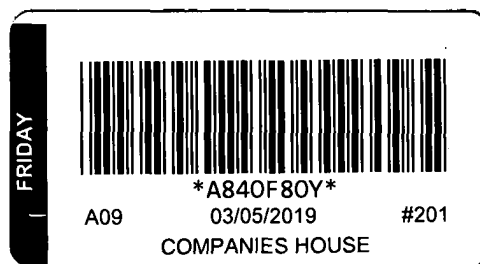


UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
(Formerly Education Central Multi Academy Trust)

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018



UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

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UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Professor G Layer
Sir G Hampton (resigned 8 June 2018)
A Lee (resigned 8 June 2018)
G Butler (as a representative of the University of Wolverhampton
Social Enterprise board)
Dr A Hopkins (appointed 8 June 2018)
I Oakes (appointed 8 June 2018)

Trustees

Mr C Avern (Appointed 20 March 2018)
Mrs J Dunne (Chair of the Trust Board)
Mrs C Jenkins (Appointed 20 March 2018)
Mrs M R Kidd (Appointed 20 March 2018)
Mrs G Lahiri (Appointed 20 March 2018)
Mr R Lockwood
Professor M Shaw (CEO and Accounting Officer)
Mr B A Mcallister-Lovatt (Appointed 20 March 2018)
Mrs A J Wood (Appointed 20 March 2018)
Mr G Butler (as a representative of the University of Wolverhampton
Social Enterprise board)

Senior management team

- CEO and Accounting Officer
- Director of Finance
- Director of Primary Academies
- Director of Human Resources

Professor M Shaw
A Wood
K Butlin
S Malhotra

Company registration number

08255492 (England and Wales)

Principal and registered office

University of Wolverhampton
Wulfruna Street
Wolverhampton
WV1 1LY

Independent auditor

KPMG
One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2018

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the Period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates 10 primary academies and 3 secondary academies across the West Midlands and Staffordshire. Its academies have a combined roll of 6548 in the school census on October 2017.

Structure, governance and management

Constitution

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

The constituent academies of the trust are:

The Ace Academy
Albert Bradbeer Primary Academy
Edgar Stammers Primary Academy
Fairway Primary Academy LGB
Featherstone Academy
Heathlands Primary Academy
The Orchards Primary Academy
Pye Green Academy
Reaside Academy
Smestow School
Tame Valley Academy
Wednesfield High Specialist Engineering Academy
Woodhouse Primary Academy

The trustees of University of Wolverhampton Multi 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, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

On 28 September 2018 Education Central Multi Academy Trust changed its name to University of Wolverhampton Multi Academy Trust.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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.

The members are:

Professor Geoff Layer - Vice Chancellor (University of Wolverhampton)
Professor Ian Oakes - Deputy Vice Chancellor (University of Wolverhampton)
Dr Alexandra Hopkins - Dean (University of Wolverhampton)

Trustees

Professor Jackie Dunne - Chair of University of Wolverhampton Multi Academy Trust Board and Deputy Vice Chancellor of the University of Wolverhampton - Jackie is responsible for leading the University of Wolverhampton's widening participation and outreach work, including engagement with schools and colleges and the University's work with Academy Schools and University Technical College (UTCs).

Professor Michelle Shaw - CEO - Professor Shaw is the Director of Education and the CEO of the Trust - a unique and sector-leading model for school leadership and improvement. Michelle ensures close alignment between the University and the MAT. Michelle has extensive leadership experience in education, working across all sectors.

Alison Wood - Director of Finance

Gary Butler - University of Wolverhampton Social Enterprise Nominee

Roy Lockwood - Independent Educationalist. After a career as a teacher and lecturer, Dr Roy Lockwood worked for 3 Local Authorities including Berkshire County Council and Coventry City Council. His final position was as Director for Children and Young People at Wolverhampton City Council. In 2005 he was awarded a Ph.D. by the University of Warwick and in 2012 was given an Honorary Doctorate by the University of Wolverhampton.

Maria Kidd - Independent

Clair Jenkins - Independent

Clive Jones - Independent

George Lahiri - Independent

Colin Avern - Independent

Trustees' indemnities

As part of the overall insurance cover, taken out with third party insurers, the trust has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £5,000,000 in this respect.

Method of recruitment and appointment or election of trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

All trustees are encouraged to undertake personal training in addition to courses organised for all trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Shared inset between all the schools in the trust include elements of trustee training and this is supported by external training providers. Trustees meet regularly and receive on a regular basis updated copies of policies and procedures and are encouraged to have an input into Trust self-evaluation and improvement planning.

Organisational structure

The arrangements for delegated authority within University of Wolverhampton Multi Academy Trust are set out within our scheme of delegation. The functions of the trust are discharged by its various boards, committees and key posts. The significant roles and responsibilities within the organisation are as follows;

Members

The members of UWMAT are signatories to the trust's memorandum and articles of association (a document which outlines the governance structure and how the trust operates). The members appoint trustees to ensure that the trust's charitable object is carried out. They are able to remove trustees if they fail to fulfil this responsibility. Members are also responsible for approving any amendments to the trust's articles of association. While members are permitted to be appointed as trustees, in order to retain a degree of separation of powers between the members and the trust board, and in line with DfE expectations, not all members are trustees. Members are not permitted to be employees of the trust.

Trustees

The trustees of UWMAT are the charity trustees and are responsible for the general control and management of the administration of the trust in accordance with the provisions set out in the memorandum and articles of association. The board of trustees is accountable for the performance of all academies within the trust and as such must;

- Ensure clarity of vision, ethos and strategic direction
- Hold the executive officers and headteachers to account for the educational performance of the academies and their pupils, and the performance management of staff
- Oversee the financial performance of the trust and make sure its money is well spent.

Because trustees are bound by charity and company law, the terms "trustees" and "directors" are used interchangeably.

The Board of Trustees

The UWMAT board is permitted to exercise all the powers of the academy trust. The trustees delegate certain governance functions and these are set out in our scheme of delegation.

The trust has the right to review and adapt its governance structure at any time which includes removing delegated authority in certain circumstances.

The board of trustees of UWMAT delegate responsibility for delivery of its objectives and strategy to the lead professional of the MAT i.e. the Chief Executive Officer who is also designated as the Accounting Officer. The MAT board holds the CEO to account for the performance of the trust, including the performance of the academies within the trust.

Some responsibilities concerning the performance of each academy are delegated to local academy boards. Each local academy board will use its detailed knowledge and engagement with stakeholders to ensure that their academy is performing to the highest possible standards, and that it is being well served by the executive leadership of the trust.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

The performance management of the Chief Executive Officer (Accounting Officer) is the responsibility of the trust board. The CEO is responsible for the performance management of the academy headteachers but will seek contributions from representatives of the local academy boards to this process.

Board Sub Committees

The trustees have established three sub committees with the purpose of providing advice and support and informing the overall work of the trust board.

- Academic Board
- Finance and Resources Committee
- Audit, Risk and Compliance

However these sub committees are not legally responsible or accountable for statutory functions – the trust board retains overall accountability and responsibility. The responsibilities of the board sub committees are set out in their terms of reference; the responsibilities of school governing boards are set out in our scheme of delegation. The trust board appoints subcommittee members and chairs.

Local Governing Bodies

The responsibilities of local governing bodies are set out in detail in our scheme of delegation but they include; building an understanding of how the academy is led and managed, monitoring whether the academy is working within agreed policies, meeting agreed targets, managing its finances well and engaging with stakeholders.

As a committee of the trust board, delegation to a local governing board can be removed if there is evidence of any of the following:

- Weak performance in response to a review of governance or Ofsted inspection.
- An Ofsted inspection where there is a rating decline or an academy moves into a category of serious weakness or requiring improvement.
- A sudden or unexpected significant dip in the performance of an academy
- A significant safeguarding concern within an academy.

Chief Executive Officer (The Accounting Officer)

The CEO has the delegated responsibility for the operation of UWMAT including the performance of the trust's academies.

