

Company Registration No. 10225404 (England and Wales)

STREETS BROOK ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD ENDED 31 AUGUST 2016



STREETSBROOK ACADEMY TRUST

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STREETSBROOK ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mrs C Llewellyn (Appointed 10 June 2016)
Mrs L Minter (Headteacher) (Appointed 10 June 2016)
Mr A Pierssene (Chair) (Appointed 10 June 2016)
Mr N Smitten (Appointed 10 June 2016)

Members

Mrs N Jamieson
Mr N Smitten
Mrs S Marshall

Company Secretary

Ms N Stead

Senior management team

- Headteacher
- Deputy Headteacher
- Operations and Extended Schools Manager
- Childcare Manager
- EYFS Leader

Mrs L Minter
Mrs A Newsome
Mrs D Butlin

Mrs K Moxley
Mrs Z Ward

Company registration number

10225404 (England and Wales)

Registered office

Streetsbrook Infant & Early Years Academy
Ralph Road
Shirley
Solihull
B90 3LB

Independent auditor

Jerroms
The Exchange
Haslucks Green Road
Shirley
Solihull
B90 2EL

Bankers

Lloyds Bank
Poplar Road
Solihull
West Midlands
B91 3AN

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 10 June 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils from aged 3 to 7 serving a catchment area in Shirley. It has a pupil capacity of 240 and had a roll of 237 in the school census on 6 October 2016.

The academy trust's principle activities as outlined in the articles of association are as follows:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- to promote for the benefit of the inhabitants of the areas in which the academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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 charitable company is known as Streetsbrook Academy Trust and is also known as Streetsbrook Infant & Early Years Academy.

The trustees of Streetsbrook Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period 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

There are no qualifying third party indemnity provisions in place.

Method of recruitment and appointment or election of trustees

There are clearly defined and approved procedures for the selection and appointment of trustees which are outlined in the Article of Association.

Trustees are appointed for a four year period, except that this time limit does not apply to the headteacher. Subject to remaining eligible to be a particular type of trustee, any governor may be re-elected or re-appointed.

When appointing new trustees, the Board will give consideration to the skills and experience mix of existing trustees in order to ensure that the Board has the necessary skills to enhance the effectiveness of the trust.

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Policies and procedures adopted for the induction and training of trustees

There is an Induction programme for each trustee which includes the allocation of a mentor to each new trustee and agreeing a dedicated training programme.

The training and induction provided will depend on their experience but will always include an induction meeting with the headteacher and governor mentor, a tour of the academy and an opportunity to meet with staff and children. All trustees have access to policies, procedures, minutes, accounts and budgets and other documents they will need to undertake their role as a trustee.

Trustees make regular use of the training packages offered by the National Governor Association (NGA) and by Solihull MBC Governor Services. All trustees are subject to DBS checks

Organisational structure

The Academy Trust is made up of:

- 8 co-opted governors
- 3 parent governors
- 1 staff governor
- Headteacher

The trustees have delegated the day-to-day responsibility of running the academy to the headteacher, as CEO and accounting officer. Other work streams are delegated to the five committees, of which at least one of the trustees is a member

- The Standards Committee
- The Finance and Audit Committee
- The Childcare Committee
- The Personnel Committee

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Objectives and activities

Objects and aims

At Streetsbrook, we strive to provide an equal chance for all to become responsible citizens who lead happy and fulfilled lives, and are equipped with the skills and abilities to shape the world they live in.

Every child matters at Streetsbrook, and to this end our aims are explicitly linked to the following six outcomes for children:

Be Healthy

- We aim to empower each child to become physically, mentally and emotionally healthy in order that they can learn effectively and choose a healthy lifestyle.

Stay Safe

- We aim to develop and sustain a happy and secure environment in which children become self-confident, articulate, emotionally aware, socially adept, literate and numerate in order to make the right life choices and, therefore, be inherently safer.

Enjoy and Achieve

- We aim to empower each child to experience the joy of learning and to achieve success, developing their capacity to learn independently and interdependently in order to choose to be positively engaged in lifelong learning.

Making a Positive Contribution

- We aim to empower each child to be actively engaged in the planning of their learning experiences. This gives them the confidence to express themselves in discussion and in writing and equips them with the necessary skills to choose to engage in social and community roles to become global citizens.

