

**ARDEN MULTI ACADEMY TRUST
(A Company Limited by Guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2017

***Company Limited by Guarantee
Registration Number: 07375267
(England & Wales)***

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members	Dr C O'Donovan * (Chair) W Jarema * G Harley - Mason
Arden Multi Academy Trust - Directors/Trustees	
Appointed 1 April 2015	Dr C O'Donovan * (Chair) W Jarema * M Murphy * (Executive Principal and Accounting Officer) D Burgess (Headteacher Park Hall) G Harley - Mason G Chaplin A Cole (Appointed 1 June 2017) V Thomas (Appointed 20 January 2017) A Volkaerts
Company Secretary	C Austin
ARDEN ACADEMY	
Local Governing Board	Dr C O'Donovan * W Jarema * M Murphy * (Executive Principal and Accounting Officer) G Harley - Mason (Chair) R Brown S Bloomer W Bohanna* J Rice * L Hough* A Stonehewer A Devitt P Rylah (Parent Governor) (Resigned 4 December 2016) P Nicolaides (Parent Governor) K Brennan (Teaching Staff Governor) M Carter (Parent Governor) (Appointed 28 January 2017) J Whitehall (Parent Governor) (Appointed 28 April 2017) N Cutler (Parent Governor) (Appointed 6 May 2016) J Carter (Associate Staff Governor) (Resigned 2 July 2017)
* = members of the Finance and Resources Committee	
Senior Management Team	
Principal	M Murphy
Senior Vice Principal	C Robinson
Vice Principal	D Warwood
Assistant Principal	E Collett
Assistant Principal	P Kilbey
Assistant Principal	S Lewsey (resigned 23 April 2017)
Assistant Principal	P Simpson
Assistant Principal	L Page (appointed 24 April 2017)
Assistant Principal	J Gunn (appointed 24 April 2017)
Assistant Principal	M Hooper (appointed 24 April 2017)
Business Manager	A Hinsley

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS
(cont'd)**
PARK HALL ACADEMY
Local Governing Board

W Jarema * (Chair)
 M Murphy * (Executive Principal and Accounting Officer)
 D Burgess (Head Teacher)
 W Bohanna*
 J Hiorns (Vice Chair)
 M Robinson
 A Smith (Parent Governor)
 J Bellingham (Teaching staff Governor)
 S Bloomer (Associate staff Governor)
 Dr C O'Donovan *
 S Watts (Appointed 28 February 2017)
 M Durber-Reeves (Parent Governor - appointed 22 March 2016)

Senior Management Team
Head Teacher

D Burgess

Senior Deputy Headteacher

T Close

Deputy Headteacher

S Gregory

Assistant Headteacher

Lesley Browne

Assistant Headteacher

Ian Cornell

Assistant Headteacher

Daniel Price

Assistant Headteacher

Nick Halligan

Assistant Headteacher

Adam Philips

Business Manager

A Hinsley

Principal & Registered Office
Address

Station Road
 Knowle
 Solihull
 B93 0PT

Company Registration Number

7375267

Independent Auditor

UHY Hacker Young (Birmingham) LLP
 9-11 Vittoria Street
 Birmingham
 B1 3ND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their report together with the financial statements and auditors report of the charitable company for the year ended 31 August 2017.

The Arden Multi Academy Trust was formed on the 1 April 2015. The trust operates 2 secondary schools, Arden Academy and Park Hall Academy, for pupils aged 11 to 18 serving a catchment area in Knowle, Solihull and Castle Bromwich, Birmingham. Park Hall Academy joined the multi academy trust on 1 April 2015. The multi academy trust has a pupil capacity for both schools of 2,250 and had a roll of 2,321 (Arden Academy 1,295, Park Hall Academy 1,026) in the school census in October 2016. Including the sixth form, total pupil numbers are 2,761.

STRUCTURE, GOVERNANCE AND MANAGEMENT**Constitution**

Arden Multi Academy Trust (AMAT) is a company limited by guarantee with no share capital (registration no: 7849858) and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the multi academy trust.

The trustees for Arden Multi Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Arden Multi Academy Trust. Details of the trustees who served during the year (except as noted) are included in the Reference and Administrative details on pages 3 and 4.

Members' Liability

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

Trustees' Indemnities

AMAT has in place directors and trustees liability insurance indemnity cover to a limit of £5,000,000.

Method of Recruitment and Appointment or Election of Directors and Trustees

There are clearly defined and approved procedures for the selection and appointment of directors and trustees which are outlined in the company's standing orders. Consideration is given to the skills of directors and trustees which would enhance the effectiveness of the trust.

Policies and Procedures Adopted for the Induction and Training of Trustees

During the year under review the trustees held 3 full board meetings and several sub-committee meetings. The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new trustees meet with the Chair of Trustees and will be given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees (a similar policy applies for new members of each of the academies local governing boards).

Organisational Structure

During the year the leadership structure of both schools were re-structured to ensure effective management across the Trust. The structure consists of four levels: 1) the trustees, 2) the Senior Management Team 3) the Heads of Subject & Heads of Year teams 4) the Local Governing Bodies. The aim of the management structure is to devolve responsibility, increase accountability, raise standards and encourage involvement in decision making at all levels.

The Directors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Organisational Structure (cont'd)**

The Senior Leaders are currently the Executive Principal at Arden and Head Teacher at Park Hall. These are supported by the leadership team of each respective Academy as detailed on pages 3 and 4. These leaders control the academy at an executive level implementing the policies laid down by the trustees and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to members of the management team, with limits above which a Senior Leader must countersign.

The Senior Management Team, and Heads of Year/Head of Subjects are responsible for the day to day operation of the academy, in particular organising the staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration are overseen by the Trust's Personnel Committee which meets termly and is comprised of trustees, local governing body members and senior management. All staff are subject to a robust performance management policy and procedures which govern pay and awards .

Connected Organisations

Arden Academy was the sponsor of Park Hall Academy from 2009. Arden nominated trustees and gave support to assist Park Hall Academy in achieving its objectives. This support greatly increased from December 2013 after Park Hall went into special measures after an Ofsted inspection in November 2013. On 1 April 2015 Park Hall Academy Limited ceased operations and the management and operations of the academy were included within Arden Academy Trust.

OBJECTIVES AND ACTIVITIES

AMAT was formed in April 2015 with a clear vision to generate self-belief, self-worth, esteem and confidence in young people who can then display ambition and aspiration in achieving high educational outcomes.

As a Trust we truly value the success of every child and we place the sharing of excellent education practice at the core of this value. We are committed to improving the quality of education and life in Solihull and its immediate surroundings. The Trust operates from its hub in Knowle, to the south of Solihull.

As a Trust we are committed to maintaining our core principles and focus as we grow – working with schools where we believe we can help and who in turn can enrich and provide real benefit for the existing AMAT family.