The CEO is the accounting officer so has overall responsibility for the operation of the academy trust's financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability, avoiding waste and securing value for money.

The CEO leads the executive management team of UWMAT. The CEO will delegate executive management functions to the executive management team and is accountable to the trust board for the performance of the executive management team.

Academy Headteacher

The academy headteacher is responsible for the day to day management of the academy and is managed by the chief executive officer. She / he reports to the local academy board on the overall performance of the school, the progress of pupils and any other matters which have been delegated.

GOVERNANCE STRUCTURE: UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

Members

Board of Trustees

Board Sub Committees

Academic Board Finance and Resources Committee Risk, Audit, Compliance Committee Remunerations Committee

13 Local Governing bodies and their respective sub committees

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**TRUSTEES' REPORT (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018**Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range. Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy governing committee and their decision is validated by Trust Officers and reported to the board of trustees.

Pay progression for Headteachers is dependent upon the successful completion of the previous years' performance management cycle with a sample quality assured by a member of the Trust Board. Recommendations for pay increases are made by the Appraisal Committee Chair (normally the Chair of the Local Governing Board) and their decision is reported and approved by the Trust Board Remuneration Committee during the autumn term.

Pay progression for Trust Officers is dependent upon the successful completion of the previous years' performance management cycle with recommendations approved by the Chief Executive and Trust Board Remuneration Committee.

Non-teaching staff pay is based on the outcome of the national negotiations and conclusion of the National Joint Council's pay decision.

Trade union facility time*Relevant union officials*

Number of employees who were relevant union officials during the relevant period	5
Full-time equivalent employee number	4.12

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	4
51%-99%	1
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	4,540
Total pay bill	25,127,722
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	15%
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UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Related parties and other connected charities and organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared. In respect of the current year, academy trust has the following relationships:

- Has made payments and received income from University of Wolverhampton and University of Wolverhampton Social Enterprises
- Has made payment to Waters Education Ventures Ltd, a company controlled by one of the trustees.
- Has incurred costs on behalf of and therefore recharged Health Futures UTC, an educational establishment which is also sponsored by University of Wolverhampton
- Has provided services to City of Wolverhampton Academy Trust, a multi academy trust sponsored by University of Wolverhampton which has now transferred to another academy chain.

Objectives and activities

Objects and aims

Our Trust works for all pupils in our family of schools to secure an innovative approach to schooling, which builds on observable strength and addresses long-standing difficulties. The Trust strives for the best whilst remaining realistic, invests in communities, whilst taking the lead where necessary and expects the best, whilst dealing with the worst.

The Trust is dynamic, active and imaginative in its work with schools while at the same time encouraging schools to take responsibility and develop their own autonomy within the context of a community of schools supporting each other.

The link with Wolverhampton University is central to our ethos. The faculties of the University offer expertise to our schools, including high calibre teaching staff. The University itself acts as an image of personal growth, learning and achievement for the community of which the pupils and their families are a part. The Trust believes that it is contributing to the long-term health of the region and works closely with employers and business to meet the local economic needs.

We will work to ensure that parents are confident that committed staff at every level offer pupils the best of school experiences where their futures are secure. Pupils will leave the schools of the Trust with the skills to enter the next stage of their life, a desire to continue to learn and a belief that their schooling was the best it could be.

The Trust committed to creating a culture where staff are valued and supported. The Trust supports a culture of openness and mutual respect in which staff will be encouraged to play as full a part as they can in the life and goals of the Multi Academy Trust.

The overarching aim for the Trust is to create academies that provide an environment which is welcoming, caring, calm, disciplined and purposeful and which, within a caring ethos, will stretch our young people academically, support them pastorally and help them develop socially and spiritually. We believe in allowing each Academy to retain its own distinct voice and identity, supporting all with efficient and effective Central Services and expertise. All our Academies are focused and innovative with School Improvement Practices sharing best practice and developing deep partnerships that will embed consistent levels of student outcomes and ensure progress. Education, at every stage of the student journey, is about the development and nurture of the whole child. The environment of the Trust is designed to encourage creativity, physical excellence and academic achievement so that they are ready to take their place in the world and bring their contribution to society.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Objectives, strategies and activities

Our overarching aim is to do the right things for the children who attend our academies so that they can be successful. To do this we will focus on four shared aims: As a Trust we will;

Aim 1 - Pupils and their Families First

As a Trust we will deliver a sector leading school experience for all of our pupils, maximising their potential. We will do this by delivering outstanding pedagogic practice underpinned by research.

Aim 2 - Skills for the Economy

Our learning opportunities will target the economic and social needs of the areas in which we work. We will seek to maximise the individual potential of all of our staff.

Aim 3 - Significant Influence

The Trust will be a leader in the creation and dissemination of knowledge about 'what works' in schools. We aim to be a MAT that 'makes a difference' locally, regionally and nationally.

Aim 4 - A Responsible and Reliable business

The Trust will deliver 'Best Value' in the use of public money for pupils in the Trust and will create a sustainable school workforce. It will operate at all times within the regulatory frameworks. We will seek to grow our MAT responsibly from 13 Academies in 2016/17 to 26 Academies by the end of 2018/19.

Our aims and objectives have been informed by our self-evaluation and a SWOT analysis. These have been completed using the Multi-academy trusts: establishing and developing your trust guidance provided by the DfE (December 2016) - <https://www.gov.uk/government/publications/multi-academy-trusts-establishing-and-developing-your-trust>

Our Trust is currently working at the Developing descriptor using the 'Characteristics of successful Multi Academy Trusts guidance (August 2016). The Trust has started to drive improvement and strategy to embed stronger practice in the schools to sustain their improvement. Further key improvements are beginning to be shared across the Trust. We aim by the end of this planning period to have moved to the 'Embedding' phase with a more concise model of Trust influence where some of the systems and structures that the Trust wants to embed are in place and making a difference. Our aims structure our work. Each contains four key objectives led by a Trust Officer under the direction of the CEO.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The UWMAT Development Plan has been designed to provide a strategic overview of the key priorities that the Trust Board will be focussing on from 2017-19. It is available on request.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**TRUSTEES' REPORT (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018**Key performance indicators

Primary

The quality of provision in Primary has continued to be strengthened, particularly in relation to teaching and learning. Pupil performance and progress has continued to improve in primary and this has brought UWMAT broadly in line with national.

Key Stage 1

Key Stage 1 - 2018 Percentage of Children Reaching the Expected Standard/High Standard					
KEY STAGE ONE	Reading	Writing	Maths	Y1 Phonics	EYFS GLD
2017 National	76/25	68/16	75/21	81	69
Albert Bradbeer Academy	75/20	68/15	76/22	80	72
Edgar Stammers Academy	51/7	51/2	56/2	67	68
Fairway Academy	77/32	68/26	77/39	80	76
Featherstone Academy	78/25	75/13	78/25	91	80
Heathlands Academy	68/17	66/15	70/12	90	79
Pye Green Academy	84/30	80/19	84/19	79	67
Reaside Academy	No KS1 - Junior Academy				
Tame Valley Academy	80/20	80/17	83/17	87	70
The Orchards Academy	67/30	67/19	63/26	87	71
Woodhouse Academy	73/21	69/19	71/21	85	65
Above Below or In-line National	4	0	6	2	3
Trust Average	73/22	69/16	73/20	83	72

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**TRUSTEES' REPORT (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018****KS1 Reading**

Attainment in READING at the Higher Standard (GDS) increased by 1%, but remains 3% below the national average of 25%. 4 of the 9 Trust schools have READING HIGHER STANDARD (GDS) attainment at or above the 2017 national average.

KS1 Writing

Trust Attainment at Age Related Expectations (ARE) in WRITING has increased by 1% compared to 2017 outcomes, and is 1% above the 2017 national average. Attainment in WRITING at HIGHER STANDARD(GDS) increased by 5% and now in-line with the 2017 national average. Five Trust schools have WRITING HIGHER STANDARD (GDS) attainment ABOVE the 2017 national average

KS1 Maths

Attainment in MATHS at HIGHER STANDARD(GDS) increased by 5%, but remains 1% below the 2017 national average. Five Trust schools have MATHS HIGHER STANDARD(GDS) attainment above the 2017 national average.

