32,657</u>	<u>7,441</u>	<u>(1,859)</u>	<u>207</u>	<u>-</u>	<u>38,446</u>
Total restricted funds	<u>21,219</u>	<u>27,092</u>	<u>(23,890)</u>	<u>207</u>	<u>(285)</u>	<u>24,343</u>
Total of funds	<u>23,745</u>	<u>27,182</u>	<u>(23,970)</u>	<u>-</u>	<u>(285)</u>	<u>26,672</u>

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18. STATEMENT OF FUNDS (continued)

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

The General Annual Grant (GAG) - Income from the ESFA which is used to fund the normal running costs of the academy trust.

Start up grant – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy

Pupil Premium – Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Other grants - include further grants received from the DfE/ ESFA including insurance grants, year 7 catch up and 16-19 Bursary income. All of the income received was fully expended during the period.

Pension reserve – The represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Restricted fixed asset funds:

DfE / ESFA capital grants – These funds are received for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Assets transferred on conversion – This represents the buildings and equipment donated to the School from the Local Authority on conversion to the Academy.

Other capital grants – The funds are received from third parties for direct expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets and any unspent grant amounts.

Capital expenditure purchased from other funds – These funds represent fixed assets purchased using other restricted or unrestricted income.

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

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total	<i>Total</i>
	2017	<i>2016 as</i>
	£000	<i>restated</i>
		<i>£000</i>
Washwood Heath Academy	1,650	<i>1,784</i>
Saltley Academy	595	<i>599</i>
Brownmead Academy	62	<i>137</i>
Gossey Lane Academy	(83)	<i>6</i>
Tile Cross Academy	114	<i>-</i>
Central Services	54	<i>-</i>
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	2,392	<i>2,526</i>
Restricted fixed asset fund	38,446	<i>32,657</i>
Pension reserve		
	(14,166)	<i>(11,438)</i>
	<hr/>	<hr/>
Total	26,672	<i>23,745</i>

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit
	£000
Gossey Lane Academy	(83)

The deficit arose due to a significant fall in income (£43,000), predominately Early Years funding for the nursery, plus essential additional spend on equipment and IT consumables (£40,000).

The academy is taking the following action to return the academies to surplus:

Due to the exceptional circumstances facing the school in 2016/17, consideration is being given to writing off the deficit to pooled reserves (unrestricted funds plus surplus GAG). In addition, the school is receiving additional financial management support and a review of the nursery has been scheduled to determine the financial sustainability of the provision.

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

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2017 £000	Total 2016 £000
Washwood Heath Academy	5,731	1,210	640	1,140	8,721	8,891
Saltley Academy	4,582	507	494	1,145	6,728	6,595
Brownmead Academy	868	187	85	238	1,378	1,212
Gossey Lane Academy	782	234	97	179	1,292	431
Tile Cross Academy	1,079	243	132	228	1,682	-
Central Services	81	519	67	273	940	1,005
	<u>13,123</u>	<u>2,900</u>	<u>1,515</u>	<u>3,203</u>	<u>20,741</u>	<u>18,134</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	38,446	38,446
Current assets	2,330	2,990	80	5,400
Creditors due within one year	(1)	(2,927)	(80)	(3,008)
Provisions for liabilities and charges	-	(14,166)	-	(14,166)
	<u>2,329</u>	<u>(14,103)</u>	<u>38,446</u>	<u>26,672</u>

WASHWOOD HEATH MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £000	2016 <i>as restated</i> £000
Net income/(expenditure) for the year (as per Statement of Financial Activities)	3,212	(545)
Adjustment for:		
Depreciation charges	1,860	1,659
Interest receivable	(8)	(11)
(Increase)/decrease in debtors	(216)	403
Increase/(decrease) in creditors	887	(261)
Capital grants from DfE and other capital income	(191)	(170)
Defined benefit pension scheme obligation inherited	1,133	646
Defined benefit pension scheme finance cost	257	262
Net gain on assets and liabilities from local authority on conversion	1,053	188
Transfer of cash on conversion	-	(50)
Inherited assets on conversion (excluding cash)	(7,250)	(1,820)
Net cash provided by operating activities	737	301

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £000	2016 £000
Cash in hand	4,452	3,915
Total	4,452	3,915

22. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £000	2016 £000
Contracted for but not provided in these financial statements	146	30

WASHWOOD HEATH MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS

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

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

Contributions amounting to £187,000 were payable to the schemes at 31 August 2017 (2016 - £184,000) 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.

