

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2017

Company Registration Number
10034419 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2017

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Aston Tower Multi-Academy Trust
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Reference and Administrative Details

Members	Ms Dorothy Alison Graham Miss Barbara Grayson Mrs Celine Benoit-Powles	
Trustees	Ms Dorothy Alison Graham (from 1/3/16) Miss Barbara Grayson (from 1/3/16) Mr Aaron Bedward (from 1/3/16) Ms Rahala Begum (from 25/5/16) Mrs Celine Benoit-Powles (from 1/3/16 to 22/11/2017) Ms Amanda Bishop (from 26/9/17) Dr Carolyn Blackburn (from 1/3/16) Mr Paul Farrell (from 1/3/16 to 27/9/16) Mr Amjad Hussain (from 1/3/16) Mrs Lesley Huxley (from 1/3/16 to 18/9/16) Mrs Ruhena Khanam (from 1/3/16) Mr Jonathan Moore (from 1/3/16) Mrs Heather Roberts (from 1/3/16 to 24/4/17) Ms Alexandra Smith (from 30/1/17) Mrs Deborah Ward (from 1/3/16)	Chair of Trustees Vice Chair of Trustees Trustee & Community Governor Trustee & Community Governor Trustee & Community Governor Trustee & Community Governor Trustee & Community Governor Trustee & Community Governor Co-opted Trustee & Parent Trustee & Community Governor Co-opted Trustee & Parent Accounting Officer & Chief Executive Officer Trustee & Community Governor Trustee & Community Governor Staff Trustee & Strategic Business Manager
Company secretary	Mrs Deborah Ward	
Senior management team	Jonathan Moore Oliver Wilson Mrs Suki Rai-Moore Mrs Devinder Kaur Mrs Dawn Saxena Mrs Rita Rajput Mrs Deborah Ward	Executive Headteacher Deputy Headteacher Assistant Headteacher Assistant Headteacher Assistant Headteacher Lead Practitioner Strategic Business Manager
Company name	Aston Tower Multi-Academy Trust	
Principal and registered office	Aston Tower Community Primary School Upper Sutton Street Aston Birmingham B6 5BE	
Company registration number	10034419	
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR	
Banker	Lloyds Bank 114-116 Colmore Row Birmingham B3 3DP	
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BY	

Aston Tower Multi-Academy Trust (A Company Limited by Guarantee)

Trustees' report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Aston, Birmingham. It has a pupil capacity of 485 and had a roll of 450 in the school census on 5th October 2017.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Aston Tower Multi-Academy Trust Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Aston Tower Multi-Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Members of the MAT are appointed by existing members. The members appoint the Trustees of the MAT by way of a vote. The total number of Trustees including the Chief Executive Officer who are employees of the company shall not exceed one third of the total number of Trustees. There shall be a minimum of two parent Trustees unless there are Local Governing Bodies which include at least two Parent Members. Local Governing Body members would be appointed by the Board of Trustees.

Parent trustees are elected by the parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when she/he is elected.

Community trustees may be appointed by the board of trustees provided that the person who is appointed as a community trustee is:

- a person who lives or works in the community served by the academy; or
- a person who, in the opinion of the board of trustees, is committed to the government and success of the academy.

Staff Trustees are elected by employees of the academy trust.

Aston Tower Multi-Academy Trust (A Company Limited by Guarantee)

Trustees' report (continued)

Co-Opted Trustees

The Trustees may appoint Co-Opted Trustees. A "Co-Opted Trustee" means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Trust as a Co-Opted Trustee if, thereby the number of Trustees who are employees of the Trust, would exceed one third of the total number of Trustees including the Chief Executive Officer.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

The above selection procedures are adhered to when a vacancy arises.

Policies and Procedures Adopted for the Induction and Training of Trustees

The board of trustees has a service level agreement with the trustee support department of school and governor support to provide training, advice and support to the board of trustees.

Newly elected trustees attend induction training for new trustees, and in addition select specific training provided by trustee support in accordance with their needs.