End of Year One Phonics

The average percentage of children passing the Y1 Phonics Test in the Trust increased by 4% this year, and is now 2% above the 2017 national average.

EYFS Good Level of Development (GLD)

The average percentage of children attaining GLD in the Trust remained at 72%, 3% above the 2017 national average.

Key Stage 2**Key Stage 2 - 2018 Percentage of Children Reaching the Expected Standard/High Standard**

KEY STAGE TWO	Reading	Writing	Maths	EGPS	Combined
2018	75/25	78/18	76/23	78/31	64/10
National					
Albert Bradbeer Academy	75/11	76/21	77/17	74/21	63/21
Edgar Stammers Academy	67/11	69/13	64/19	67/42	58/13
Fairway Academy	77/33	77/30	70/33	67/47	67/17
Featherstone Academy	64/19	75/23	77/26	77/48	74/15
Heathlands Academy	67/22	77/20	67/22	70/28	58/15
Pye Green Academy	68/22	86/19	75/17	69/27	68/10
Reaside Academy	73/23	53/12	77/30	75/42	58/9
Tame Valley Academy	77/23	87/19	77/16	74/26	58/10
The Orchards Academy	70/22	81/19	81/33	78/37	70/11
Woodhouse Academy	80/39	82/26	80/31	82/41	74/20
Above	5	1	4	3	0
Below or In-line					
National					

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

KS2 Reading

Trust Attainment at Age Related Expectations (ARE) in READING has increased by 5% compared to 2017 outcomes, and is now in line with the national average. Initial Progress Scores indicate that 8 of our 10 primary schools achieved a positive progress score for Reading in 2018, a significant improvement on the 3 from last year. The Trust is leading a trust-wide reading improvement programme in 2018-19 heavily influenced by Doug Lemov's Reading Rediscovered publication.

KS2 Writing

Trust Attainment at Age Related Expectations (ARE) in WRITING has increased by 2% compared to 2017 outcomes, but remains 2% below the national average. Attainment in WRITING at (GDS) has increased by 6% and is now 1% above the national average. Eight Trust schools have WRITING HIGHER STANDARD (GDS) attainment ABOVE the national average. Initial Progress Scores indicate that 8 of our 10 primary schools achieved a positive progress score for Writing in 2018, a significant improvement on the 3 from last year. The Trust continues to lead robust trust-wide moderation events, and supports writing improvement through literacy leader network meetings, teaching and learning adviser visits, Director of Primary Academy visits, and bespoke school projects.

Maths

Trust Attainment at Age Related Expectations (ARE) in MATHS has increased by 2% compared to 2017 outcomes, is 1% below the national average, but has reduced the gap by 1% this year. Attainment in MATHS at (GDS) has increased by 7% and is now 3% above the national average. Five Trust schools have MATHS HIGHER STANDARD (GDS) attainment above the national average. Initial Progress Scores indicate that 8 of our 10 primary schools achieved a positive progress score for Maths in 2018, a significant improvement on the 3 from last year. The Trust continues to support teaching and learning across our schools through regular maths coordinator network meetings, a Trust-wide maths project; teaching and learning adviser visits, Director of Primary Academy visits, and bespoke school projects.

KS2 English Grammar Punctuation and Spelling

Trust Attainment at Age Related Expectations (ARE) in English Grammar Punctuation and Spelling (EGPS) has decreased by 2% even though the national average has increased by 1%. Six Trust schools have EGPS Higher Standard (GDS) attainment ABOVE the national average. The Director of Primary Academies is working with schools to increase the number of schools attaining in-line with national average for ARE.

KS2 Combined Reading Writing and Maths

Trust Attainment at Age Related Expectations (ARE) in Combined Reading+Writing +Maths (RWM) has increased by 3% compared to 2017 outcomes, and remains in-line with the national average. Six Trust schools have RWM HIGHER STANDARD (GDS) attainment ABOVE the national average. Attainment in RWM at (GDS) has increased, and is now 1% above the national average.

Trust schools have been particularly effective in increasing progress scores in Reading, Writing and Maths, and in increasing the percentages of children attaining the higher standard (GDS) in Writing, Maths, EGPS and Combined Reading+Writing+Maths.

Floor and Coasting Schools Standards

None of our Primary schools are below the Floor Standard in 2018. None of our schools will be classed as Coasting Schools in 2018 (Coasting definition triggered 2016, 2017 and 2018. None of our schools triggered the one year Coasting Definition this year or last year.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Secondary

The P8 scores across the Trust are: Smestow -0.47 (-0.35↓); Wednesfield -0.56 (-0.51↓); ACE -0.62 (-0.51↓). National 2017 -0.03

The percentage of students achieving 4+ Basics is: Smestow 64% (56%↑); Wednesfield 56% (57%↓); Ace Academy 39% (39%↔). National 2017 63.6%; Wolverhampton 58%.

The percentage of students achieving 5+ Basics is: Smestow 42% (35%↑); Wednesfield 30% (30%↔); ACE 24% (15%↑). National 2017 39%; Wolverhampton 36%.

Ebacc

The percentage of students entering EBacc: Smestow 9% (30%↓); Wednesfield 2% (5%↓); ACE 19% (20%↓). National 2017 35%; Wolverhampton 35%. There is currently concern in schools regarding the quality of teaching and learning in some EBacc subjects and therefore this impacts upon students choosing these subjects. Recruitment to these subjects is also problematic and would need to be addressed if the uptake and achievement in EBacc is to improve.

A8 scores: Smestow 43.18 (42.1↑); Wednesfield 39.82 (41.2↓); ACE 36.9 (37.3↓). National 46.3; Wolverhampton 45.

Two (66%) of our secondary schools are below the Floor Standard in 2018. Two (66%) of our secondary schools will be classed as Coasting Schools in 2018 (Coasting definition triggered 2016,2017 and 2018). All our secondary schools triggered the one year Coasting Definition this year or last year.

Trust Progress in resit English: Smestow +0.68 (+0.38↑); Wednesfield +1 (+0.17↑); ACE +1.22 (1↑). National -0.02; Wolverhampton -0.13. Trust Progress in resit Maths: Smestow +0.43 (+0.1↑); Wednesfield +0.45 (+0.07↑); ACE +0.93 (+0.74↑). National 0; Wolverhampton -0.05. Progress for both English and Maths is very strong in all three schools and improving, this is above national.

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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Financial review

Income

Income for the period was £38,459,000 of which £34,249,000 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants along with other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £4,210,000.

Expenditure

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £38,632,000 with the largest element of this expenditure being attributed to staff costs totalling £28,399,000 for the period. The depreciation charge on assets of £948,000 has been included. Net Income for the period was (£173,000).

The academy trust element of the West Midlands and Staffordshire Pension funds that forms part of the Local Government Pension Scheme was valued at 31 August 2018, showing a net deficit of £22,128,000.

As at 31 August 2018, the net book value of fixed assets was £93,998,000 and the movement in tangible fixed assets are shown in Note 13 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the Strategic Development Plan. The Accounting Officer together with the Chief Finance Officer and Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of trustees on a termly basis.

Reserves policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education and Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams and the need to match them to commitments. It also considers future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements. The board of trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

A minimum level for reserves is not considered appropriate at this point in time. Our target of 5% of General Annual Grant has not been achieved this year. Revenue reserves have increased from £362,000 to £1,824,000 within the year. The ACE Academy, Wednesfield High School, Albert Bradbeer Academy, Edgar Stammers Priary Academy and Smestow School continue to face challenging times as they struggle to balance improving outcomes with reduction in funding and increasing costs. All these academies have deficit recovery plans in place or in progress.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Investment policy

The University of Wolverhampton Multi Academy Trust recognises the need to obtain best value from all of the assets that it holds, including any cash balances that it may periodically hold.