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 £1,131,000 (2016 - £1,003,000).

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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 £705,000 (2016 - £508,000), of which employer's contributions totalled £517,000 (2016 - £351,000) and employees' contributions totalled £188,000 (2016 - £157,000). The agreed contribution rates for future years are 17.7% - 22.3%% for employers and 5.5% - 8.5%% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.15 %
Rate of increase for pensions in payment / inflation	2.70 %	2.40 %

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

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

	At 31 August 2017 £000	At 31 August 2016 £000
Sensitivity analysis		
Discount rate +0.1%	(420)	(359)
Discount rate -0.1%	431	369
Mortality assumption - 1 year increase	546	347
Mortality assumption - 1 year decrease	(529)	(338)

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

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	1,738	1,217
Gilts	201	142
Other bonds	106	176
Property	201	163
Cash	137	132
Other	365	221
Total market value of assets	<u>2,748</u>	<u>2,051</u>

The actual return on scheme assets was £420,000 (2016 - £282,000).

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

	2017 £000	2016 £000
Current service cost	(1,138)	(657)
Interest income	54	59
Interest cost	(311)	(320)
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	(617)	-
Admin expenses	(1)	-
Transferred in on existing academies joining the trust	(1,133)	(646)
Total	<u>(3,146)</u>	<u>(1,564)</u>

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

	2017 £000	2016 £000
Opening defined benefit obligation	13,489	7,581
Transferred in on existing academies joining the trust	1,133	646
Current service cost	1,138	657
Interest cost	311	320
Employee contributions	179	157
Actuarial losses	101	4,160
Benefits paid	(54)	(32)
Losses on settlements / business combinations	617	-
Closing defined benefit obligation	<u>16,914</u>	<u>13,489</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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

	2017 £000	2016 £000
Opening fair value of scheme assets	2,051	1,176
Interest income	54	59
Actuarial gains/(losses)	(184)	223
Employer contributions	703	469
Employee contributions	179	157
Benefits paid	(54)	(32)
Administration fee	(1)	(1)
	<u>2,748</u>	<u>2,051</u>
Closing fair value of scheme assets	<u>2,748</u>	<u>2,051</u>

24. OPERATING LEASE COMMITMENTS

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

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	53	27
Between 1 and 5 years	87	33
Total	<u>140</u>	<u>60</u>

25. MEMBERS' LIABILITY

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

WASHWOOD HEATH MULTI ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
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26. RELATED PARTY TRANSACTIONS

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

Community Education Partnership, a company where B Mabey, Accounting Officer is a fellow director. During the year the trust made purchases of £21,120 (2016: £nil) from the company and at the year end amounts of £nil (2016: £nil) were outstanding at the year end.

Clear Progress Limited is a company owned by the wife of Mr P White, Deputy Head at Saltley Academy. During the year the trust made purchases of £940 (2016: £2,255) from the company. At the year end amounts of £nil (2016: £nil) were outstanding at the year end.

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

27. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £44,783 and disbursed £37,438 from the fund. An amount of £7,345 is included in other creditors relating to undistributed funds that is repayable to ESFA.

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NOTES TO THE FINANCIAL STATEMENTS
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28. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY

On 1 May 2017 the Tile Cross Academy converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Washwood Heath Multi Academy Trust from the Birmingham City Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of the recognition in the Statement of Financial Activities.

Tile Cross Academy

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Long-term leasehold property	7,250	-	7,250
Pensions			
Pensions - pension scheme liabilities	(1,133)	-	(1,133)
Net assets	<u>6,117</u>	<u>-</u>	<u>6,117</u>