One of the trustees is appointed as link trustee, attends relevant training and provides information to trustees following such training.

The Executive Headteacher is the leader for professional development in school, and he ensures that trustees are provided with opportunities to receive training in accordance with their role, and the school's training plan.

Organisational structure

On 1st April 2016, Aston Tower Community Primary School formed Aston Tower Multi-Academy Trust with a Master Funding Agreement (MFA) and a separate Supplemental Funding Agreement. Aston Tower Community Primary School is currently the only school within Aston Tower Multi-Academy Trust.

The Trustees of Aston Tower Multi-Academy Trust govern the activities of the Trust and act as the Governing Body of Aston Tower Community Primary School. From 1st April September 2016 to 31st August 2017 the Board of Trustees held 5 meetings. Details of the Trustees who served during the period are included in the Reference and Administrative details on page 1. The Board of Trustees has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance & Premises
- Pupil Welfare and Achievement
- Staffing and Performance Management

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The day-to-day management of Aston Tower Community Primary School is delegated by the Board of Trustees to the Executive Headteacher who is supported by the Senior Leadership Team. The Executive Headteacher is responsible for authorising expenditure within agreed budgets and appointing staff within the existing establishment; appointments for posts on the leadership team always include at least one member of the Board of Trustees.

**Aston Tower Multi-Academy Trust
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Trustees' report (continued)

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for all staff is determined in accordance with our performance management framework and Pay Policy. Following reviews at the end of the performance management cycle, the Executive Headteacher makes recommendations for pay progression to the Staffing and Performance Management Committee who then approve the annual determination of salaries.

Related parties and other Connected Charities and Organisations

None.

Objectives and activities

Objects and aims

The strategic goal of Aston Tower Multi-Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

Objectives, strategies and activities

Aston Tower Multi-Academy Trust holds the values of excellence and equality and promotes a commitment to diversity and promotes a positive ethos through:

- Achieving excellence
- Promoting positive relationships within a learning, caring and inclusive school community
- Supporting children and young people
- Promoting positive healthy attitudes and behaviours
- Enabling all children and young people to achieve the very best – academically and personally
- Encouraging enterprising attitudes and behaviours
- A strong sense of community
- Good interpersonal relationships
- Appropriate pastoral care for pupils and staff
- An atmosphere that encourages citizenship
- Pupil participation in decision making

To ensure that standards are continually raised the Trust expects:

- A whole school approach to self-evaluation
- Established and clear assessment and monitoring policies and procedures which ensure all staff are accountable for the progress of all children
- Tracking of individual progress of all children, including the identification of vulnerable groups and those receiving pupil premium funding
- Evaluation of trends and proactivity in meeting needs
- Thorough planning to meet all individual needs
- Setting of individual, group, class and whole school targets that are challenging and aspirational
- Setting of appropriate interventions and individual plans for children with special educational needs and disabilities, children with specific needs and more able children working with appropriate agencies
- Commitment to continued professional development and outstanding performance of all staff through a well-established and rigorous performance management process
- Challenge from the CEO/Executive Headteacher and Trustees to ensure rigour.

Aston Tower Multi-Academy Trust
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Trustees' report (continued)

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Aston Tower Multi-Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic Report

Achievements and Performance

Key Performance Indicators

KEY STAGE 1 RESULTS 2017

Subject	Percentage of pupils meeting expected standard	Percentage of pupils achieving Greater Depth
Reading	67%	26%
Writing	51%	7%
Mathematics	65%	19%

KEY STAGE 2 SATS RESULTS 2017

Subject	Percentage of pupils who achieved expected standard	Percentage of pupils who achieved a high level of attainment	Average rates of progress
Reading	54%	11%	-2.2
Writing	74%	18%	+1.8
Mathematics	70%	14%	-1.9

Percentage of pupils meeting expected standard in Reading, Writing and Mathematics	40%
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EYFS PROFILE RESULTS 2017