This policy sets out how those balances will be invested in order to achieve best value whilst also ensuring sufficient cash flow to enable the Multi Academy Trust to manage its day to day accounts.

The CEO, Multi Academy Trust SLT and the Multi Academy Trust Governing Body (Board) have overall responsibility for the security and management of funds. The day to day management of the treasury function is controlled by the Director of Finance.

Principal risks and uncertainties

The major risks, as identified by the trustees, to which the academy trust is exposed have been reviewed. Systems and procedures have been established including internal controls to manage and mitigate these risks. Risks are regularly reviewed and reported to the Audit, Risk and Compliance Committee and any non-compliance is acted upon.

UWMAT holds a risk register and management plan which are based on guidance contained in the HM Treasury Publication "Management of Risk – Principles and Concepts". This provides guidance on developing a strategic framework for the organisational consideration of risk. The register is based on the strategic objectives of UWMAT and the risks to achieve these objectives. Risk management is embedded into the ongoing planning and strategy process of the Local Academy Boards and the UWMAT Board.

A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £22,128,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Financial and risk management objectives and policies

In this plan, responses to risk are divided into four response categories:

Transfer: For some risk the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.

Tolerate: The exposure may be tolerable without any further action being taken. Even if it is not tolerable, an ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.

Treat: By far the greatest number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk but more likely to take control action to contain the risk to an acceptable level.

Terminate: Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector.

During the year under review, UWMAT has had due regard to its responsibilities to adhere to the regularity and propriety requirement laid down by Parliament. The trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and academies financial handbook. During the year under review, no instances of material irregularity, impropriety or funding non-compliance have been discovered.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Fundraising

Financing of equipment and services from funds outside the school's normal revenue budgets is increasingly important in maintaining the quality of education for our students.

The majority of these funds come from voluntary donation, fundraising initiatives or sponsorship.

Fundraising is seen by University of Wolverhampton Multi Academy Trust as a legitimate means of improving the school's ability to purchase goods, equipment or services, which are not available within capital or revenue budgets. For the public donating cash or equipment, or actively raising funds is seen as a positive way of supporting the academies within the Trust.

The Local Governing Body is responsible for ensuring that:

1. Correct procedures are in place and followed for fundraising activities,
2. Expenditure is properly validated,
3. All funds raised are properly accounted for and audited,
4. The money is expended in accordance with the objectives agreed with the fund raisers.

Plans for future periods

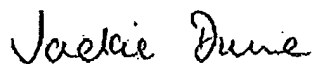
The Trust's aims, over the short term are to consolidate on it's position with a view towards expansion once the trust is satisfied that it is able to do so. The Ace academy has been transferred out of the trust after the year end.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 13th February 2019. and signed on its behalf by:



Mrs J Dunne

Chair of the Trust Board

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that University Of Wolverhampton 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 principal, 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 University Of Wolverhampton 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 3 times during the Period. Attendance during the Period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr C Avern (Appointed 20 March 2018)	0	3
Mrs J Dunne (Chair of the Trust Board)	3	3
Mrs C Jenkins (Appointed 20 March 2018)	1	1
Mrs M R Kidd (Appointed 20 March 2018)	1	1
Mrs G Lahiri (Appointed 20 March 2018)	2	3
Mr R Lockwood	3	3
Professor M Shaw (CEO and Accounting Officer)	3	3
Mr B A Mcallister-Lovatt (Appointed 20 March 2018)	0	3
Mrs A J Wood (Appointed 20 March 2018)	1	1
Mr G Butler (as a representative of the University of Wolverhampton Social Enterprise board)	0	0

To ensure UWMAT has effective board and LAB membership, an evaluation and review process is being undertaken, this includes the completion of a self-evaluation and skills assessment by all members. The outcome will be reviewed to ensure that we have a combination of suitably skilled and qualified membership to support our academies to the highest level and in the most effective way.

In March of 2018 changes were made to the Trust Board and updates lodged at Companies House to reflect the combination of skills and qualifications deemed requisite for a supportive and effective Trust Board. To this end a head teacher from within UWMAT has been appointed to the Trust Board. An independent educational coach and consultant has also been appointed to the Board, both with effect from March 2018.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

The Board established a Finance and Resources Committee as a sub-committee of the Board on 12th March 2014, to support them in their responsibilities for issues of financial monitoring, HR, control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

Membership

The members of the Finance and Resources Committee are:

- Roy Lockwood Chair
- Andrew Holding (up until March 2018)
- Gary Butler (with effect from March 2018)
- Michelle Shaw
- Alison Wood (with effect from March 2018)
- Maria Kidd (with effect from March 2018)
- Clair Jenkins (with effect from March 2018)

Reporting

The Finance and Resources Committee will formally report in writing to the Board and Accounting Officer after each meeting, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Responsibilities

The Finance and Resources Committee will review and advise the Board and Accounting Officer on the activities of the academies to include:

- Review the proposed annual budget produced by the Headteacher and LAB for recommendation by the Accounting officer
- Review the actual expenditure and half termly budget reports
- Approve expenditure of sums over £25,000. sums under the amount are delegated to the Headteacher and LAB under the Scheme of Delegation Policy
- Approve all virement of sums over £25,000 sums below that amount are delegated to the Headteacher and LAB under the Scheme of Delegation Policy
- To establish and receive an up to date 3 year financial plan for each academy
- Consider a budget position statement at least termly and to report significant anomalies from
- Ensure academies operate within the Financial Regulations of EFA and Charities Commission
- Monitor expenditure of all voluntary funds kept on behalf of the Governing Body.
- Receive any recommendations from the Internal Audit Control reports and ensure action plans
- Receive any EFA audit plans and ensure they are monitored to compliance.
- Pay and conditions - review likely financial implications to budget, including where necessary, determining whether sufficient funds are available for pay increments as recommended by the Headteacher and LABs.
- To monitor and confirm UWMAT standing orders and Accounting policies are complied with.
- To delegate to Headteacher monitoring of contracts and suppliers.
- To monitor and apply structures for the following procedures: redeployment, redundancy, disciplinary, grievance, appraisal and capability
- To consider issues of Personnel: leaves of absence, secondment and early retirement.
- To draft and keep under review the staffing structure in consultation with the Headteacher and LAB for salary assessments.
- To monitor financial implications of appointment of teaching/non-teaching staff as recommended by Headteacher and or LAB.
- To oversee appraisal process for Headteacher and conduct salary review for senior leadership team (The Committee may delegate this power to an appropriately qualified working group).
- To determine whether sufficient funds are available for pay increments as recommended by the Headteacher and LAB.
- To annually review charges and remissions policies and expenses policies.
- To monitor decisions made in respect of service level agreements.
- To make decisions on expenditure following recommendations from other committees.
- To ensure, as far as is practical, that Health and Safety financial issues are appropriately prioritised.
- To establish a Pay Policy by adopting UWMAT Pay Policy for all categories of staff and to be responsible for its administration and review.
- To oversee the appointment procedure for all staff (the committee can delegate this item to the Academies and/or HR Director as appropriate).
- To establish and review an Appraisal Policy for all staff.
- To keep under review staff work/life balance, working conditions and well-being, including monitoring of absence.
- To consider any appeal against a decision on pay grading or pay awards.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Attendance at meetings in the Period was as follows:

Trustees	Meetings attended	Out of possible
Mrs A J Wood	1	1
Mrs C Jenkins	1	1
Professor M Shaw	2	2
Mrs M R Kidd	1	1
Mr R Lockwood	2	2
Mr G Butler	-	1

The Board established an Audit Risk and Compliance Committee as a sub-committee of the Board on 6th February 2014, to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

Membership

The members of the Audit Risk and Compliance Committee are:

- Michelle Shaw
- Colin Avern (Chair)
- Clive Jones
- George Lahiri
- Bill McAllister Lovatt

Reporting

- The Audit Risk and Compliance Committee will formally report in writing to the Board and Accounting Officer after each meeting.
- The Audit Risk and Compliance Committee will provide the Board and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Responsibilities

The Audit Risk and Compliance Committee will advise the Board and Accounting Officer on:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the management of risk and corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and
- the Audit Risk and Compliance Committee will also periodically review its own effectiveness and report the results of that review to the board.

**UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
(FORMERLY UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY
TRUST)**

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Meetings

The Audit Risk and Compliance Committee will meet at least three times a year. The Chair of the Audit Risk and Compliance Committee may convene additional meetings as they deem necessary.

As a result of scheduling difficulties, the committee was unable to achieve the target of three meetings in the year. The Trust is taking steps to ensure that this committee meets on a regular basis going forward and has reviewed the structure and content of these meetings to ensure further emphasis in reviewing the Trust's risk management arrangements and audit recommendation tracking processes.

Review of value for money

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

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

- looking at where economies of scale can be achieved across the trust and where costs can be reduced by streamlining the use of suppliers;
- encouraging knowledge sharing amongst the academies so that the trust is aware of any potential savings to be made; and
- enhancing engagement with the University's procurement department to initiate cost savings where possible. For example, significant savings have been made across the trust in relation to energy costs during the period.

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 University Of Wolverhampton Multi Academy Trust for the period 1 September 2017 to 31 August 2018 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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 resources 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 by UWMAT and individual academies (as presented by each LAB)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this time. However, this requirement will be kept under review.

Internal control checks (ICC) have been carried out as routine during the financial year by members of the finance and UWMAT central team. These checks have included; bank and payroll reconciliations, orders, invoices, payments, segregation of duties, supplier checks, expenses, procurement and LAB Finance minutes. Any areas of non-compliance will be forwarded to the relevant Headteacher and LAB chair for appropriate action and reported back to Finance & Resources Committee.

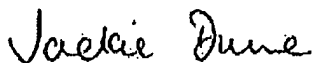
Review of effectiveness

As accounting officer the Chief Executive 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 reviewer;
- The work of the executive managers within the academy trust who support the reviewer in the development and maintenance of the internal control framework
- The financial management and governance self-assessment (FMGS) process
- The work of the external auditor

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the reviewer, Executive Managers, FMGS and Finance and Resources Committee and a plan to address weaknesses, if presented and ensure continuous Improvement of the system is in place.

Approved by order of the board of trustees on 13th February 2019 and signed on its behalf by:



Mrs J Dunne
Chair of the Trust Board



Professor M Shaw
CEO and Accounting Officer

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE PERIOD ENDED 31 AUGUST 2018

As accounting officer of University of Wolverhampton Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

I confirm that I and the academy trust's 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 2017.

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.



Professor M Shaw
Accounting Officer

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UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE PERIOD ENDED 31 AUGUST 2018

The trustees (who are also the directors of University of Wolverhampton Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' annual report and the accounts in accordance with applicable law and regulations, including the Annual Accounts Direction issued by the Education & Skills Funding Agency (ESFA).

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

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 the charitable company's 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 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect 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 the ESFA/Department for Education 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 UK 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 13th February and signed on its behalf by:



Mrs J Dunne
Chair of the Trust Board

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

FOR THE PERIOD ENDED 31 AUGUST 2018

Opinion

We have audited the financial statements of University of Wolverhampton Multi Academy Trust ("the charitable company") for the year ended 31 August 2018 which comprise the statement of financial activities including income and expenditure account, balance sheet, statement of cash flows, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of the charitable company's incoming resources and application of resources, including the charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2017 to 2018* issued by the Education and Skills Funding Agency

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charitable company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charitable company or to cease their operations, and as they have concluded that the charitable company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the trustees' conclusions, we considered the inherent risks to the charitable company's business model, including the impact of Brexit, and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the charitable company will continue in operation

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Trustees' Report and Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Trustees' Responsibilities

As explained more fully in their statement set out on page 23, the Trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSITY OF
WOLVERHAMPTON MULTI ACADEMY TRUST (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2018

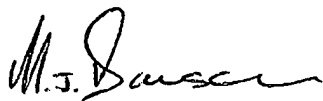
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditors' 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.



Mark Dawson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

One Snowhill

Snow Hill Queensway

Birmingham

B4 6GH

25 February 2019

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO UNIVERSITY OF WOLVERHAMPTON UNIVERSITY MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE PERIOD ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 4 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In accordance with the terms of our engagement letter dated 4 June 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

Respective responsibilities of University of Wolverhampton Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of University of Wolverhampton Multi Academy Trust funding agreement with the Secretary of State for Education dated 28th March 2013 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST AND
THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

FOR THE PERIOD ENDED 31 AUGUST 2018

- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Testing compliance with delegated authorities for a sample of material transactions;
- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2017
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2017 to 2018.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mark Dawson
Reporting Accountant
for and on behalf of KPMG LLP
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

25 February 2019

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE PERIOD ENDED 31 AUGUST 2018**

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	3	571	12	934	1,517	1,401
Charitable activities:						
- Funding for educational operations	4	-	35,554	-	35,554	35,761
Other trading activities	5	1,373	-	-	1,373	2,090
Investments	6	15	-	-	15	4
Total		1,959	35,566	934	38,459	39,256
Expenditure on:						
Raising funds	7	1	79	-	80	-
Charitable activities:						
- Educational operations	9	272	37,333	947	38,552	41,152
Total	7	273	37,412	947	38,632	41,152
Net income/(expenditure)		1,686	(1,846)	(13)	(173)	(1,896)
Transfers between funds	19	(773)	732	41	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	3,945	-	3,945	(3,073)
Net movement in funds		913	2,831	28	3,772	(4,969)
Reconciliation of funds						
Total funds brought forward		362	(24,410)	95,206	71,158	76,127
Total funds carried forward		1,275	(21,579)	95,234	74,930	71,158


UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE PERIOD ENDED 31 AUGUST 2018**

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	3	33	276	1,092	1,401
Charitable activities:					
- Funding for educational operations	4	-	35,761	-	35,761
Other trading activities	5	2,090	-	-	2,090
Investments	6	4	-	-	4
Total		2,127	36,037	1,092	39,256
Expenditure on:					
Charitable activities:					
- Educational operations	9	2,035	37,577	1,540	41,152
Total	7	2,035	37,577	1,540	41,152
Net income/(expenditure)		92	(1,540)	(448)	(1,896)
Transfers between funds	19	(234)	167	67	-
Other recognised gains/(losses)					
Actuarial losses on defined benefit pension schemes	21	-	(3,073)	-	(3,073)
Net movement in funds		(142)	(4,446)	(381)	(4,969)
Reconciliation of funds					
Total funds brought forward		504	(19,964)	95,587	76,127
Total funds carried forward		362	(24,410)	95,206	71,158

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**BALANCE SHEET****AS AT 31 AUGUST 2018**

	Notes	2018 £000	2017 £000	£000	£000
Fixed assets					
Tangible assets	13		93,998		94,471
Current assets					
Stocks	14	5		5	
Debtors	15	1,734		1,992	
Cash at bank and in hand		6,554		4,046	
		8,293		6,042	
Current liabilities					
Creditors: amounts falling due within one year	16	(5,118)		(4,800)	
Net current assets			3,175		1,242
Total assets less current liabilities			97,173		95,712
Creditors: amounts falling due after more than one year	17		(115)		(144)
Net assets excluding pension liability			97,058		95,568
Defined benefit pension scheme liability	21		(22,128)		(24,410)
Net assets			74,930		71,158
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			95,234		95,206
- Restricted income funds			549		-
- Pension reserve			(22,128)		(24,410)
Total restricted funds			73,655		70,796
Unrestricted income funds	19		1,275		362
Total funds			74,930		71,158

The financial statements on pages 29 to 59 were approved by the trustees and authorised for issue on February 2019 and are signed on their behalf by:

13th


Mrs J Dunne
Chair of the Trust Board

Company Number 08255492

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**STATEMENT OF CASH FLOWS****FOR THE PERIOD ENDED 31 AUGUST 2018**

	Notes	2018 £000	£000	2017 £000	£000
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	22		2,062		(17)
Cash flows from investing activities					
Dividends, interest and rents from investments		15		4	
Capital grants from DfE Group		934		1,092	
Purchase of tangible fixed assets		(475)		(692)	
Net cash provided by investing activities			474		404
Cash flows from financing activities					
Repayment of other loan		(29)		(32)	
Net cash used in financing activities			(29)		(32)
Net increase in cash and cash equivalents in the reporting period			2,507		355
Cash and cash equivalents at beginning of the year			4,047		3,692
Cash and cash equivalents at end of the year			6,554		4,047

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2018

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 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

University of Wolverhampton Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

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 financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 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

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

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

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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

1.4 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 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.