Achieve Economic Well-being

- We aim to empower each child to develop a positive attitude, become self-motivated, and develop key academic and social skills. This enables them to think creatively and choose to impact on, influence and shape the world they live in

Embrace our Schools Values and Culture

- We aim to empower each child to develop, socially, morally, ethically and spiritually.

This is underpinned by the following values:

Desire to Learn

To enjoy the lifelong process and challenge of learning; alone and with others.

Love and Respect

To have respect for ourselves, others and the environment, recognising and celebrating individual lifestyles, cultures and faiths.

Happiness

Developing successful relationships where individuals can build and follow their dreams.

Confidence

Having the self-belief to embrace and follow their own choices.

Being a Good Citizen

Making a positive contribution to communities on a local and global scale.

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Objectives, strategies and activities

As outlined in the School Improvement Plan, the main objectives of the academy during the year ended 31 August 2016 are as follows:

Outcomes for children and learners	
EYFS	
	<ul style="list-style-type: none">• To narrow the gap in attainment between boys and girls in Managing Feelings & Behaviour, C.L.L. Reading & Mathematical Development• To narrow the gap in attainment of EM and BW/I children in P.S.E.D., Understanding, Speaking & Reading
KS1	
	<ul style="list-style-type: none">• To raise the percentage of children meeting the expected standard in the Phonics Screening in Year 1• To raise the percentage of children exceeding age related expectations at the end of KS1 in reading• To narrow the gap in achievement between boys and girls in Maths in Yr2
Quality of teaching, learning & assessment	
	<ul style="list-style-type: none">• To secure good and outstanding teaching in all year groups• To develop the assessment and recording arrangements of Foundation subjects
Personal development, behaviour & welfare	
This is not an area for school improvement this year, 2015-16	
Effectiveness of Leadership & Management	
Middle Leaders	
	<ul style="list-style-type: none">• To develop staff knowledge, skills and understanding of what makes an effective leader
Governors	
	<ul style="list-style-type: none">• To ensure that all Governors have a thorough understanding of their roles and responsibilities in light of changes within school

Public benefit

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

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Strategic report

Achievements and performance

Achievements in the period from 1 July 2016 – 31 August 2016 have seen continued success across the whole school.

Key performance indicators

EYFS Results 2016

- 77% of the children achieved a Good Level of Development (GLD), compared to 69% nationally.

Year 1 Phonics Results 2016

- 88% of the Year 1 cohort passed the Phonic Check compared to 81% nationally

Year 2 Phonics Check

- 95% of the Year 2 cohort passed the Phonic Check

KS1 Results 2016

- The following table shows the % of children who met the expected standard or above:

	Streetsbrook	National
Reading	89%	74%
Writing	74%	65%
Mathematics	83%	73%

The trustees aim to ensure that the academy meets the following financial requirements:

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

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

Most of the academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants from the DfE during the period ending 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The academy also receives an income from Streetsbrook Childcare.

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

During the period ending 31 August 2016, total expenditure of £256,337 was covered by recurrent grant funding from the DfE, other income and the use of £56,942 of the academy's brought forward funds.

Whilst the academy has an adequate intake of pupils, risks to revenue funding from a falling roll are small. However, the freeze on the Governments' overall education budget, and increasing employment and premises costs means that budgets will be increasingly tight in the coming years.

The governors examine the financial health formally every full term, reviewing performance against budgets and overall expenditure by means of regular update reports at all half-termly Governors and Finance Committee meetings.

At the year end the academy has no liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The trustees recognise that the defined benefit scheme (Local Government Pension Scheme) represents a significant potential liability. However, as the trustees consider that the academy is able to meet its known annual contribution commitments to the foreseeable future, the risk to the liability is minimised.

Reserves policy

The trustees review the reserve levels of the academy on a half-termly basis. The review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees take into consideration the future plans of the academy, the uncertainty over future income streams and other key risks identified in the risk review. The academy continues to follow the recommendation of the local authority not to exceed a reserve of restricted funds in excess of 8% of its total budget.

The academy's current level of unrestricted reserves is £108,127. The trustees plan to use these funds to maintain the academy's staffing structure.

Investment policy and powers

Cash reserves which are deemed to be significant and long-term, may be invested in treasury deposits with maturity dates which do not result in the cash funds being unavailable for longer than 8 weeks upon agreement of the trustees.