Percentage of pupils reaching a Good Level of Development	73%
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YEAR 1 PHONICS CHECK 2017

Percentage of pupils achieving the pass rate	89%
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YEAR 2 PHONICS CHECK RE-TAKE 2017

Percentage of pupils achieving the pass rate	86%
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**Aston Tower Multi-Academy Trust
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Trustees' report (continued)

Ofsted Grading: Good

- Direct costs as a percentage of total costs were 66.3% (2016 : 68.1%)
- Support costs as a percentage of total costs were 33.7% (2016 : 31.9%)
- Total payroll costs as a percentage of recurring income were 81.7% (2016 : 79.9%)

Going concern

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

Financial Review

The financial results of Aston Tower Multi-Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the year ended 31 August 2017 total resources expended were £2,678,040 and the surplus of expenditure over income was £108,656 which included depreciation of £103,777.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2017 of £3,343,307 which included £78,718 restricted funds not available for general purposes of the academy trust, £847,144 of free reserves defined as unrestricted funds available for general purposes and £4,388,445 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £925,862.

In addition, the deficit on the restricted pension fund of £1,971,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves and aim to maintain them at a minimum of 2 months of expenditure. Budgeted expenditure for 2017/18 is £3,034,062 and hence the minimum target is £505,677. Unrestricted reserves at 31 August 2017 therefore represents 3 months.

**Aston Tower Multi-Academy Trust
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Trustees' report (continued)

Investment Policy

Any surplus funds are invested with Lloyds Bank plc in a deposit account.

These investments are carried out in accordance with the powers vested in the board of trustees.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Plan for Future Periods

Aston Tower Multi-Academy Trust aims to expand by the end of 2017/18 with a minimum of one additional school joining the Trust. The Trust's objective is for Aston Tower Community Primary School to at least retain its Ofsted grading of good at the next inspection and to move to outstanding.

For the period 1st September 2017 to 31st August 2018 the Trust's priorities are as follows:

- To maintain good and outstanding performance at Aston Tower Community Primary School
- Accelerate progress in reading and maths
- Recruit and retain high quality staff
- Ensure succession planning in governance
- Close the gap in attainment between all groups of pupils, including boys/girls, disadvantaged/not disadvantaged.

Auditor

Insofar as the Trustees are aware :

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on8/12/2017 and signed on the board's behalf by:

.....

Dorothy Alison Graham - Chair of Trustees

Aston Tower Multi-Academy Trust (A Company Limited by Guarantee)

Governance statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Aston Tower Multi-Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows :

Trustee	Meetings attended	Out of a possible
Ms Dorothy Alison Graham (Chair) (1/3/16)	5	5
Miss Barbara Grayson (Vice-Chair) (1/3/16)	4	5
Mr Aaron Bedward (1/3/16)	1	5
Miss Rahala Begum (25/5/16)	3	5
Mrs Celine Benoit-Powles (1/3/16)	1	5
Dr Carolyn Blackburn (1/3/16)	3	5
Mr Paul Farrell (1/3/16-27/9/16)	1	1
Mr Amjad Hussain (1/3/16)	3	5
Mrs Lesley Huxley (1/3/16 – 18/9/16)	0	0
Mrs Ruhena Khanam (1/3/16)	2	5
Mr Jonathan Moore (Executive Headteacher and Accounting Officer) (1/3/16)	5	5
Mrs Heather Roberts (1/3/16 – 24/4/17)	2	4
Ms Alexandra Smith (30/1/17)	1	2
Mrs Deborah Ward (Staff) (1/3/16)	5	5

A review of governance was undertaken during the year which found that the composition of the Trust governance structures would continue to be modified or adjusted to ensure the needs of the Trust are met going forward. This will be kept under review and regularly monitored to ensure it is fit for purpose.

Subsequent to this the following actions were taken:

- Succession planning
- Trustee visits

The trust intends to conduct its next self-evaluation/external review in Summer Term 2018.