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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding 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 other than freehold land and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	Over 125 years
Furniture and equipment	25%-33% per annum

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.

1.6 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.

1.7 Provisions

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

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

1.8 Leased assets

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

1.9 Financial instruments

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

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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 cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 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.

1.12 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

1 Accounting policies

The LGPS is a funded multi-employer 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.

1.13 Fund accounting

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

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

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

1.14 Agency arrangements

The Academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and balances held are disclosed in note 26.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
2 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.

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 21, 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 2018. 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 have been no areas of critical judgement made during the period of account that will have a significant effect on the amounts recognised in the financial statements.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	934	934	1,092
Other donations	571	12	583	309
	<u>571</u>	<u>946</u>	<u>1,517</u>	<u>1,401</u>
 2017 total	 <u>33</u>	 <u>1,368</u>	 <u>1,401</u>	

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018****4 Funding for the academy trust's educational operations**

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General annual grant (GAG)	-	30,556	30,556	30,886
Pupil Premium	-	2,873	2,873	3,056
Other DfE group grants	-	820	820	697
	-	34,249	34,249	34,639
Other government grants				
Local authority grants	-	1,305	1,305	1,074
Other funding				
Other incoming resources	-	-	-	48
Total funding	-	35,554	35,554	35,761
2017 total	-	35,761	35,761	

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	90	-	90	107
Catering income	350	-	350	514
Consultancy	-	-	-	4
Extended school activities	120	-	120	69
Music tuition	7	-	7	-
Parental contributions	247	-	247	245
Other income	559	-	559	1,151
	1,373	-	1,373	2,090
2017 total	2,090	-	2,090	

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018****6 Investment income**

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	15	-	15	4
2017 total	4	-	4	

7 Expenditure

	Staff costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds					
- Direct costs	-	-	80	80	-
Academy's educational operations					
- Direct costs	22,839	469	2,429	25,736	28,346
- Allocated support costs	5,560	3,238	4,018	12,816	12,807
	<u>28,399</u>	<u>3,707</u>	<u>6,527</u>	<u>38,632</u>	<u>41,153</u>
2017 total	29,195	2,444	9,514	41,153	

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Fees payable to auditor for audit services	25	18
Operating lease rentals	1,439	1,146
Depreciation of tangible fixed assets	948	1,540
Net interest on defined benefit pension liability	615	425

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

The academy trust charges for these services based on a fee per contract which totalled £1,658,932 (2017: £1,296,602) for the financial year.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
8 Central services

The actual amounts charged during the Period were as follows:

	2018	2017
	£000	£000
Tame Valley Primary Academy	58	47
Reaside Primary Academy	61	55
ACE Academy	376	295
Fairway Primary Academy	58	52
Edgar Stammers Primary Academy	114	101
The Orchards Primary Academy	76	68
Woodhouse Primary Academy	105	82
Smestow School	179	102
Heathlands Academy	130	109
Featherstone Academy	57	116
Albert Bradbeer Academy	113	52
Pye Green Academy	80	53
Wednesfield High Specialist Engineering Academy	252	164
	<u>1,659</u>	<u>1,296</u>

9 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Direct costs				
Educational operations	(639)	26,376	25,736	28,346
Support costs				
Educational operations	911	11,905	12,816	12,807
	<u>272</u>	<u>38,281</u>	<u>38,552</u>	<u>41,153</u>
2017 total	<u>2,035</u>	<u>39,118</u>	<u>41,153</u>	
			2018	2017
			£000	£000
Analysis of support costs				
Support staff costs			5,558	5,274
Depreciation			479	763
Technology costs			576	159
Premises costs			2,759	1,668
Other support costs			3,108	4,849
Governance costs			336	94
			<u>12,816</u>	<u>12,807</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
10 Staff
Staff costs

Staff costs during the Period were:

	2018 £000	2017 £000
Wages and salaries	19,726	20,437
Social security costs	1,782	1,932
Pension costs	4,716	4,614
Apprenticeship levy	74	41
Staff costs	26,298	27,024
Agency staff costs	1,717	1,714
Staff restructuring costs	202	457
Staff development and other staff costs	182	-
Total staff expenditure	<u>28,399</u>	<u>29,195</u>

Staff restructuring costs comprise:

Severance payments	<u>202</u>	<u>457</u>
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,000 (2017: £457,206). Individually, the payments were £10,000 made on 30 April 2018, £3,500 made on 10 November 2017, £3,500 made on 31 January 2018, £3,000 made on 28 February 2018 and £5,000 made on 31 March 2018.

Staff numbers

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

	2018 Number	2017 Number
Teachers	307	296
Administration and support	500	565
Management	64	60
	<u>871</u>	<u>921</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

10 Staff

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	11	11
£70,001 - £80,000	2	1
£80,001 - £90,000	2	2
£90,001 - £100,000	-	1
	<u> </u>	<u> </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 £270,086 (2017: £211,715).

11 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 principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal 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:

M Lowe (CEO, Accounting Officer and trustee, appointed 1 December 2016):
 Remuneration £40,000 - £45,000 (2017: £30,000 - £35,000)
 Employer's pension contributions paid £10,000 - £15,000 (2017: £5,000 - £10,000)
 E Dix (CEO, Accounting Officer and trustee, resigned 28 September 2016):
 Remuneration £nil (2017: £5,000 - £10,000)
 Employer's pension contributions paid £nil (2017: £0 - £5,000)
 A Wood (CFO, Finance director and trustee, appointed 20 March 2018):
 Remuneration £65,000 - £70,000 (2017: £nil)
 Employer's pension contributions paid £15,000 - £20,000 (2017: £nil)

12 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. It is not possible to quantify the trustees and officers indemnity element from the overall cost of insurance.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
13 Tangible fixed assets

	Leasehold land and buildings £000	Furniture and equipment £000	Motor vehicles £000	Total £000
Cost				
At 1 September 2017	97,057	2,648	17	99,722
Additions	373	102	-	475
At 31 August 2018	97,430	2,750	17	100,197
Depreciation				
At 1 September 2017	2,774	2,464	13	5,251
Charge for the Period	779	165	4	948
At 31 August 2018	3,553	2,629	17	6,199
Net book value				
At 31 August 2018	93,877	121	-	93,998
At 31 August 2017	94,283	184	4	94,471

The academy trust continues to occupy the premises which were previously occupied by the predecessor schools on a long term basis, and are held under 125 year leases. The legal owners are the local authorities associated with each academy.