Our academies have common values and core operational systems, which are applied locally, adapted to individual context and needs. By this simple expedient each academy retains its own local governing body, identity and individuality. The young adults who leave our care are prepared for the next stage of their education and are ready and confident to move forward in life.

Our Values

The AMAT exists to provide, support, and champion high-quality education at the heart of local communities.

As members of the AMAT family, trust academies aim to unite their pupils, families and other local stakeholders around this common purpose to share experience and resources, to improve standards and to maximise our contribution to their wider communities.

Our vision is to create an atmosphere conducive to generating self-belief, self-worth, esteem and confidence in young people who can then display ambition and aspiration in achieving high educational outcomes.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Our Values (cont'd)**

Our objective is for all young people to have the high aspirations that we have for them. At AMAT we provide 21st century educational practice delivering distinct and unrivalled schooling to our communities which are benefiting from our unique and tailored approach. Education is at the heart of all we do - our aim is simple "Excellence in Education". We aim to develop brave, independent, emotionally intelligent people who will embrace and enhance tomorrow's society.

The Trust will:

- Prepare each pupil to get the very best out of their lives;
- Provide a suitable environment and create an atmosphere for achievement;
- Enable pupils to find enjoyment in learning through doing;
- Teach community spirit and our place in the global world;
- Ensure each individual is valued equally.

The Trust believes:

- All pupils have the right to learn and achieve uninterrupted by others;
- All pupils have the right to be able to take risks with their learning in happy and secure academies;
- All members of our community will co-operate with others and will be polite, considerate and honest;
- All members of our community will accept that with rights go personal responsibilities;
- All members of our community will expect high standards of behaviour and promote an understanding of the difference between right and wrong;
- All pupils have the right to have their progress monitored and be provided with regular constructive feedback and the setting of challenging but realistic future targets;
- At the heart of Arden Values sit seven core values which we hope to foster in our young people. These are: determination, excellence, courage, inspiration, friendship, equality and respect.

Our Trustees

The AMAT is governed by a board of directors (who also act as trustees) made up of business people and educational specialists.

The board of trustees is responsible for monitoring and ensuring standards and achievement across the Trust's schools; efficiency and effectiveness of executive leadership and services; and the strategic direction of the Trust as it responds to local and national demands and policy.

Our Track Record

Ofsted judge Arden as an 'outstanding school' - our results speak for themselves. Outstanding leadership at all levels is central to our success; we are a Leadership Partnership School and we have Leading Edge status. We have achieved this by ensuring that all staff employ the best practice in school leadership, learning and teaching, combining the best of traditional educational practice with proven new techniques that specifically fits the needs of pupils and their teachers. Our young people are equipped to take their role in society that will in many cases exceed their and our expectations.

AMAT has a strong track record in improving achievement and attainment in the Solihull area.

Since the Trust began working with the then failing Park Hall Academy, Park Hall has seen a dramatic rise in attainment and performance. The academy has regained the trust of its local community and improved from Inadequate in all areas assessed by Ofsted and in September 2015 came out of Special Measures. It is expected that Park Hall will be rated 'Good' by Ofsted in the Autumn term 2017.

Academy Governance

AMAT is governed by a Board of Trustees accountable to the Department for Education and with overall responsibility and ultimate decision making authority for all the work of the Trust, including establishing and running the Trust's academies.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Academy Governance (cont'd)**

The Trustees have established a Local Governing Body ("LGB") for each of the Academies, which ensures that each academy retains its own identity and individuality, working through the common values and core operational systems of the Trust.

The AMAT's board is advised by the Finance and Resources Committee and the Personnel Committee which provide strategic support across these key operational areas. The board, LGB's and committees meet at least termly.

The two local governing bodies (LGBs) for Arden and Park Hall respectively are advised by a Teaching and Learning (T&L) and a BSII (Behaviour, Safety, Intervention and Inclusion) Committee, which provide key focus on ensuring that the young adults who leave our care are prepared for the next stage of their education and are ready and confident to move forward in life.

The AMAT has established terms of reference which also set out the delegation of responsibilities between the Board, the Executive Principal, the Finance and Resources Committee, the Personnel Committee, the LGBs and the Principals of each academy.

Finance

The Trust is responsible for agreeing a funding model across the Trust and academies, formulating the Trust wide and academy budgets as well as ensuring the highest standards of probity in the use of public finances and resources.

Objects, Strategies and Activities

The multi academy trust's main strategy is encompassed in its mission statement. To this end the activities provided include:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications;
- Training opportunities for all staff, and especially teaching staff;
- placing of students with industrial and commercial partners;
- A programme of sporting and after school leisure activities for all students;
- A system of after school clubs to allow students to explore science and engineering in a practical and project oriented way;
- A careers advisory service to help students obtain, implement or move on to higher education.

Equal Opportunities Policy

The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment of its older buildings and grounds where practical.

Public Benefit

The trustees have complied with their duty in section 17 of the Charities Act 2011 to have due regard to the guidance on public benefit published by the Charity Commission (on their website) in exercising their powers or duties.

During 2016/17 the following activities relating to public benefit were undertaken:

- 1 The education and learning of 2,761 (2016:2,783) pupils by 289 (2016: 292) teachers and other staff.
- 2 Improving academic performance by raising educational standards and individual achievement.
- 3 Providing high levels of pastoral care, personal coaching and family support.
- 4 Developing educational links to the benefit of pupils with other educational providers and business.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Public Benefit (cont'd)**

These key activities were underpinned by the:

- 1 Succession planning supported the further development of the leadership team and allowed the academy to make further improvements in teaching and learning, assessment and pastoral care.
- 2 Delivery of estate improvements linked to Health and Safety, teaching & learning and catering facilities. These were in addition to the substantial investment in the previous year at Arden with the opening in September 2015 of the new Cadbury Building teaching block.

STRATEGIC REPORT**Achievements and Performance**

Arden Multi Academy Trust achievements in 2016/17 include:

- continued integration of Park Hall Academy into the multi academy trust;
- the ongoing work undertaken in developing a shared services model to realise economies of scale and reduce costs for the academies;
- the ongoing close working relationship between the academies to share knowledge and expertise, to seek out best practice and to realise the vision of the Trust.
- detailed due diligence was undertaken at a local school in order to support further expansion of the MAT.