Principal risks and uncertainties

The governors have implemented a number of systems to assess risks that the academy faces, especially in the strategic risk areas and in relation to financial control. Systems have been introduced, including operational procedures and internal financial controls to minimise risk. The academy has an effective system of internal financial controls.

The key controls used by the academy include:

- Detailed Terms of Reference for all committees
- Formal agendas and minutes for the trustees, governing body and committees
- Scheme of governance and Decision Making Matrix
- Formal written policies
- Clear authorisation and approval levels
- Policies and procedures required by law to protect the vulnerable

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

The governors consider the principle risks and uncertainties facing the academy are:

- Complying with all legislative requirements regarding employment law, data protection, discrimination, child protection and the rules and regulations and legal requirements of companies house, HMRC and the charity commission
- Financial risks:
- Not operating within the budget, and running a deficit
- Changes in funding as a result of the National Funding Formula and absence of the ESG funding.
- Inability to maintain current staffing ratios due to lack of funding which could impact significantly on educational standards
- General Annual Grant is provided as 'flat cash' which does not take into account pay awards, inflationary increases and increasing employers pension contributions
- Inappropriate or insufficient financial controls and systems

Financial and risk management objectives and policies

Plans for future periods

The governing body sees the year ahead as a crucial time in developing their knowledge and understanding of their new roles and responsibilities as an academy and how, alongside the senior leadership team, they can begin to grow the MAT.

The academy will continue to adhere to the principles of the EYFS and KS1 curriculums and embed the new assessment procedures in order to maintain the very high standards the school has achieved over a substantial period of time.

STREETSBROOK ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

Outcomes for children and learners	
EYFS	<ul style="list-style-type: none"> To narrow the gap in attainment between boys and girls in Listening & Attention, Reading and Technology To narrow the gap in attainment of EM and BW/I children in Listening & Attention, Understanding, Reading and Technology. To narrow the gap between Boys and Girls working at expected against exceeding in Literacy and Maths. To raise attainment across the EYFS in CLL and Writing
KS1	<ul style="list-style-type: none"> To increase the % of children working at greater depth in maths to 20%
Quality of teaching, learning & assessment	
	<ul style="list-style-type: none"> To review the curriculum in both EYFS and KS1 to ensure: <ul style="list-style-type: none"> learning is exciting, progressive and in-depth children are continuing to benefit from a broad and balanced curriculum British Values are fully embedded To review our approach to teaching mathematics
Personal development, behaviour & welfare	
This is not an area for school improvement this year, 2016-17	
Effectiveness of Leadership & Management	
Leaders	<ul style="list-style-type: none"> To review curriculum monitoring systems and processes
Trustees	<ul style="list-style-type: none"> To begin to develop and grow Streetsbrook Academy Trust

Auditor

In so far as the trustees are aware:

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

A resolution proposing that Jerroms be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13 FEB 2017 and signed on its behalf by:



Mrs L Minter
Headteacher



Mr A Pierssene
Chair

STREETSBROOK ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2016

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Streetsbrook 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 Headteacher/CEO 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 Streetsbrook 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 once during the period from 1 July 2016 – 31 August 2016. Attendance was as follows:

Trustees	Meetings attended	Out of possible
Mrs C Llewellyn (Appointed 10 June 2016)	0	1
Mrs L Minter (Headteacher) (Appointed 10 June 2016)	1	1
Mr A Pierssene (Chair) (Appointed 10 June 2016)	1	1
Mr N Smitten (Appointed 10 June 2016)	1	1

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to provide financial oversight for the Academy. This includes:

- monitoring, evaluating and reviewing policy and performance in relation to financial management
- ensuring compliance with reporting and regulatory requirements
- setting targets to measure financial and other performance
- receiving and acting upon reports from the Responsible Officer
- drafting the annual budget
- identifying and managing risks

There were no meetings for the Finance and Audit Committee between when the Academy opened on 1 July 2016 to the end of August 2016.

Review of value for money

As accounting officer the headteacher/CEO/ has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

STREETSBROOK ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

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

As Accounting officer, the headteacher for the academy trust has ensured the best possible educational and wider outcomes through the efficient and effective use of all the resources in the trust's charge, the avoidance of waste and extravagance and prudent and economical administration. This has been achieved by strict adherence to all agreed policies and procedures, open and transparent decisions about recruitment and deployment of staff, and rigorous monitoring of all aspects of the academy's work

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Streetsbrook Academy Trust for the period 1 July 2016 to 31 August 2016 and up to the date of approval of the annual report and financial statements

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 10 June 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- regular reviews by the finance and audit 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 Tim Davis from SMBC Audit Services as internal auditor to carry out a programme of internal checks.