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Governance statement (continued)

The Finance & Premises Committee is a sub-committee of the main board of trustees. Its purpose is to provide guidance and assistance to the Headteacher and Trustees in all matters relating to budgeting and finance and to clearly define financial responsibility. It also reports on the Trust's finances at the Full Trust Board.

Trustee	Meetings attended	Out of a possible
Miss Rahala Begum	3	3
Ms Dorothy Alison Graham	3	3
Mr Jonathan Moore (Executive Headteacher and Accounting Officer)	3	3
Ms Alexandra Smith	0	1
Mrs Deborah Ward (Staff)	3	3

Review of value for money

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

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

- **Ensuring the operation of the Trust demonstrates good value for money and efficient effective use of resources.** The Trust continues to buy into the Local Authority Corporate Procurement Services which minimises office time for purchase of goods and services under £10,000 direct from known suppliers. Access is provided to centrally negotiated contracts for the provision of utility services.
- **Economies of scale.** The Trust continues to work in partnership with King Edward's VI Aston and buys into the King Edward's Sports Partnership which provides access to shared high quality continued professional development for staff in several sporting disciplines. Competitive sporting opportunities are provided for pupils as well as the provision of professional coaching.
- **Robust governance and oversight of the Trust's finances.** During the period the Trust Board have been informed by the work of senior leaders within the Trust who have responsibility for the development and maintenance of the internal controls. Procedures are in place for assessing need and obtaining goods and services which provide "Best Value" in terms of suitability, efficiency, time and cost. Measures in place include: competitive tendering procedures and procedures for accepting "Best Value" quotes, which are not necessarily the cheapest (e.g. suitability for the purpose and quality of workmanship).

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 the academy's 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 Aston Tower Multi-Academy Trust for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements.

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Governance statement (continued)

Capacity to handle risk

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Feltons to provide a responsible officer (RO) service. The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis the RO reports to the board of trustees, through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer, Jonathan Moore, (the Executive Headteacher) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:


- the work of the internal reviewer
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee.

Approved by order of the members of the board of trustees on8/12/..... 2017 and signed on its behalf by:

.....


Dorothy Alison Graham
Chair of Trustees

.....


Jonathan Moore
Accounting Officer

Aston Tower Multi-Academy Trust
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Statement on regularity, propriety and compliance

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

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

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


..... Jonathan Moore – Accounting Officer


..... 2017

Aston Tower Multi-Academy Trust
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Statement of Trustees' Responsibilities

The trustees (who act as governors of Aston Tower Multi-Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 on8/12/..... 2017 and signed on its behalf by:

.......... Dorothy Alison Graham – Chair of Trustees

Aston Tower Multi-Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of
Aston Tower Multi-Academy Trust

Opinion

We have audited the financial statements of Aston Tower Multi-Academy Trust (the 'academy trust') for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, 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 period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, 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.

Aston Tower Multi-Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of Aston Tower Multi-Academy Trust
(continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual 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.

Opinion on other matter 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 directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Aston Tower Multi-Academy Trust
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Independent Auditor's Report on the Financial Statements to the Members of Aston Tower Multi-Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 12), 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.

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.

**Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Aston Tower Multi-Academy Trust
(continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

- 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.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

8 December 2017

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Aston Tower Multi-Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 25 April 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Aston Tower Multi-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 Aston Tower Multi-Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Aston Tower Multi-Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aston Tower Multi-Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Aston Tower Multi-Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Aston Tower Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 23 March 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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.

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Aston Tower Multi-Academy Trust and the Education and Skills Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

A handwritten signature in blue ink, appearing to read 'Fellons' with a small horizontal line underneath.