14 Stocks	2018 £000	2017 £000
Stock on hand	5	5
15 Debtors	2018 £000	2017 £000
Trade debtors	36	64
Amounts owed by related companies	-	109
VAT recoverable	488	542
Other debtors	109	6
Prepayments and accrued income	1,101	1,271
	<u>1,734</u>	<u>1,992</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018

16	Creditors: amounts falling due within one year	2018	2017
		£000	£000
	Other loans	29	29
	Trade creditors	2,137	2,457
	Amounts owed to related companies	-	600
	Other taxation and social security	454	940
	Other creditors	923	-
	Accruals and deferred income	1,575	774
		<u>5,118</u>	<u>4,800</u>
17	Creditors: amounts falling due after more than one year	2018	
		£000	
	Other loans	115	144
		<u>115</u>	<u>144</u>
	Analysis of loans		
	Wholly repayable within five years	144	173
	Less: included in current liabilities	(29)	(29)
		<u>115</u>	<u>144</u>
	Amounts included above		
		<u>115</u>	<u>144</u>
	Loan maturity		
	The loans within the academy trust were inherited liabilities when the academies converted and were loans with the local authority.		
18	Deferred income	2018	2017
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	286	265
		<u>286</u>	<u>265</u>
	Deferred income at 1 September 2017	265	297
	Released from previous years	(265)	(297)
	Resources deferred in the Period	286	265
		<u>286</u>	<u>265</u>
	Deferred income at 31 August 2018	286	265

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, Trip income, Rates relief, Catering income and Schools organiser funding for 2018/19

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
19 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	30,556	(31,600)	1,478	434
Other DfE / ESFA grants	-	3,693	(3,443)	(219)	31
Other government grants	-	1,305	(642)	(581)	82
Other restricted funds	-	12	(64)	54	2
Pension reserve	(24,410)	-	(1,663)	3,945	(22,128)
	<u>(24,410)</u>	<u>35,566</u>	<u>(37,412)</u>	<u>4,677</u>	<u>(21,579)</u>
Restricted fixed asset funds					
Transfer on conversion	87,146	-	(732)	-	86,414
DfE group capital grants	2,072	934	(94)	-	2,912
Capital expenditure from GAG	797	-	(83)	41	755
Private sector capital sponsorship	5,191	-	(38)	-	5,153
	<u>95,206</u>	<u>934</u>	<u>(947)</u>	<u>41</u>	<u>95,234</u>
Total restricted funds	<u>70,796</u>	<u>36,500</u>	<u>(38,359)</u>	<u>4,718</u>	<u>73,655</u>
Unrestricted funds					
General funds	362	1,959	(273)	(773)	1,275
Total funds	<u>71,158</u>	<u>38,459</u>	<u>(38,632)</u>	<u>3,945</u>	<u>74,930</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Funds

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

General Annual Grant

The general annual grant must be used for the normal running costs of the academies in the academy trust. There are no restrictions on the allowable balance for carry forward, but the academy trust bears due regard to the guidelines set out by the Charity Commission.

The academy trust funding agreement for 31 August 2018 contained no limits on the amount of the general annual grant that is permitted to be carried forward from one year to the next.

Other DfE/ESFA Grants

During the year, the academy trust received additional grants from the ESFA which were for the purposes of improving the provision of education for pupils from disadvantaged backgrounds who attend the academies within the academy trust. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.

Pension Reserve

The restricted pension reserve represents the deficit on the academy trust's share of the Local Government Pension Scheme as at 31 August 2018.

Other Government Grants

During the year, the academy trust received other grants from the LEA and other bodies. Where grants were received with specific conditions attached, the expenditure on such grants was controlled and properly used.

Other restricted reserves

During the year, the academy trust received other income with specific conditions attached. The expenditure on such income was controlled and properly used.

Restricted fixed asset funds

During the year, the academy trust received capital grants from the ESFA of £934,000 (2017: £1,092,000) which represents School Condition Allocation and Devolved Formula Capital.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
19 Funds

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	30,886	(31,085)	199	-
Pupil Premium	-	3,056	(3,056)	-	-
Other restricted funds	-	2,096	(2,064)	(32)	-
Pension reserve	(19,964)	-	(1,373)	(3,073)	(24,410)
	<u>(19,964)</u>	<u>36,038</u>	<u>(37,578)</u>	<u>(2,906)</u>	<u>(24,410)</u>
Restricted fixed asset funds					
Transfer on conversion	89,135	-	(1,350)	(639)	87,146
DfE group capital grants	973	1,092	(71)	78	2,072
Capital expenditure from GAG	477	-	(70)	390	797
Private sector capital sponsorship	5,002	-	(49)	238	5,191
	<u>95,587</u>	<u>1,092</u>	<u>(1,540)</u>	<u>67</u>	<u>95,206</u>
Total restricted funds	<u>75,623</u>	<u>37,130</u>	<u>(39,118)</u>	<u>(2,839)</u>	<u>70,796</u>
Unrestricted funds					
General funds	<u>504</u>	<u>2,127</u>	<u>(2,035)</u>	<u>(234)</u>	<u>362</u>
Total funds	<u>76,127</u>	<u>39,257</u>	<u>(41,153)</u>	<u>(3,073)</u>	<u>71,158</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
19 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at			Gains, losses and transfers	Balance at
	£000	Income £000	Expenditure £000	£000	31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	61,442	(62,685)	1,677	434
Other DfE / ESFA grants	-	3,693	(3,443)	(219)	31
Other government grants	-	1,305	(642)	(581)	82
Pupil Premium	-	3,056	(3,056)	-	-
Other restricted funds	-	2,108	(2,128)	22	2
Pension reserve	(19,964)	-	(3,036)	872	(22,128)
	<u>(19,964)</u>	<u>71,604</u>	<u>(74,990)</u>	<u>1,771</u>	<u>(21,579)</u>
Restricted fixed asset funds					
Transfer on conversion	89,135	-	(2,082)	(639)	86,414
DfE group capital grants	973	2,026	(165)	78	2,912
Capital expenditure from GAG	477	-	(153)	431	755
Private sector capital sponsorship	5,002	-	(87)	238	5,153
	<u>95,587</u>	<u>2,026</u>	<u>(2,487)</u>	<u>108</u>	<u>95,234</u>
Total restricted funds	<u>75,623</u>	<u>73,630</u>	<u>(77,477)</u>	<u>1,879</u>	<u>73,655</u>
Unrestricted funds					
General funds	504	4,086	(2,308)	(1,007)	1,275
Total funds	<u>76,127</u>	<u>77,716</u>	<u>(79,785)</u>	<u>872</u>	<u>74,930</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
19 Funds
Total funds analysis by academy

	2018	2017
	£000	£000
Fund balances at 31 August 2018 were allocated as follows:		
ACE Academy	(1,041)	(1,174)
Albert Bradbeer Academy	(36)	31
Edgar Stammers Primary Academy	(188)	(58)
Fairway Primary Academy	46	23
Featherstone Academy	92	42
Heathlands Academy	456	288
The Orchards Primary Academy	171	196
Pye Green Academy	431	426
Reaside Primary Academy	264	253
Smestow School	(376)	(179)
Tame Valley	501	396
Wednesfield High Specialist Engineering Academy	(205)	(532)
Woodhouse Primary Academy	360	319
Central services	1,349	331
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,824	362
	<hr/>	<hr/>
Restricted fixed asset fund	95,234	95,206
Pension reserve	(22,128)	(24,410)
	<hr/>	<hr/>
Total funds	74,930	71,158
	<hr/>	<hr/>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

19 Funds

ACE Academy is carrying a net deficit of £1,041k on these funds because:

There has been significant expenditure over the past few years on exclusion charges, restructuring costs and BSF charges.

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

The academy has now set a balanced budget excluding a 2% contingency and will continue to do. The situation is being closely monitored by the trust to ensure the academy remains balanced. There is a deficit recovery plan in place. All expenditure is now scrutinised by the CFO prior to commitments.

Smestow School is carrying a net deficit of £376k on these funds because:

This is largely the result of high, unsustainable staffing costs along with some timing issues in relation to other expenditure.

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

A staff restructure took place within 2017/18 and a robust recovery plan is now in place. All expenditure is now scrutinised by the CFO prior to commitments.

Wednesfield High Specialist Engineering Academy is carrying a net deficit of £205k on these funds because:

This is largely as a result of high, unsustainable staffing costs.

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

A staff restructure took place towards the end of the financial year 2016/17 and a robust recovery plan is now in place. A new Head Teacher has been appointed this year. All expenditure is now scrutinised by the CFO prior to commitments.