Achievements of pupils at Arden Academy Trust

Arden Academy Trust is justifiably proud of its reputation both locally and nationally. In 2017 following a very volatile year which saw many changes to the examination system and the academic bar being raised, the GCSE and A level results achieved were excellent. It is very clear with the new measures of student achievement and progress that Arden continues to have a proven record of success at the new GCSE and A levels. We now have new specifications and examination grades – Grades 9 – 1 as well as the soon to disappear A* - G. In the summer 84% of pupils gained A*/9 – C/4 grades in 5 or more subjects and 66% gained grade 5 or above. We also now have the Progress 8 measure to compare which rose from 0.27 to 0.39 which is excellent. There were 36% of all GCSE grades awarded at A*/A. At A level over 99% of pupils achieved A*-E, with an average grade of a B-. In addition almost 130 of the students went off to university. Courses included: Engineering, Law, Mathematics, Medicine, Physics, Music, Drama and Veterinary Sciences to name but a few. Students have settled well into their university courses at places such as Birmingham, York, Cambridge, Durham, Sheffield, Cardiff and many others the length and breadth of the country. As one of the highest performing comprehensives in the country, we believe that we can offer tremendous opportunities to students who value their learning, who have the drive and ambition to be successful and above all to secure their future in an increasingly global community.

To ensure that standards continually rise, the academy deploys robust monitoring and evaluation systems and extensive training to improve the quality of teaching, learning and assessment. The academy also participates in local and national programmes to improve rates of student progress.

In July 2017 100% of students entered education, employment or training on leaving the academy at the end of key stage four.

Additionally, the academy continued to extend its activities to increasing links with its community.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)*Achievements of pupils at Park Hall Academy 2016/17*

Through the period of this report, the headteacher has continued to implement the agreed Action Plan to improve the school and further improve outcomes since the removal from Special Measures, implementing a focus on key priorities identified last year:

- Preparing for the new curriculum and accountability measures, including Progress 8

The new headline measure, Progress 8, was the highest in North Solihull and 3rd across the whole Borough, achieving in line with many Good/ Outstanding schools and higher than many with higher starting points. This is exemplified in the 3 year trend for Progress 8 which has risen as follows:

2015	-0.54
2016	-0.03
2017	0.38

This is further exemplified in the improvements in the Basics. These rose from 47% in 2016 to 57% in 2017. This marks a consistent upward trend. This pattern of improvement is reproduced across years 7-10 where accelerated rates of progress are in evidence.

- Raising achievement in English and Maths;
Using the updated SISRA model with the latest 2017 coefficients, we have been pleased by the dramatic improvements in English. The English Progress 8 figure rose from -0.46 in 2016 to +0.3 in 2017. Although at a slower rate, Maths Progress 8 rose from -0.4 to -0.38. Despite this, actual Grade c/4+ attainment rose over the same period from 51% to 60%.

Our priority for 2017/2018 is to ensure that the rapid improvements in English are repeated in Maths progress and attainment in 2018. Detailed plans have been put in place to ensure that this occurs.

- Raising achievement in other EBACC and Foundation subjects;
Attainment and progress in EBACC, Foundation Subjects and Open Subjects has also continued to rise. For example, the percentage of pupils achieving 37 points in Geography rose from 39% to 48% from 2016 to 2017. In History, this figure is 43% and 57% respectively. As a result the EBACC bucket scored an improved rate of 0.02 in the September Checking exercise.
- Extending the effectiveness of leadership, management and governance;
These improved outcomes have been achieved by an increasingly effective tier of middle leaders that support the previous improvements led by the head teacher and the senior team. This is most clearly exemplified in the improved quality of teaching as observed in formal lesson observations. Based on internal SMT monitoring, externally validated, currently 79% of lessons are being consistently delivered at Good or better with 34% being rated as Outstanding. These improvements are supported by a robust Appraisal Policy.

These improvements are being strengthened through our work with numerous external partners and further developing internal capacity. For example, we run an Aspiring Middle Leaders course to assist in driving improvements forward.

- Post-16 Attainment
The 16 to 19 study programmes inspection dashboard for 2016 shows positive 3 year trends in Academic and Vocational progress. 2017 results continue this trend of further improvement. For example, The publication of the League Tables in October 2017 suggests that Applied general qualifications results at Park Hall are 23rd in the Country. Similarly, outcomes for pupils who are resitting either mathematics or English, having not achieved a Grade 4/C are well above the national outcome rates.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Financial Outlook**

The restructuring undertaken at the end of the previous year and the associated staff reductions have led to a more robust financial position. Budget variances that have arisen as a result of the costs of preparing for transfer to AMAT have been raised with the funding agencies. Additional funding has now been secured by the AMAT and these costs have been able to be recharged.

Pupil Premium

The academies benefitted from pupil premium funding during the period. This has been used in various ways across both schools to strengthen student achievement including additional staff and small group withdrawal sessions.

For a more detailed analysis of expenditure please refer to each respective schools website.

Key Financial Performance Indicators

The academy trust established a financial budget at the start of the year and the Finance and Resources Committee monitor performance against budget during the period. Further financial and non financial indicators will be introduced as the trust develops. The trustees consider that the following are key performance indicators for the academy trust, for example:

Arden Academy	2017	2016
Pupil numbers	1,591	1,602
Percentage of income from ESFA to total staff costs (excluding capital grants)	90%	84%
Staff costs as a % of total income (excluding capital grants)	87%	76%
Capital expenditure per pupil	£25	£29
Park Hall Academy	2017	2016
Pupil numbers	1,170	1,181
Percentage of income from ESFA to total staff costs (excluding capital grants)	77%	77%
Staff costs as a % of total income (excluding capital grants)	76%	76%
Capital expenditure per pupil (PFI school)	£14	£10

Going Concern

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

FINANCIAL REVIEW**Overview**

The principal source of funding for both Academies is the General Annual Grant. Most of the academies income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Overview (cont'd)**

During the year ended 31 August 2017, total expenditure of £14,337,000 (2016: £14,329,000) was more than covered by recurrent grant funding from the DfE together with other incoming resources. Capital expenditure of £55,000 (2016: £57,000) was more than the capital grant income received. The remaining balance was funded from reserves.

At 31 August 2017 the net book value of fixed assets was £20,898,000 (2016: £21,331,000) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The Local Government Pension Scheme (LGPS) figures as at 31 August 2017 for AMAT are based on projecting forward the estimated position at 1 September 2016 and assume that the experience over the year, apart from investment returns, has been in line with the assumptions made at the start of the year.

The estimated FRS 102 deficit at 31 August 2017 is £1,853,000 (2016: £3,301,000) which compares to a deficit of £644,000 at the admission date of 14 September 2010. The main reason for the increase in the deficit is because of the transfer of the LGPS deficit from Park Hall Academy at 31 March 2015 of £1,077,000. The other reason for the change in the deficit is because of the difference between employer contributions paid and the service cost and lower than expected asset returns and discount rates over the last few years.

It should be noted that the balance sheet, profit and loss and statement of recognised gains and losses figures will be volatile over time. This is generally because the FRS102 liabilities are largely linked to corporate bond yields whereas the scheme invests a large part of its assets in equities.

Financial and Risk Management Objectives and Policies

The AMAT's financial and risk management objectives are documented in its:

- Official budgets
- Scheme of delegation
- Financial regulations
- Risk management policies

Particular items which warrant specific disclosure are noted within this annual report.