The SMBC Audit role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. No checks were carried out in the period from 1 July to 31 August 2016.

STREETSBROOK ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 13 FEB 2017 and signed on its behalf by:



Mr A Pierssene
Chair

STREETSBROOK ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

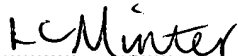
FOR THE PERIOD ENDED 31 AUGUST 2016

As accounting officer of Streetsbrook Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA 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 2015.

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 2015.

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 EFA.

Mrs L Minter
Accounting Officer


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STREETSBROOK ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2016

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016
- 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 accounts 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 that grants received from EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 13 FEB 2017 and signed on its behalf by:



Mrs L Minter
Headteacher



Mr A Pierssene
Chair

STREETSBROOK ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF STREETSBROOK ACADEMY TRUST

We have audited the accounts of Streetsbrook Academy Trust for the period ended 31 August 2016 set out on pages 19 to 38. The financial reporting framework that has been applied in their preparation is applicable law and 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 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of Streetsbrook Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Basis for Qualified Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the academy trust's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However, with respect to the leasehold land and buildings known as Streetsbrook Infant School, the evidence available to us was limited as the land and buildings has not been included in the financial statements as a valuation has not been provided. Owing to the nature of the academy trust's records, we were unable to obtain sufficient appropriate audit evidence regarding an appropriate valuation by using other audit procedures.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

STREETSBROOK ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF STREETSBROOK ACADEMY TRUST (CONTINUED)

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period 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; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts.

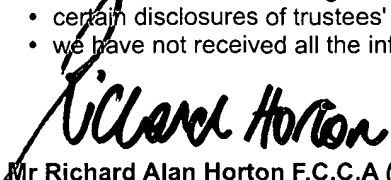
Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the leasehold land and buildings referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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

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


Mr Richard Alan Horton F.C.C.A (Senior Statutory Auditor)
for and on behalf of Jerroms

Chartered Certified Accountants

Statutory Auditor

The Exchange
Haslucks Green Road
Shirley
Solihull
B90 2EL

Dated:

13 February 2017.

STREETSBROOK ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STREETSBROOK ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 4 January 2017 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Streetsbrook Academy Trust during the period 10 June 2016 to 31 August 2016 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 Streetsbrook Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Streetsbrook Academy Trust and EFA 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 Streetsbrook Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Streetsbrook Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Streetsbrook Academy Trust's funding agreement with the Secretary of State for Education dated 15 June 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 10 June 2016 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

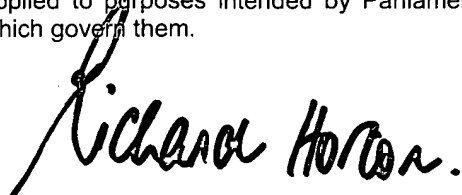
- obtaining sufficient understanding of the framework and authorities;
- discussion of procedures relating to regularity with the accounting officer;
- review of work performed during the internal audit function;
- tailoring of specific tests in the following areas:
 - evaluation of the control environment
 - testing the application of funds
 - authorisation of expenditure
 - review of accounts with a greater susceptibility to impropriety
 - consideration of transactions outside of the delegated authority levels

STREETSBROOK ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO STREETSBROOK ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 10 June 2016 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mr Richard Alan Horton F.C.C.A

Reporting Accountant

Jerroms

Dated: *13 February 2017.*

STREETSBROOK ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £	Total 2016 £
Income and endowments from:				
Donations and capital grants	2	115	-	115
Charitable activities:				
- Funding for educational operations	3	274	119,591	119,865
Other trading activities	4	79,404	-	79,404
Investments	5	11	-	11
Total income and endowments		<u>79,804</u>	<u>119,591</u>	<u>199,395</u>
Expenditure on:				
Charitable activities:				
- Educational operations	7	60,627	193,991	256,337
Charitable expenditure - transfer from local authority on conversion	22	(164,420)	670,000	475,865
Total expenditure	6	<u>(103,793)</u>	<u>863,991</u>	<u>732,202</u>
Net income/(expenditure)		183,597	(744,400)	(532,807)
Transfers between funds		(75,470)	69,400	6,070
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(246,000)	(246,000)
Net movement in funds		<u>108,127</u>	<u>(921,000)</u>	<u>34,066</u>
Reconciliation of funds				
Total funds brought forward		-	-	-
Total funds carried forward		<u>108,127</u>	<u>(921,000)</u>	<u>34,066</u>