David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

8 December 2017

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2017
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £	6 months to 31/8/16 £
Income from :							
Donations and capital grants	2	-	-	-	8,802	8,802	-
Transfer from local authority on conversion		-	-	-	-	-	4,146,124
Funding for the academy trust's educational operations	3	67,169	-	2,489,744	-	2,556,913	1,067,455
Other trading activities	4	522	-	-	-	522	130
Investments	5	3,147	-	-	-	3,147	176
Total		70,838	-	2,489,744	8,802	2,569,384	5,213,885
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	6, 7	51,654	72,000	2,450,609	103,777	2,678,040	1,060,922
Total		51,654	72,000	2,450,609	103,777	2,678,040	1,060,922
Net income/(expenditure) before transfers		19,184	(72,000)	39,135	(94,975)	(108,656)	4,152,963
Transfers between funds	14	-	-	(11,574)	11,574	-	-
Net income/(expenditure) after transfers		19,184	(72,000)	27,561	(83,401)	(108,656)	4,152,963
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	48,000	-	-	48,000	(749,000)
Net movement in funds		19,184	(24,000)	27,561	(83,401)	(60,656)	3,403,963
Reconciliation of funds							
Total funds brought forward	14	827,960	(1,947,000)	51,157	4,471,846	3,403,963	-
Total funds carried forward		847,144	(1,971,000)	78,718	4,388,445	3,343,307	3,403,963

All of the Academy's activities derive from continuing operations during the above two financial periods.

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Company number : 10034419
Balance sheet as at 31 August 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	11		4,379,643		4,471,846
Current assets					
Debtors	12	142,961		60,685	
Cash at bank and in hand		<u>951,996</u>		<u>985,313</u>	
		1,094,957		1,045,998	
Liabilities					
Creditors: amounts falling due within one year	13	<u>160,293</u>		<u>166,881</u>	
Net current assets			934,664		879,117
Net assets excluding pension liability			<u>5,314,307</u>		<u>5,350,963</u>
Defined benefit pension scheme liability	22		(1,971,000)		(1,947,000)
Total net assets			<u><u>3,343,307</u></u>		<u><u>3,403,963</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	4,388,445		4,471,846	
General fund	14	78,718		51,157	
Pension reserve	14	<u>(1,971,000)</u>		<u>(1,947,000)</u>	
Total restricted funds			2,496,163		2,576,003
Unrestricted income funds	14		847,144		827,960
Total funds			<u><u>3,343,307</u></u>		<u><u>3,403,963</u></u>

The financial statements on pages 19 to 38 were approved by the trustees, and authorised for issue on ...8/12/... 2017 and are signed on their behalf by:

.....

Dorothy Alison Graham - Chair of Trustees

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2017

	Notes	2017 £	6 months to 31/8/16 £
Cash flows from operating activities			
Net cash (used in) / provided by operating activities	18	(33,692)	173,797
Cash transferred on conversion to academy trust		-	821,321
Cash flows from investing activities	19	375	(9,805)
Change in cash and cash equivalents in the reporting period		(33,317)	985,313
Cash and cash equivalents at 1 September 2016		985,313	-
Cash and cash equivalents at 31 August 2017	20	951,996	985,313

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017

1. Statement of accounting policies

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

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.

Aston Tower 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 not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **Donations**
Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, '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.

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.

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

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.

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

Leasehold land and buildings	- straight line over 50 years
Fittings and equipment	- 10% straight line
Computer hardware	- 33% straight line

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 by 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

Financial instruments (continued)

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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 part 11, chapter 3 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.

Pension 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 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

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

Fund accounting

Unrestricted income funds represent 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 or 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.

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 22, 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.

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

2. Donations and capital grants

	Restricted fixed asset funds £	Total 2017 £	6 months to 31/8/16 £
Capital grants	8,802	8,802	-
	8,802	8,802	-
2016 total	-	-	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017 £	6 months to 31/8/16 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,933,453	-	1,933,453	809,101
Other DfE/ESFA grants	-	341,411	-	341,411	151,324
	-	2,274,864	-	2,274,864	960,425
Other government grants					
Local authority grants	-	214,880	-	214,880	80,774
	-	214,880	-	214,880	80,774
Other income from the academy trust's educational operations	67,169	-	-	67,169	26,256
	67,169	214,880	-	282,049	107,030
	67,169	2,489,744	-	2,556,913	1,067,455
2016 total	26,256	1,041,199	-	1,067,455	