At the time of reporting, the AMAT's identified key risks are:

- The risk of achievement in core subjects being below expectations caused by national changes to the curriculum and examination structures.
- The risk to outcomes from education being delivered in poor quality buildings.
- The future financial position of the LGPS pension scheme.
- The reduction in funding from the ESFA.

Reserves Policy

The trustees review the reserve levels of the AMAT on a termly basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for these reviews is to provide assurance that there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The value of free reserves after deducting 4 weeks working capital requirements are £428,000 (2016: £34,000).

Financial Position

The AMAT held fund balances at 31 August 2017 of £20,346,000 (2016: £18,922,000) after allowing for the pension deficit of £1,853,000 (2016: £3,301,000); comprising £19,881,000 (2016: £18,498,000) of restricted funds and £465,000 (2016: £424,000) of unrestricted general funds.

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Investment Policy**

All investments are made in accordance with the policy of the AMAT. The AMAT's policy on investments are one of minimum risk with all investments being held with the AMAT's bankers. The AMAT will nevertheless seek to maximise interest receipts within this arrangement. Investments are made with regard to Charity Commission guidance in relation to investments.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees have considered the risks faced by the AMAT throughout its normal operational business. It has sought to address the risks faced by the AMAT by establishing appropriate governance and management arrangements, including the appointment of senior staff and other managers, and establishing robust operational policies. The Trustees considers that these arrangements have been effective throughout the period being reported.

The Trustees intend to build on this success by establishing a formal risk management policy, which will formally document the managerial action that is taking place, and should enable future risk management to be more systematic.

Risk Management

The trustees have assessed the major risks to which the academies are exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the AMAT and its finances. Mitigating action, both current and planned, has been identified to address risks. This is also true of all other risks that have been formally identified which have a lower level of impact and/or likelihood. The trustees have implemented a number of systems to assess risks that the schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, safeguarding and school trips) and in relation to the control of finance. They have maintained systems, including operation procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial control in order to minimise risk. Where significant risk still remains they have ensured they have adequate insurance cover where applicable. The AMAT has an effective system of internal financial controls.

Plans for Future Periods

The deficit position of the Local Government Pension Scheme may result in an increase in employers pension contributions over a period of years. It is intended that the academies will revisit their current business plans and budgets and ascertain how the pension costs might impact on the budgets in the future.

Auditors

In so far as the trustees are aware:

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

The auditors, UHY Hacker Young (Birmingham) LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report incorporating a strategic report was approved by the Board of Trustees, as the company directors on 28 November 2017 and signed on their behalf by:



.....

Dr C O'Donovan
Chair of Trustees

28 November 2017

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017**Scope of Responsibility**

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

The board of trustees has delegated the day-to-day responsibility to the executive 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 AMAT and the Secretary of State for Education. The Executive Principal is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal

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 throughout the year and attendance at these meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a Possible
Arden Multi Academy Trust - Directors/Trustees		
Dr C O'Donovan * (Chair)	3	3
D Burgess (Headteacher Park Hall)	3	3
G Chaplin	2	3
A Cole (Appointed 1 June 2017)	1	1
G Harley - Mason	2	3
W Jarema *	3	3
M Murphy * (Executive Principal and Accounting Officer)	3	3
V Thomas (Appointed 20 January 2017)	2	2
A Volkaerts	-	3
ARDEN ACADEMY		
Local Governing Board		
G Harley - Mason (Chair)	3	3
S Bloomer	3	3
W Bohanna*	3	3
K Brennan (Teaching Staff Governor)	3	3
R Brown	3	3
J Carter (Associate Staff Governor) (Resigned 2 July 2017)	2	2
M Carter (Parent Governor) (Appointed 28 January 2017)	2	2
N Cutler (Parent Governor)	3	3
A Devitt (Parent Governor)	2	3
L Hough*	3	3
W Jarema *	3	3
M Murphy * (Executive Principal and Accounting Officer)	3	3
P Nicolaides (Parent Trustee)	3	3
Dr C O'Donovan *	2	3
J Rice *	3	3
P Rylah (Parent Governor) Resigned 4 December 2016)	1	1
A Stonehewer (Parent Governor)	3	3
J Whitehall (Parent Governor) (Appointed 28 April 2017)	1	1

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Governance (cont'd)**

	Meetings attended	Out of a Possible
PARK HALL ACADEMY		
Local Governing Board		
W Jarema * (Chair)	3	3
M Murphy *		
(Executive Principal and Accounting Officer)	-	3
D Burgess (Headteacher)	3	3
W Bohanna*	3	3
J Hiorns (Vice Chair)	2	3
M Robinson	-	3
A Smith (Parent Governor)	1	3
J Bellingham (Teaching staff Governor)	3	3
S Bloomer (Associate staff Governor)	3	3
Dr C O'Donovan *	2	3
M Durber-Reeves		
(Parent Governor - appointed 22 March 2016)	3	3
S Watts (Appointed 28 February 2017)	2	2

* Members of the AMAT Finance & Resources Committee

Governance Review

An annual self review of governance has been performed as defined by the National College for Teaching and Leadership. The results of this review has identified the following:

- the character of the trust is preserved and developed;
- the activities of the trust are being undertaken in accordance with the academy trust deed;
- there is clarity of vision, ethos and strategic direction;
- the Executive Principal is held to account for the education of performance of the schools and its pupils;
- the financial performance of the schools is monitored and value for money obtained;
- governance by the Board of Trustees is effective.

The Academy Trust intends to carry out its next self evaluation during Spring Term 2018.

The **AMAT Finance and Resources Committee** is a sub-committee of the main Board. Its purpose is to develop the strategic direction and governance procedures on financial matters. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a Possible
J Rice (Chair)	4	4
W Bohanna	3	4
L Hough	3	4
W Jarema	4	4
M Murphy	4	4
C O'Donovan	1	4

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Review of Value for Money**

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

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

- Continuously scrutinising all lines of the revenue budget each month and in particular closely controlling salary costs, taking every opportunity to ensure expenditure remains within agreed budgetary limits.
- During 2017 Arden negotiated the funding and the contract for the lease of two minibuses to replace their old minibuses. This has resulted in a reduction in operating costs and repair bills.
- In September 2016 the MAT entered into a fixed price contract for the recruitment of teaching staff. This has resulted in a reduction in advertising costs of 34%.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the 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 year ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

AMAT 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.

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**The Risk and Control Framework (Cont'd)**

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed R Brown, who does not have specific involvement in the work of the AMAT Finance and Resources Committee, as a reviewer. Professional accounting support is available to the reviewer. The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy AMAT's financial systems. In particular the checks carried out in the current period includes:

- The process of budget setting and production of Management information;
- Cash management;
- Internal controls;
- Proper and regular use of public funds.