STREETSBROOK ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	
		£	£	£	£
Income and endowments from:					
Charitable activities:		—	—	—	—
Total income and endowments		—	—	—	—
		==	==	==	==
Expenditure on:					
Charitable activities:		—	—	—	—
Total expenditure	6	—	—	—	—
		==	==	==	==
Net income/(expenditure)		—	—	—	—
Reconciliation of funds					
Total funds brought forward		—	—	—	—
		—	—	—	—
Total funds carried forward		—	—	—	—
		==	==	==	==

STREETSBROOK ACADEMY TRUST

BALANCE SHEET

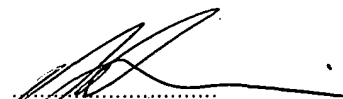
AS AT 31 AUGUST 2016

	Notes	2016 £	£
Fixed assets			
Tangible assets	11		34,066
Current assets			
Debtors	12	144,444	
Cash at bank and in hand		82,759	
		<u>227,203</u>	
Current liabilities			
Creditors: amounts falling due within one year	13	(119,076)	
Net current assets			<u>108,127</u>
Net assets excluding pension liability			<u>142,193</u>
Defined benefit pension liability	17		(921,000)
Net assets			<u>(778,807)</u>
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds			34,066
- Pension reserve			(921,000)
Total restricted funds			<u>(886,934)</u>
Unrestricted income funds	15		<u>108,127</u>
Total funds			<u>(778,807)</u>

The accounts set out on pages 19 to 38 were approved by the board of trustees and authorised for issue on 13 FEB 2017 and are signed on its behalf by:



Mrs L Minter
Headteacher



Mr A Pierssene
Chair
Company Number 10225404

STREETSBROOK ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	2016 £	£
Cash flows from operating activities			
Net cash used in operating activities	18	(75,602)	
Cash funds transferred on conversion		164,420	
			<u>88,818</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		11	
Payments to acquire tangible fixed assets		(6,070)	
			<u>(6,059)</u>
Change in cash and cash equivalents in the reporting period			<u>82,759</u>
Cash and cash equivalents at 10 June 2016			-
Cash and cash equivalents at 31 August 2016			<u><u>82,759</u></u>

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

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

Streetsbrook Academy Trust meets the definition of a public benefit entity under FRS 102.

The trust was incorporated on 10 June 2016 and the school converted to an academy on 1 July 2016.

These accounts have been prepared for the period 10 June 2016 to 31 August 2016 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Streetsbrook Infant and Nursery School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 21.

1.4 Income

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

Grants receivable

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

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period 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

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

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Computer equipment	30% Straight Line Basis
Fixtures, fittings & equipment	20% Straight Line Basis

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Taxation

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

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, 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 are recognised in the period to which they relate.

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

1.11 Fund accounting

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

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

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

1.12 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £
Other donations	115	-	115

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £
DfE / EFA grants			
General annual grant (GAG)	-	115,647	115,647
Other DfE / EFA grants	-	2,674	2,674
	-	118,321	118,321
Other funds			
Other incoming resources	274	1,270	1,544
Total funding	274	119,591	119,865

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £
Catering income	983	-	983
Other income	78,421	-	78,421
	79,404	-	79,404

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £
Short term deposits	11	-	11

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £
Academy's educational operations				
- Direct costs	152,710	-	1,072	153,782
- Allocated support costs	48,089	5,357	49,109	102,555
	<u>200,799</u>	<u>5,357</u>	<u>50,181</u>	<u>256,337</u>
Total expenditure	<u>200,799</u>	<u>5,357</u>	<u>50,181</u>	<u>256,337</u>

Net income/(expenditure) for the period includes:

**2016
£**

Fees paid to auditor for audit services

6,350

Depreciation of tangible fixed assets

1,719

The academy has, by resolution, waived the need for approval of the auditors' limitation liability, which has been set at £500,000 within the letter of engagement dated 4 January 2017. This approval has been confirmed in the letter of representation dated 10 February 2017.