4. Other trading activities

	Unrestricted funds £	Total 2017 £	6 months to 31/8/16 £
Hire of facilities	522	522	130
2016 total	130	130	

5. Investment income

	Unrestricted funds £	Total 2017 £	6 months to 31/8/16 £
Short term deposits	3,147	3,147	176
2016 total	176	176	

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

6. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	Total 2017 £	6 months to 31/8/16 £
Academy's educational operations					
Direct costs	1,612,431	67,537	95,487	1,775,455	722,051
Allocated support costs	485,991	167,421	249,173	902,585	338,871
	<u>2,098,422</u>	<u>234,958</u>	<u>344,660</u>	<u>2,678,040</u>	<u>1,060,922</u>
2016 total	<u>845,898</u>	<u>92,310</u>	<u>122,714</u>	<u>1,060,922</u>	

Net income/(expenditure) for the period includes :

		2017 £	2016 £
Operating leases	- other	5,567	2,320
Depreciation		103,777	42,975
Fees payable to auditor	- audit	7,500	6,750
	- other services	<u>3,375</u>	<u>-</u>

7. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017 £	6 months to 31/8/16 £
Educational operations					
Direct costs	8,368	-	1,767,087	1,775,455	722,051
Support costs	43,286	72,000	787,299	902,585	338,871
	<u>51,654</u>	<u>72,000</u>	<u>2,554,386</u>	<u>2,678,040</u>	<u>1,060,922</u>
2016 total	<u>19,886</u>	<u>18,000</u>	<u>1,023,036</u>	<u>1,060,922</u>	

Analysis of support costs

Support staff	-	72,000	413,991	485,991	163,229
Depreciation	-	-	36,240	36,240	29,272
Technology costs	560	-	1,890	2,450	119
Premises costs	-	-	141,822	141,822	49,335
Other support costs	42,726	-	180,416	223,142	89,216
Governance costs	-	-	12,940	12,940	7,700
Total support costs	<u>43,286</u>	<u>72,000</u>	<u>787,299</u>	<u>902,585</u>	<u>338,871</u>
2016 total	<u>16,057</u>	<u>18,000</u>	<u>304,814</u>	<u>338,871</u>	

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

8. Staff

a) Staff costs

Staff costs during the period were:

	Total 2017 £	6 months to 31/8/16 £
Wages and salaries	1,418,679	604,141
Social security costs	135,506	55,914
Operating costs of defined benefit pension schemes	368,635	126,064
	<u>1,922,820</u>	<u>786,119</u>
Supply staff costs	175,602	59,779
	<u>2,098,422</u>	<u>845,898</u>

b) Staff numbers

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

	2017 Number	2016 Number
Teachers	15	14
Administration and support	42	49
Management	6	6
	<u>63</u>	<u>69</u>

c) Higher paid staff

	2017 Number	2016 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 (2016: annualised basis) was :		
£80,001 - £90,000	<u>1</u>	<u>1</u>

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £397,438 (2016: £162,867).

Aston Tower Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

9. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Jonathan Moore (principal and trustee, appointed 1/3/16)	
Remuneration	£80,000 - £85,000 (2016 : £30,000 - £35,000)
Employer's pension contributions paid	£10,000 - £15,000 (2016 : £5,000 - £10,000)
Deborah Ward (staff trustee, appointed 1/3/16)	
Remuneration	£45,000 - £50,000 (2016 : £15,000 - £20,000)
Employer's pension contributions paid	£5,000 - £10,000 (2016 : £nil - £5,000)