On a twice yearly basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities. The reviewer has delivered their schedule of work as planned, and no material control issues were identified.

Review of Effectiveness

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

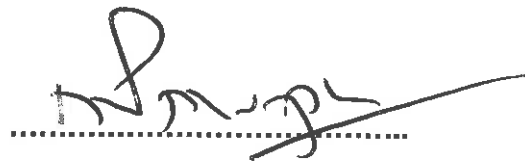
- The work of the reviewer;
- The work of the external auditor;
- The financial management and governance self assessment process;
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 28 November 2017 and signed on its behalf by:


.....

Dr C O'Donovan
Chair of Trustees


.....

M Murphy
Accounting Officer


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

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

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

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

Approved by order of the members of the board of trustees on 28 November 2017 and signed on its behalf by:



.....

M Murphy
Principal

Accounting Officer

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 28 November 2017 and signed on its behalf by:



.....
Dr C O'Donovan
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2017**Opinion**

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

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Other information**

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the trustees' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the trustees' report.

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARDEN MULTI ACADEMY TRUST FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Auditor's responsibilities for the audit of the financial statements**

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Malcolm Winston

Senior Statutory Auditor

UHY Hacker Young (Birmingham) LLP, Statutory Auditor

9-11 Vittoria Street

Birmingham

B1 3ND

28 November 2017

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ARDEN MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 10 July 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Arden Multi Academy Trust funding agreement with the Secretary of State for Education dated 1 April 2015, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

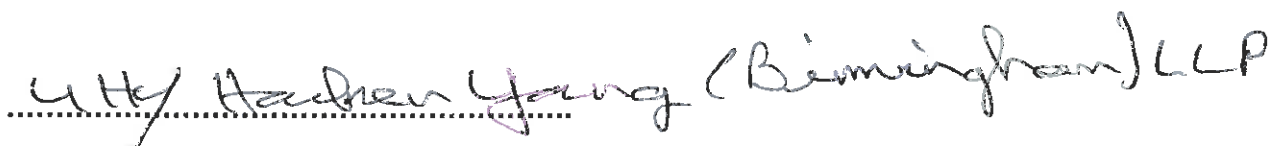
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ARDEN MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Approach (cont'd)**

Summary of the work undertaken was as follows:

- Analytical review of the academy trusts general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trusts framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

Conclusion

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



Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

28 November 2017

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2017

(Including Income and Expenditure Account)


		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2017	2016
		£'000	£'000	Asset	£'000	£'000
				Funds		
				£'000		
Income from:						
Donations and capital grants	3	13	-	49	62	68
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	13,793	-	13,793	13,702
Other trading activities	5	72	-	-	72	87
Investment income	6	4	-	-	4	5
Total		89	13,793	49	13,931	13,862
Expenditure on:						
Raising funds	7	48	-	-	48	52
Charitable activities:						
- Academy trust's educational operations	7	-	13,800	489	14,289	14,277
Total		48	13,800	489	14,337	14,329
Net income/(expenditure)		41	(7)	(440)	(406)	(467)
Transfers between funds		-	(7)	7	-	-
Other recognised gains and losses						
Actuarial gains/(loss) on defined benefit pension schemes	25	-	1,830	-	1,830	(1,426)
Net movement in funds		41	1,816	(433)	1,424	(1,893)
Reconciliation of funds						
Total funds brought forward	15	424	(2,833)	21,331	18,922	20,815
Total funds carried forward	15	465	(1,017)	20,898	20,346	18,922

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

BALANCE SHEET AS AT 31 AUGUST 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	12	<u>20,898</u>	<u>21,331</u>
		<u>20,898</u>	<u>21,331</u>
Current assets			
Debtors	13	319	368
Cash at bank and in hand		<u>2,632</u>	<u>2,258</u>
		<u>2,951</u>	<u>2,626</u>
Current liabilities			
Creditors: Amounts falling due within one year	14	<u>(1,650)</u>	<u>(1,734)</u>
Net current assets		1,301	892
Total assets less current liabilities		22,199	22,223
Net assets excluding pension liability		<u>22,199</u>	<u>22,223</u>
Defined benefit pension scheme liability	25	(1,853)	(3,301)
Total Net Assets		<u><u>20,346</u></u>	<u><u>18,922</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	15	20,898	21,331
- Restricted income fund	15	836	468
- Pension reserve	15	(1,853)	(3,301)
Total restricted funds		<u>19,881</u>	<u>18,498</u>
Unrestricted income fund	15	<u>465</u>	<u>424</u>
Total unrestricted funds		<u>465</u>	<u>424</u>
Total Funds		<u><u>20,346</u></u>	<u><u>18,922</u></u>

The financial statements on pages 25 to 27 were approved by the trustees and authorised for issue on 28 November 2017 and signed on their behalf by:



Dr C O'Donovan
Chair of Trustees

The notes on pages 28 to 46 form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	377	(572)
Cash flows from investing activities	20	(3)	(9)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		<u>374</u>	<u>(581)</u>
Cash and cash equivalents at 1 September		2,258	2,839
Cash and cash equivalents at 31 August	22	<u>2,632</u>	<u>2,258</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017**1 Statement of Accounting Policies**

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

Basis of Preparation

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

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

Going Concern

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

Income

All incoming resources are recognised when the academy trust has entitlement to the funds, 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 no 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.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in creditors; amounts falling due within one year in deferred income.

• 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 receipt is probable and it can be measured reliably.

• Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**● Donated goods, facilities and services (cont'd)**

Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

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

● Transfers of leasehold property

Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Expenditure

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

● Expenditure on Raising Funds

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

● Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £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 requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

Tangible Fixed Assets

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years

The principal annual rates used for other assets are:

Leasehold buildings	2%
Furniture	25%
Plant and equipment	10%
Computer equipment and software	33.33%
Motor vehicles	20%
Building Fittings	5%

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 instrument, and are measured at amortised cost as detailed in note 14. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 25, the TPS is a multi employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the 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.

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/ Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)***Critical areas of judgement***

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

The critical areas of judgement are accounting for government grants, accounting for the write down of assets through depreciation and accounting for the pension liability. Government grants are accounted for as restricted funds. The pension liability is assessed by an independent actuarial valuation. Depreciation rates are based on the expected life of the asset.

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

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 trust does not have control over the charitable application of the funds. In accordance with ESFA guidelines the trust is permitted to use up to 5% of the bursary funds allocation towards its own administration costs. The funds received and paid and any balances held are disclosed in note 27.

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017 (see note 15).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

3 DONATIONS AND CAPITAL GRANTS	Unrestricted	Restricted	Total	Total
	Funds	Funds	2017	2016
	£'000	£'000	£'000	£'000
Donations	13	-	13	25
Devolved formula capital grant	-	49	49	43
	<u>13</u>	<u>49</u>	<u>62</u>	<u>68</u>

The income from donations and capital grants was £62,000 (2016: £68,000) of which £13,000 (2016: £25,000) was unrestricted, £nil (2016: £nil) restricted and £49,000 (2016: £43,000) restricted fixed assets.