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £
Direct costs - educational operations	50,307	103,475	153,782
Support costs - educational operations	10,320	92,235	102,555
	<u>60,627</u>	<u>195,710</u>	<u>256,337</u>
			2016 £
Analysis of support costs			
Support staff costs			48,089
Depreciation and amortisation			1,719
Technology costs			5,462
Premises costs			11,067
Other support costs			9,759

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

7	Charitable activities	(Continued)
	Governance costs	26,459
		<u>102,555</u>

8	Staff costs	2016
		£
	Wages and salaries	145,888
	Social security costs	11,588
	Operating costs of defined benefit pension schemes	36,783
		<u>194,259</u>
	Staff costs	194,259
	Supply staff costs	2,206
	Staff development and other staff costs	4,334
		<u>200,799</u>
	Total staff expenditure	<u>200,799</u>

Staff numbers

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

	2016
	Number
Teachers	8
Administration and support	41
Management	5
	<u>54</u>

Higher paid staff

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

	2016
	Number
£70,000 - £80,000	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £41,407.

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

9 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mrs L Minter (headteacher):

- Remuneration £10,000 - £15,000 (two month period)
- Employer's pension contributions £0 - £5,000 (two month period)

During the period, travel and subsistence payments totalling £nil were reimbursed or paid directly to the trustees.

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2016 was £nil.

11 Tangible fixed assets

	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 10 June 2016	-	-	-
Transfer on conversion	22,825	6,890	29,715
Additions	6,070	-	6,070
	<u>28,895</u>	<u>6,890</u>	<u>35,785</u>
At 31 August 2016	28,895	6,890	35,785
Depreciation			
At 10 June 2016	-	-	-
Charge for the period	1,604	115	1,719
	<u>1,604</u>	<u>115</u>	<u>1,719</u>
At 31 August 2016	1,604	115	1,719
Net book value			
At 31 August 2016	<u>27,291</u>	<u>6,775</u>	<u>34,066</u>

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

12 Debtors				2016
				£
Trade debtors				14,381
VAT recoverable				4,429
Other debtors				123,524
Prepayments and accrued income				2,110
				<u>144,444</u>
				<u>144,444</u>
13 Creditors: amounts falling due within one year				2016
				£
Other taxation and social security				14,517
Other creditors				49,460
Accruals and deferred income				55,099
				<u>119,076</u>
				<u>119,076</u>
14 Deferred income				2016
				£
Deferred income is included within:				
Creditors due within one year				30,307
				<u>30,307</u>
				<u>30,307</u>
Deferred income at 10 June 2016				-
Released from previous years				-
Amounts deferred in the period				30,307
				<u>30,307</u>
Deferred income at 31 August 2016				30,307
				<u>30,307</u>
				<u>30,307</u>
15 Funds				
	Incoming	Resources	Gains, losses	Balance at 31
	resources	expended	& transfers	August 2016
	£	£	£	£
Restricted general funds				
General Annual Grant	115,647	(185,047)	69,400	-
Other DfE / EFA grants	2,674	(2,674)	-	-
Other restricted funds	1,270	(1,270)	-	-
	<u>119,591</u>	<u>(188,991)</u>	<u>69,400</u>	<u>-</u>
Funds excluding pensions	119,591	(188,991)	69,400	-
Pension reserve	-	(675,000)	(246,000)	(921,000)
	<u>119,591</u>	<u>(863,991)</u>	<u>(176,600)</u>	<u>(921,000)</u>
	<u>119,591</u>	<u>(863,991)</u>	<u>(176,600)</u>	<u>(921,000)</u>

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

15 Funds	(Continued)			
Restricted fixed asset funds				
Inherited funds	-	28,333	-	28,333
Capital expenditure from GAG	-	(337)	6,070	5,733
	<u>-</u>	<u>27,996</u>	<u>6,070</u>	<u>34,066</u>
Total restricted funds	<u>119,591</u>	<u>(835,995)</u>	<u>(170,530)</u>	<u>(886,934)</u>
Unrestricted funds				
General funds	<u>79,804</u>	<u>103,793</u>	<u>(75,470)</u>	<u>108,127</u>
Total funds	<u>199,395</u>	<u>(732,202)</u>	<u>(246,000)</u>	<u>(778,807)</u>

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

General Annual Grant (GAG)

The GAG must be used for the normal running costs of the academy.

Other DfE / EFA grants

Other DfE / EFA grants relates to other grants such as Sports Grant and Pupil Premium allocation.

Other government grants

Other government grants relates to local authority grants and funding for specific purposes such as special education needs.