During the year ended 31 August 2017, there were no travel and subsistence expenses reimbursed or paid directly to any trustees (2016 : none). Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation				
At 1 September 2016	4,451,371	30,176	33,274	4,514,821
Additions	7,649	-	3,925	11,574
At 31 August 2017	<u>4,459,020</u>	<u>30,176</u>	<u>37,199</u>	<u>4,526,395</u>
Depreciation				
At 1 September 2016	37,095	1,258	4,622	42,975
Charge for the year	89,027	3,018	11,732	103,777
At 31 August 2017	<u>126,122</u>	<u>4,276</u>	<u>16,354</u>	<u>146,752</u>
Net book values				
At 31 August 2017	<u>4,332,898</u>	<u>25,900</u>	<u>20,845</u>	<u>4,379,643</u>
At 31 August 2016	<u>4,414,276</u>	<u>28,918</u>	<u>28,652</u>	<u>4,471,846</u>

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Notes to the financial statements for the year ended 31 August 2017 (continued)

11. Tangible fixed assets (continued)

Leasehold property was valued at 1 April 2016 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2017 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2016	4,451,371	25,289	28,180	4,504,840
Cost	7,649	4,887	9,019	21,555
	<u>4,459,020</u>	<u>30,176</u>	<u>37,199</u>	<u>4,526,395</u>

12. Debtors

	Total 2017 £	Total 2016 £
Debtors from operations	1,373	-
VAT recoverable	198	-
Prepayments and accrued income	136,560	52,493
Other debtors	4,830	8,192
	<u>142,961</u>	<u>60,685</u>

13. Creditors

	Total 2017 £	Total 2016 £
Amounts falling due within one year :		
Creditors from operations	-	38,897
Accruals and deferred income	160,293	127,882
Other creditors	-	102
	<u>160,293</u>	<u>166,881</u>
Deferred income		
Deferred income at 1 September 2016	31,258	-
Resources deferred in the year	31,151	31,258
Amounts released from previous years	(31,258)	-
Deferred income at 31 August 2017	<u>31,151</u>	<u>31,258</u>

At the balance sheet date the academy trust was holding funds received in advance from the Education and Skills Funding Agency for universal infant free school meals and from Birmingham City Council for early years funding.

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Notes to the financial statements for the year ended 31 August 2017 (continued)

14. Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	51,157	1,933,453	(1,894,318)	(11,574)	78,718
Pupil Premium	-	341,411	(341,411)	-	-
Other grants	-	214,880	(214,880)	-	-
	<u>51,157</u>	<u>2,489,744</u>	<u>(2,450,609)</u>	<u>(11,574)</u>	<u>78,718</u>
Restricted fixed asset funds					
Transfer on conversion	4,462,777	-	(100,949)	-	4,361,828
DfE/ESFA capital grants	-	8,802	-	-	8,802
Capital expenditure from GAG	9,069	-	(2,828)	11,574	17,815
	<u>4,471,846</u>	<u>8,802</u>	<u>(103,777)</u>	<u>11,574</u>	<u>4,388,445</u>
Pension reserve	<u>(1,947,000)</u>	<u>-</u>	<u>(72,000)</u>	<u>48,000</u>	<u>(1,971,000)</u>
Total restricted funds	<u>2,576,003</u>	<u>2,498,546</u>	<u>(2,626,386)</u>	<u>48,000</u>	<u>2,496,163</u>
Unrestricted funds					
Other income	827,960	70,838	(51,654)	-	847,144
Total unrestricted funds	<u>827,960</u>	<u>70,838</u>	<u>(51,654)</u>	<u>-</u>	<u>847,144</u>
Total funds	<u>3,403,963</u>	<u>2,569,384</u>	<u>(2,678,040)</u>	<u>48,000</u>	<u>3,343,307</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham Council.

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

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Aston Tower Multi-Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

15. Analysis of net assets between funds

Fund balances at 31 August 2017
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	4,379,643	4,379,643
Current assets	847,144	-	239,011	8,802	1,094,957
Current liabilities	-	-	(160,293)	-	(160,293)
	847,144	-	78,718	4,388,445	5,314,307
Pension scheme liability	-	(1,971,000)	-	-	(1,971,000)
Total net assets	847,144	(1,971,000)	78,718	4,388,445	3,343,307

16. Capital commitments

There were no capital commitments as at 31 August 2017 (2016 : £nil).