4 FUNDING FOR THE ACADEMY'S TRUST'S OPERATIONS

	Unrestricted	Restricted	Total	Total
	Funds	Funds	2017	2016
	£'000	£'000	£'000	£'000
DfE/EFA grants				
General annual grant (GAG) (note 2)	-	12,791	12,791	12,678
Pupil premium grant	-	490	490	473
Year 7 catch up grant	-	30	30	32
Restructuring grant	-	179	179	-
ACMF revenue grant	-	-	-	400
ACMF boiler repairs	-	-	-	4
	<u>-</u>	<u>13,490</u>	<u>13,490</u>	<u>13,587</u>
Other Government grants				
SEN grant (SMBC)	-	43	43	89
Pupil growth grant (SMBC)	-	232	232	-
Pupil Premium grant (SMBC)	-	11	11	12
Pupil Premium grant (BCC)	-	12	12	8
Pupil Premium grant (WCC)	-	-	-	2
Pupil Premium grant (WalCC)	-	1	1	2
Pupil Premium grant (WolvCC)	-	4	4	2
	<u>-</u>	<u>303</u>	<u>303</u>	<u>115</u>
Other income from the academy trust's educational operations	-	-	-	-
	<u>-</u>	<u>-</u>	<u>13,793</u>	<u>13,702</u>

The income from the academy trusts's educational operations was restricted for both 2017 and 2016.

5 OTHER TRADING ACTIVITIES	Unrestricted	Restricted	Total	Total
	Funds	Funds	2017	2016
	£'000	£'000	£'000	£'000
Lettings income	42	-	42	32
Other	30	-	30	55
	<u>72</u>	<u>-</u>	<u>72</u>	<u>87</u>

The income from the academy trusts's other trading activities was unrestricted for both 2017 and 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

6 INVESTMENT INCOME	Unrestricted Funds £'000	Restricted Funds £'000	Total 2017 £'000	Total 2016 £'000
Bank interest received	4	-	4	5
	<u>4</u>	<u>-</u>	<u>4</u>	<u>5</u>

The income from the academy trusts's investment income was unrestricted for both 2017 and 2016.

7 EXPENDITURE	Staff Costs	Non Pay Expenditure		Total 2017 £'000	Total 2016 £'000
		Premises £'000	Other Costs £'000		
Expenditure on raising funds	-	43	5	48	52
Academy's educational operations					
Direct costs	10,440	-	807	11,247	11,123
Allocated support costs	895	1,484	663	3,042	3,154
	<u>11,335</u>	<u>1,484</u>	<u>1,470</u>	<u>14,289</u>	<u>14,277</u>
Total	<u>11,335</u>	<u>1,527</u>	<u>1,475</u>	<u>14,337</u>	<u>14,329</u>

The expenditure was £14,337,000 (2016: £14,329,000) of which £48,000 (2016: £52,000) was unrestricted, £13,800,000 (2016: £13,648,000) restricted and £489,000 (2016: £629,000) restricted fixed assets.

Net income/(expenditure) for the year includes:

	Total 2017 £'000	Total 2016 £'000
Operating lease rentals	69	68
PFI charges	399	423
Depreciation	489	629
Fees payable to auditor for:		
Audit	12	12
Other services	7	5

8 CHARITABLE ACTIVITIES

	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	11,247	11,123
Support costs - educational operations	3,042	3,154
	<u>14,289</u>	<u>14,277</u>

Analysis of Support Costs

Support staff costs	895	775
Depreciation	489	629
Technology costs	143	163
Premises costs	995	1035
Other support costs	474	488
Governance	46	64
	<u>3,042</u>	<u>3,154</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

9 STAFF

a Staff costs	2017	2016
Staff costs during the year were:	£'000	£'000
Wages and salaries	8,514	8,524
Social security costs	864	857
Operating costs on defined benefit pension schemes	1,749	1,328
Apprenticeship Levy	12	-
	<u>11,139</u>	<u>10,709</u>
Supply staff costs	181	164
Staff restructuring costs	15	153
	<u>11,335</u>	<u>11,026</u>
Staff restructuring costs comprise:		
Redundancy payments	15	153
Severance payments	-	-
Other restructuring costs	-	-
	<u>15</u>	<u>153</u>

b Staff severance payments

There were no non-statutory/non-contractual severance payments in 2017 or 2016.

c Staff numbers

The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2017 was as follows:

Charitable Activities	2017	2016
	No	No
Teachers	166	166
Administration and support	106	109
Management	17	17
	<u>289</u>	<u>292</u>

d Higher paid staff

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

	2017	2016
	No	No
£60,001 - £70,000	3	4
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	1	1
	<u>1</u>	<u>1</u>

e Key management personnel

The key management of the academy trust comprise the trustees and the senior management team as listed on pages 3 and 4. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,330,800 (2016: £1,350,387).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**Interests in transactions**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees receive remuneration in respect of their contracts of employment as principal and staff and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

M Murphy(Executive Principal and Staff Trustee)

Remuneration	£125,000 - £130,000	(2016: £125,000 - £130,000)
Employers pension contributions	£15,000 - £20,000	(2016: £20,000 - £25,000)

D Burgess (Head Teacher and Trustee)

Remuneration	£105,000 - £110,000	(2016: £105,000 - £110,000)
Employers pension contributions	£15,000 - £20,000	(2016: £15,000 - £20,000)

During the year ended 31 August 2017 M Murphy was reimbursed £nil (2016: £1,381) and D Burgess £nil (2016: £247) for travel and subsistence expenses.

Arden Academy during year ended 31 August 2017 supplied to Park Hall Academy teaching and support services £148,270 (2016: £287,963) and hairdressing services £13,200 (2016: £25,320). Park Hall Academy supplied support staff for £27,178 (2016: £25,320)

Other related party transactions including trustees are set out in note 26.

11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £613 (2016: £3,618). The cost of this insurance is included in the total insurance cost.