Other restricted funds

Other restricted funds relates to funds received for specific purposes from other sources.

Pension reserve

The pension reserve relates to the deficit on the Local Government Pension Scheme.

DfE / EFA capital grants

DfE / EFA capital grants relates to the Devolved Formula Capital Grant and Academies Capital Maintenance Grant.

General funds

General funds relates to funds which are unrestricted in nature and therefore can be used as the Trustees deem appropriate.

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

16 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	34,066	34,066
Current assets	196,896	30,307	-	227,203
Creditors falling due within one year	(88,769)	(30,307)	-	(119,076)
Defined benefit pension liability	-	(921,000)	-	(921,000)
	<u>108,127</u>	<u>(921,000)</u>	<u>34,066</u>	<u>(778,807)</u>

17 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £19,444 were payable to the schemes at 31 August 2016 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

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

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

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

The employer's pension costs paid to the TPS in the period amounted to £10,987.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.2% for employers and 5.5 to 6.8% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 22) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

Total contributions made	2016
	£
Employer's contributions	14,000
Employees' contributions	4,000
	<hr/>
Total contributions	18,000
	<hr/>

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

17 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2016 %
Rate of increases in salaries	3.75
Rate of increase for pensions in payment	2.0
Discount rate	2.2
Inflation assumption (CPI)	2.00

Sensitivity analysis at 31 August 2016	£000s	£000s	£000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	914	940	966
Projected service cost	139	143	147
Adjustment to long term salary		no change	1% for next 4 years
Present value of total obligation		940	876
Projected service cost		143	141
Adjustment to pension increase and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	962	940	919
Projected service cost	147	143	139
Adjustment to life expectancy assumptions	+ 1 year	None	-1 year
Present value of total obligation	964	940	917
Projected service cost	147	143	139

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

	2016 Years
Retiring today	
- Males	23.1
- Females	25.8
Retiring in 20 years	
- Males	25.3
- Females	28.1

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

17 Pensions and similar obligations	(Continued)
The academy trust's share of the assets in the scheme	2016 Fair value £
Equities	11,000
Government Bonds	1,000
Other Bonds	2,000
Cash/Liquidity	1,000
Property	2,000
Other assets	2,000
Total market value of assets	19,000
Actual return on scheme assets - gain/(loss)	1,000
Amounts recognised in the statement of financial activities	2016 £
Current service cost (net of employee contributions)	16,000
Net interest cost	3,000
Changes in the present value of defined benefit obligations	2016 £
Obligations acquired on conversion	670,000
Current service cost	16,000
Interest cost	4,000
Employee contributions	4,000
Actuarial loss	246,000
At 31 August 2016	940,000
Changes in the fair value of the academy trust's share of scheme assets	2016 £
Interest income	1,000
Employer contributions	14,000
Employee contributions	4,000
At 31 August 2016	19,000

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

18 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £
Net income/(expenditure) for the reporting period	(532,807)
Adjusted for:	
Net deficit/(surplus) transferred on conversion	475,865
Investment income	(11)
Defined benefit pension costs less contributions payable	2,000
Defined benefit pension net finance cost/(income)	3,000
Depreciation of tangible fixed assets	1,719
(Increase)/decrease in debtors	(144,444)
Increase/(decrease) in creditors	119,076
Net cash used in operating activities	(75,602)

19 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £
Amounts due in two and five years	1,873

20 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 9.

21 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

STREETSBROOK ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

22 Conversion to an academy

On 1 July 2016 the Streetsbrook Infant and Nursery School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Streetsbrook Academy Trust from the Solihull Metropolitan Borough Council Local Authority 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 values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as charitable activities – 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 their recognition in the statement of financial activities.

				2016 £
Net assets transferred:				
Other tangible fixed assets				29,715
Cash				164,420
LGPS pension surplus/(deficit)				(670,000)
				<u>(475,865)</u>
				<u></u>
	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	29,715	29,715
LA budget funds	164,420	-	-	164,420
LGPS pension funds	-	(670,000)	-	(670,000)
	<u>164,420</u>	<u>(670,000)</u>	<u>29,715</u>	<u>(475,865)</u>
	<u></u>	<u></u>	<u></u>	<u></u>

The Land and Buildings known as Streetsbrook Infant and Nursery School, have been leased to the Academy on a 125 year lease by The Metropolitan Borough of Solihull.