17. Commitments under operating leases

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

	Total 2017	Other Total 2016
	£	£
Amounts due within one year	3,435	5,567
Amounts due between one and five years	391	3,825
	<u>3,826</u>	<u>9,392</u>

**18. Reconciliation of net income/(expenditure) to net cash flow
from operating activities**

Net income/(expenditure) for reporting period (as per the SoFA)

Adjusted for :

	Total 2017	6 months to 31/8/16
	£	£
Net income/(expenditure) for reporting period (as per the SoFA)	(108,656)	4,152,963
Adjusted for :		
Depreciation (note 11)	103,777	42,975
Capital grants from DfE and other capital income	(8,802)	-
Cash transferred on conversion to academy trust	-	(821,321)
Assets transferred on conversion to academy trust	-	(4,504,840)
Interest receivable (note 5)	(3,147)	(176)
Defined benefit pension scheme obligation inherited	-	1,180,000
Defined benefit pension scheme cost less contributions payable (note 22)	31,000	(1,000)
Defined benefit pension scheme finance cost (note 22)	41,000	19,000
(Increase) in debtors	(82,276)	(60,685)
(Decrease) / increase in creditors	(6,588)	166,881
Net cash (used in) / provided by operating activities	(33,692)	173,797

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Notes to the financial statements for the year ended 31 August 2017 (continued)

19. Cash flows from investing activities

	Total 2017 £	6 months to 31/8/16 £
Interest received	3,147	176
Purchase of tangible fixed assets	(11,574)	(9,981)
Capital grants from DfE/ESFA	8,802	-
Net cash provided by / (used in) investing activities	375	(9,805)

20. Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	951,996	985,313
	951,996	985,313

21. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

22. Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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.

Aston Tower Multi-Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

22. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the year amounted to £138,374 (2016 : £56,308).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £179,000 (2016 : £65,000), of which employer's contributions totalled £149,000 (2016 : £52,000) and employees' contributions totalled £30,000 (2016 : £13,000). The agreed contribution rates for future years are 20.0% for employers and 5.5% to 8.5% for employees.

Aston Tower Multi-Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 24 years.

Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.20%	3.75%
Rate of increase for pensions in payment / inflation	2.70%	2.00%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.00%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	3,115	3,042	3,169	3,214
Projected service cost	197	192	202	203
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	3,115	3,190	3,062	3,019
Projected service cost	197	202	192	191

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males	21.8	23.1
Females	24.3	25.8
Retiring in 20 years		
Males	24.0	25.3
Females	26.6	28.1

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Notes to the financial statements for the year ended 31 August 2017 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	723,000	482,000
Government bonds	84,000	56,000
Other bonds	44,000	70,000
Property	84,000	65,000
Cash/liquidity	57,000	52,000
Other	152,000	88,000
Total market value of assets	1,144,000	813,000

The actual return on scheme assets was £153,000 (2016 : £89,000).

	2017 £	2016 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	180,000	51,000
Net interest cost	41,000	19,000
Total amount recognised in the SoFA	221,000	70,000

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

	2017 £	2016 £
At 1 September 2016	2,760,000	-
Conversion of academy trusts	-	1,839,000
Current service cost	180,000	51,000
Interest cost	61,000	30,000
Changes in financial assumptions	85,000	827,000
Benefits paid net of transfers in	(1,000)	-
Contributions by participants	30,000	13,000
At 31 August 2017	3,115,000	2,760,000

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Notes to the financial statements for the year ended 31 August 2017 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £	2016 £
At 1 September 2016	813,000	-
Conversion of academy trusts	-	659,000
Interest income	20,000	11,000
Return on assets less interest	133,000	78,000
Employer contributions	149,000	52,000
Contributions by participants	30,000	13,000
Benefits paid net of transfers in	(1,000)	-
At 31 August 2017	1,144,000	813,000

23. Related party transactions

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

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