Edgar Stammers Primary Academy is carrying a net deficit of £188k on these funds because:

Additional costs required to support the academy in school improvement during financial year 2015/16. The academy's 5 year budget plan shows a net in year surplus from 2018/19, with cumulative reserves reaching a surplus by year end 2019/20.

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

The academy's 5 year budget plan shows a net in year surplus from 2018/19, with cumulative reserves reaching a surplus by year end 2019/20.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018****19 Funds****Total cost analysis by academy**

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£000	£000	£000	£000	£000
ACE Academy	5,242	614	943	2,017	8,816
Albert Bradbeer Academy	1,643	428	171	459	2,701
Edgar Stammers Primary Academy	1,312	383	216	342	2,253
Fairway Primary Academy	720	216	88	262	1,286
Featherstone Academy	682	205	132	232	1,251
Heathlands Academy	1,457	443	185	388	2,473
The Orchards Primary Academy	852	218	139	336	1,545
Pye Green Academy	1,276	241	162	292	1,971
Reaside Primary Academy	766	266	117	224	1,373
Smestow School	3,384	771	487	795	5,437
Tame Valley	713	191	136	279	1,319
Wednesfield High Specialist Engineering Academy	3,199	518	434	842	4,993
Woodhouse Primary Academy	1,534	544	230	348	2,656
Central services	59	520	(1,009)	92	(338)
	<u>22,839</u>	<u>5,558</u>	<u>2,431</u>	<u>6,908</u>	<u>37,736</u>

20 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	93,998	93,998
Current assets	714	6,343	1,236	8,293
Creditors falling due within one year	17	(5,135)	-	(5,118)
Creditors falling due after one year	-	(115)	-	(115)
Defined benefit pension liability	-	(22,128)	-	(22,128)
Total net assets	<u>731</u>	<u>(21,035)</u>	<u>95,234</u>	<u>74,930</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
20 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	94,469	94,469
Current assets	362	4,944	737	6,043
Creditors falling due within one year	-	(4,800)	-	(4,800)
Creditors falling due after one year	-	(144)	-	(144)
Defined benefit pension liability	-	(24,410)	-	(24,410)
Total net assets	362	(24,410)	95,206	71,158

21 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by WM Pension Fund and Staffordshire Pension Fund. 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 2016.

Contributions amounting to £383,479 (2017: £263,927) were payable to the schemes at 31 August 2018 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' 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.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

21 Pension and similar obligations

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%

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 the TPS in the period amounted to £1,893,792 (2017: £1,963,601).

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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 12.4% to 27.1% for employers and 2.75% to 12.5% for employees.

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

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	2018	2017
	£000	£000
Employer's contributions	1,642	1,112
Employees' contributions	412	421
Total contributions	2,054	1,533

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2018
21 Pension and similar obligations

Principal actuarial assumptions	2018	2017
	%	%
West Midlands		
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	3.80	2.60
Inflation assumption (CPI)	2.70	2.70
Staffordshire		
Rate of increase in salaries	2.70	2.80
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	2.30	2.40

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

	2018	2017
	Years	Years
West Midlands		
Retiring today		
- Males	21.9	21.8
- Females	24.4	24.3
Retiring in 20 years		
- Males	24.1	24.0
- Females	26.7	26.6
Staffordshire		
Retiring today		
- Males	22.1	22.1
- Females	24.4	24.1
Retiring in 20 years		
- Males	24.1	24.4
- Females	26.4	26.4

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018****21 Pension and similar obligations**

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018	2017
	£000	£000
Discount rate + 0.1%	750	747
Discount rate - 0.1%	(768)	(765)
Mortality assumption + 1 year	(1,065)	(1,036)
Mortality assumption - 1 year	1,031	953
CPI rate + 0.1%	(665)	(509)
CPI rate - 0.1%	648	497
	<u> </u>	<u> </u>
Staffordshire		
Discount rate -0.5%	523	535
Salary increase rate +0.5%	183	204
Pension increase rate +0.5%	328	315
	<u> </u>	<u> </u>

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

	2018	2017
	Fair value	Fair value
	£000	£000
Equities	8,231	7,167
Bonds	1,533	1,244
Cash	469	536
Property	1,041	817
Other assets	1,563	1,283
	<u> </u>	<u> </u>
Total market value of assets	12,837	11,047
	<u> </u>	<u> </u>

The actual return on scheme assets was £212,000 (2017: £1,224,000).

Amount recognised in the Statement of Financial Activities

	2018	2017
	£000	£000
Current service cost	2,659	2,437
Past service cost	31	-
Interest income	(306)	(178)
Interest cost	921	603
	<u> </u>	<u> </u>
Total operating charge	3,305	2,862
	<u> </u>	<u> </u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 AUGUST 2018****21 Pension and similar obligations**

Changes in the present value of defined benefit obligations	2018	2017
	£000	£000
At 1 September 2017	35,457	27,327
Current service cost	2,659	2,437
Interest cost	921	603
Employee contributions	412	469
Actuarial (gain)/loss		(4,039)
Benefits paid		(476)
Past service cost	31	-
At 31 August 2018	<u>34,965</u>	<u>35,457</u>

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

	2018	2017
	£000	£000
At 1 September 2017	11,047	7,363
Interest income	306	178
Actuarial loss/(gain)		(94)
Employer contributions	1,642	1,489
Employee contributions	412	469
Benefits paid		(476)
At 31 August 2018	<u>12,837</u>	<u>11,047</u>

22 Reconciliation of net expenditure to net cash flow from operating activities

	2018	2017
	£000	£000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(173)	(1,896)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(934)	(1,092)
Investment income receivable	(15)	(4)
Defined benefit pension costs less contributions payable	1,048	948
Defined benefit pension net finance cost	615	425
Depreciation of tangible fixed assets	948	1,539
Decrease/(increase) in debtors	256	(627)
Increase in creditors	318	690
Net cash provided by/(used in) operating activities	<u>2,063</u>	<u>(17)</u>

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

23 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	1,032	1,055
Amounts due in two and five years	3,960	3,998
Amounts due after five years	13,577	14,547
	<u>18,569</u>	<u>19,600</u>

24 Related party transactions

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

The academy trust has a close relationship with the University of Wolverhampton (UOW) and the University of Wolverhampton Social Enterprise (UOWSE). Certain costs incurred by the academy trust were recharged from either UOW or UOWSE, as the purchasing power and economies of scale achievable by these organisations provided the academy trust with best value. During the financial period, the academy trust was recharged costs of £103,048 from UOW and £193,732 from UOWSE. These costs were recharged to the academy trust at cost.

At the end of the financial year, the academy trust owed £nil (2017: £930,929) to the UOW and £nil (2017: £380,601) was owed from the UOW to the academy trust in relation to these recharges. No amounts were owed to or from the UOWSE at the end of the financial year (2017: £nil).

School improvement advisors, who are related to the academy trust either as a member or trustee, received consultancy payments from the academy trust as follows:

- Professor M Walters (trustee) £nil (2017: £7,500)

There were no amounts outstanding to these parties at the end of the financial year (2017: £nil)

The City of Wolverhampton Academy Trust is an academy trust that has also been sponsored by the University of Wolverhampton. During the year the academy trust recharged staff costs to The City of Wolverhampton Academy Trust of £nil (2017: £7,700). There was no amount outstanding from this party at the end of the financial year (2017: £nil).

Health Futures UTC is sponsored by the University of Wolverhampton. During the year the academy trust incurred expenses on behalf of Health Futures UTC of £1,300 which were recharged in full (2017: £1,854). At the end of the financial year £nil (2017: £1,854) was due from Health Futures UTC.

Where the academy trust made purchases from related parties these were at arms length.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

UNIVERSITY OF WOLVERHAMPTON MULTI ACADEMY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2018

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 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.

26 Agency arrangements

The academy trust distributed 16-19 bursary funds to students as an agent of the ESFA. In the accounting period the trust received £44,829 (2017: £50,776) and disbursed £31,949 (2017: £36,995) from the fund. Included within other creditors is an amount of £26,661 (2017: £13,781) at the end of the accounting period which were funds still due to students.