12 TANGIBLE FIXED ASSETS

	Leasehold Land & Buildings	Furniture	Plant & Equipment	Motor Vehicles	Computer Equipment	Total
Cost	£'000	£'000	£'000	£'000	£'000	£'000
At 1 September 2016	22,842	257	34	30	814	23,977
Additions	1	-	-	-	55	56
Disposals	-	-	-	-	-	-
At 31 August 2017	<u>22,843</u>	<u>257</u>	<u>34</u>	<u>30</u>	<u>869</u>	<u>24,033</u>
Depreciation						
At 1 September 2016	1,804	97	15	11	719	2,646
Charged in year	379	35	3	8	64	489
Disposals	-	-	-	-	-	-
At 31 August 2017	<u>2,183</u>	<u>132</u>	<u>18</u>	<u>19</u>	<u>783</u>	<u>3,135</u>
Net book value						
At 31 August 2017	<u>20,660</u>	<u>125</u>	<u>16</u>	<u>11</u>	<u>86</u>	<u>20,898</u>
At 31 August 2016	<u>21,038</u>	<u>160</u>	<u>19</u>	<u>19</u>	<u>95</u>	<u>21,331</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

	2017 £'000	2016 £'000
13 DEBTORS		
Trade debtors	11	11
VAT recoverable	75	119
Other debtors	11	20
Prepayments and accrued income	222	218
	<u>319</u>	<u>368</u>
14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2017 £'000	2016 £'000
Trade creditors	311	463
Taxation and social security	224	214
Other creditors	350	368
Accruals	418	400
EFA Creditor: pupil number adjustment	-	58
Deferred income	347	231
	<u>1,650</u>	<u>1,734</u>
Deferred Income		
	2017 £'000	2016 £'000
Deferred income at 1 September 2016	231	722
Resources deferred in the year	253	231
Amounts released from previous years	(137)	(722)
Deferred income at 31 August 2017	<u>347</u>	<u>231</u>

At the balance sheet date the academy was holding funds received in advance for 2017/18 for school trips £1,924 (2016: £14,471), devolved formula capital £73,342 (2016: £64,523), academy capital maintenance grant for the boiler £29,112 (2016: £30,845), pupil premium for disadvantaged children £29,113 (2016: £30,289), sponsor capacity grant £48,761 (2016: £48,761), catering card £5,921 (2016: £4,202), rates relief £27,503 (2016: £24,229), refund from property services £11,366 (2016: £11,366), donated monies £200 (2016: £400), library grant £nil (2016: £984), minibus contributions £8,279 (2016: £nil), looked after children grant £9,000 (2016: £nil), MAT development grants £101,562 (2016: £nil) and SIMS Capita £nil (2016: £301).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

15 FUNDS

The income funds of the multi academy trust comprise the following balances of grants to be applied for purposes:

	Balance at 1 September 2016 £'000	Incoming Resources £'000	Resources Expended £'000	Gains, Losses & Transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General annual grant (GAG) (note i)	468	12,791	(12,416)	(7)	836
Restructuring grant (note ii)	-	179	(179)	-	-
Pupil premium grant (note iii)	-	518	(518)	-	-
Year 7 catch up grant (note iv)	-	30	(30)	-	-
SEN grant (note v)	-	43	(43)	-	-
SMBC pupil growth grant (note vi)	-	232	(232)	-	-
	468	13,793	(13,418)	(7)	836
Restricted fixed asset funds					
DfE capital grants (note vii)	2,096	49	(103)	-	2,042
SMBC fixed assets donation (note vii)	15,728	-	(261)	-	15,467
SMBC capital grants (note viii)	1,539	-	(34)	-	1,505
Capital expenditure from GAG (note ix)	1,479	-	(80)	7	1,406
Capital expenditure from SMBC prior years surplus b/fwd (note vii)	489	-	(11)	-	478
	21,331	49	(489)	7	20,898
Restricted pension scheme liability					
Pension reserve (note x)	(3,301)	-	(382)	1,830	(1,853)
	(3,301)	-	(382)	1,830	(1,853)
Total restricted funds	18,498	13,842	(14,289)	1,830	19,881
Unrestricted Funds					
Unrestricted funds	424	89	(48)	-	465
Total unrestricted funds	424	89	(48)	-	465
Total funds	18,922	13,931	(14,337)	1,830	20,346

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

15 FUNDS (Cont'd)

Notes

- i) General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2017 (see note 2).
- ii) A grant of £179,000 from the ESFA was used to support restructuring costs of the academy.
- iii) Pupil premium grant has been used to support children placed at the Academy from the local authority areas and FSM pupils.
- iv) Year 7 catch up grant has been used for one to one tuition and teacher intervention to assist pupils transferring from primary to secondary school.
- v) SEN grant has been used as a contribution towards salaries of the learning support department.
- vi) A grant of £232,000 from SMBC was used to support pupil growth at Arden Academy
- vii) Restricted fixed assets were funded by government grants, a transfer from the General Annual Grant and by an SMBC prior years surplus brought forward.
- viii) SMBC capital grant has been used to build a new teaching block for the academy.
- ix) The gross transfer from the restricted general fund to the restricted fixed asset fund of £6,829 (2016: £14,311) represents the total capital expenditure from the General Annual Grant (GAG) during the year.
- x) The pension reserve represents the deficit on the Local Government Pension Scheme (note 25).

	2017	2016
	Total	Total
	£'000	£'000
TOTAL FUNDS ANALYSIS BY ACADEMY		
Fund balances at 31 August 2017 were allocated as follows:		
Arden Academy Trust	789	786
Park Hall Academy	512	106
Total before fixed assets and pension reserve	<u>1,301</u>	<u>892</u>
Restricted fixed assets fund	20,898	21,331
Pension reserve	<u>(1,853)</u>	<u>(3,301)</u>
	<u>19,045</u>	<u>18,030</u>
Total	<u><u>20,346</u></u>	<u><u>18,922</u></u>

The MAT did not have a central management/services function there are therefore no central charges arising during the year.

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching & Educational Support Staff Costs Funds £'000	Other Support Staff Costs Funds £'000	Educational Supplies Funds £'000	Other Costs (excluding Depreciation) Funds £'000	Total 2017 £'000	Total 2016 £'000
Arden Academy	5,677	568	377	753	7,375	6,926
Park Hall Academy	4,763	327	430	953	6,473	6,774
Academy Trust	<u><u>10,440</u></u>	<u><u>895</u></u>	<u><u>807</u></u>	<u><u>1,706</u></u>	<u><u>13,848</u></u>	<u><u>13,700</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 are represented by:

	Unrestrict Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	20,898	20,898
Current assets	465	-	2,486	-	2,951
Current liabilities	-	-	(1,650)	-	(1,650)
Pension scheme liability	-	(1,853)	-	-	(1,853)
	<u>465</u>	<u>(1,853)</u>	<u>836</u>	<u>20,898</u>	<u>20,346</u>

17 CAPITAL COMMITMENTS

	2017 £'000	2016 £'000
Contracted for, but not provided in the financial statements	nil	nil
Authorised by trustees, but not yet contracted	<u>nil</u>	<u>nil</u>

18 COMMITMENTS UNDER OPERATING LEASES

Operating leases

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

	2017		2016	
	Land & Buildings £'000	Other £'000	Land & Buildings £'000	Other £'000
Operating leases				
Within one year	456	76	434	64
Within two to five	2,009	70	1,786	89
Over five years	9,051	-	6,861	-
	<u>11,516</u>	<u>146</u>	<u>9,081</u>	<u>153</u>

19 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £'000	2016 £'000
Net expenditure for the reporting period (as per the statement of financial activities)	(406)	(467)
Adjusted for:		
Depreciation (note 12)	489	629
Capital grants from DfE and other capital income	(49)	(43)
Interest receivable (note 6)	(4)	(5)
Defined benefit pension scheme cost less contributions payable (note 25)	311	44
Defined benefit pension scheme finance cost (note 25)	71	66
Decrease in debtors	49	180
Decrease in creditors	(84)	(976)
Net cash provided by/(used in) operating activities	<u>377</u>	<u>(572)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

20 CASH FLOWS FROM INVESTING ACTIVITIES	2017	2016
	£'000	£'000
Interest received	4	5
Purchase of tangible fixed assets	(56)	(57)
Capital grants from DfE/ESFA	49	43
Capital funding received from sponsors and others	-	-
Receipts from sale of tangible fixed assets	-	-
Net cash used in investing activities	(3)	(9)
21 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash (used in)/provided by financing activities	-	-
22 ANALYSIS OF CASH AND CASH EQUIVALENTS	At 31 Aug	At 31 Aug
	2017	2016
	£'000	£'000
Cash in hand and at bank	2,632	2,258
Total cash and cash equivalents	2,632	2,258

23 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy: and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

24 MEMBERS' LIABILITY

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**25 PENSION AND SIMILAR OBLIGATIONS**

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

The total pension cost to the academy during the year ended 31 August 2017 was £1,749,000 (2016: £1,327,853) of which £1,060,000 (2016: £868,853) relates to the TPS and £689,000 (2016: £459,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £181,085 were payable to the schemes at 31 August 2017 (2016: £168,865) and are included within other creditors.

Teachers' Pension Scheme**Introduction**

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge).
- 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 16.48% 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 employers costs paid to TPS in the year amounted to £1,060,000 (2016: £868,853).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2017 was £435,000 (2016: £485,000) of which employers contributions totalled £307,000 (2016: £349,000) and employees contributions totalled £128,000 (2016: £136,000). The agreed contributions for future years for employers are 17.2% (2016: 13.0%) for Arden Academy Trust and 20.6% (2016: 15.6%) for Park Hall Academy. The average rate of contributions for employees are 6.1% (2016: 6.1%) for Arden Academy Trust and 6.1% (2016: 6.1%) for Park Hall Academy.

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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	2017	2016
	% per	% per
	annum	annum
Discount rate	2.6%	2.2%
Salary increases	4.2%	3.8%
Pension increase	2.7%	2.0%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	2017	2016
	£'000	£'000
Discount rate increased by 0.1% per annum	(151)	(162)
Assumed pension increased by 0.1% per annum	137	140
Life expectancy at retirement increased by 1 year	191	189

The mortality assumptions used were as follows:

	2017	2016
	years	years
Longevity at age 65 retiring today		
- Men	21.8	23.1
- Women	24.3	25.8
Longevity at age 65 retiring in 20 years		
- Men	24.0	25.3
- Women	26.6	28.1

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 AUGUST 2017 (cont'd)

25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)

The Academy's share of the assets in the scheme were:

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£'000	£'000
Equity instruments	2,986	2,282
Debt instruments	528	596
Property	346	306
Cash	235	247
Other	628	415
	<u>4,723</u>	<u>3,846</u>
Present value of scheme liabilities		
- Funded	(4,723)	(3,846)
- Unfunded	(1,853)	(3,301)
Total liabilities	<u>(6,576)</u>	<u>(7,147)</u>
Deficit in the scheme	<u>(1,853)</u>	<u>(3,301)</u>

The actual return on the scheme assets in the year was a surplus of £683,000 (2016: £585,000).

Amounts recognised in the Statement of Financial Activities

	2017	2016
	£'000	£'000
Current service cost	605	393
Net interest cost	71	66
Past service cost	13	-
Total operating charge	<u>689</u>	<u>459</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)

25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme (cont'd)

	2017	2016
	£'000	£'000
Change in deficit during the year		
Balance at 1 September 2016	3,301	1,765
Movement in year:		
Employer service cost (net of employee contributions)	618	393
Expected return on scheme assets	(86)	(119)
Interest cost	157	185
Employer contributions	(307)	(349)
Actuarial loss/(gain)	(1,830)	1,426
Deficit in the scheme at 31 August 2017	<u>1,853</u>	<u>3,301</u>

Change in the present value of defined benefit obligations were as follows:

	2017	2016
	£'000	£'000
Scheme liabilities at 1 September 2016	7,147	4,568
Current service cost	605	393
Past service cost	13	-
Interest cost	157	185
Contributions by scheme participants	128	136
Benefits paid	(156)	(25)
Actuarial gain	(1,318)	1,890
Scheme liabilities at 31 August 2017	<u>6,576</u>	<u>7,147</u>

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

	2017	2016
	£'000	£'000
Fair value of scheme assets at 1 September 2016	3,846	2,803
Expected return on scheme assets	86	119
Contributions by employer	307	349
Contributions by scheme participants	128	136
Benefits paid	(156)	(25)
Actuarial loss	512	464
Fair value of scheme assets at 31 August 2017	<u>4,723</u>	<u>3,846</u>

The estimated value of employer contributions for the year ended 31 August 2018 is £334,000 (2017: £299,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017 (cont'd)**26 RELATED PARTY TRANSACTIONS**

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

The trust made the following purchases at arms' length in accordance with the financial regulations, which the following related parties below neither participated in, nor influenced. In entering into the transactions the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

Direct 4 Logo's Limited provided clothing for the academy during 2016/17. One of the directors of the company, Mr Hull is the husband of a senior teacher at the academy Mrs D Hull.

Transactions during the year totalled £4,341 (2015: £7,283).

The amounts outstanding at 31 August 2017 was £115.

Frontline Living History provided World War One history workshops during 2016/17. The sole proprietor of the business, Mr Allton is the husband of a senior teacher at the academy Mrs E Allton. Mrs E Alton left the Academy on 31 August 2016.

Transactions during the year totalled £1,200 (2016: £1,050).

The amounts outstanding at 31 August 2017 was £nil.

Pearson Education provided textbooks for the the academy during 2016/17. One of the sales representatives is the wife of a senior teacher at the academy Mr D White.

Transactions during the year totalled £521 (2016: £507).

The amounts outstanding at 31 August 2017 was £249.

In entering into the transactions the trust has complied with the requirements of the Academies Financial Handbook 2016.

27 AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2017 the trust received £27,937 (2016: £30,468) and disbursed £29,806 (2016: £30,808) from the fund. An amount of £23,239 (2016: £25,108) is included in other creditors relating to the undistributed funds that is repayable to the ESFA.

28 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.