

**Aston Tower Multi-Academy Trust**  
**(A Company Limited by Guarantee)**  
**Annual Report and Financial Statements**  
**Period 1 March 2016 to 31 August 2016**

Company Number : 10034419

**Feltons**  
**Chartered Accountants**

**Birmingham**  
**B1 3JR**

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

**Report and Financial Statements**  
**Period 1 March 2016 to 31 August 2016**

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

**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) Mrs Lesley Huxley (from 1/3/16 to 18/9/16) Mr Aaron Bedward (from 1/3/16) Rahala Begum (from 5/5/16) Mrs Celine Benoit-Powles (from 1/3/16) Dr Carolyn Blackburn (from 1/3/16) Mr Paul Farrell (from 1/3/16) Miss Barbara Grayson (from 1/3/16) Mr Amjad Hussain (from 1/3/16) Mrs Ruhena Khanam (from 1/3/16) Mr Jonathan Moore (from 1/3/16)  Mrs Heather Roberts (from 1/3/16) 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 Trustee & Parent Governor Trustee & Parent Governor Accounting Officer & Chief Executive Officer Trustee & Community Governor Staff Trustee & Strategic Business Manager
Senior Management Team	Mr Jonathan Moore Mr Oliver Wilson Mrs Suki Rai-Moore Mrs Devinder Kaur Mr James Wright Mrs Deborah Ward	Executive Head Teacher Deputy Head Teacher Assistant Head Teacher Assistant Head Teacher Lead Practitioner Strategic Business Manager

Company Name	Aston Tower Multi-Academy Trust
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
Bankers	Lloyds Bank 114-116 Colmore Row Birmingham B3 3DP
Solicitors	Browne Jacobson Victoria Square House Victoria Square Birmingham B2 4BU

# **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 March 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic 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 460 in the school census on 6 October 2016.

## **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 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 period are included in the Reference and Administrative details on page 1.

### **Conversion to academy trust**

The company was incorporated at Companies House on 1 March 2016. The signed commercial transfer agreement was dated 23 March 2016 with an academy conversion date of 1 April 2016.

### **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 way of written special resolution. 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 Governing Body 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 Governing Body, 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 Governing Body has a Service Level Agreement with the Trustee Support department of school and governor support to provide training, advice and support to the Governing Body. It has also purchased a training package with S4S, Wolverhampton.

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 Teacher 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 1 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 1 April 2016 to 31 August 2016 the Board of Trustees held 2 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 a least one member of the Board of Trustees.

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

## **Trustees' report (continued)**

### **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.

#### **Public benefit**

In setting our objectives and planning our activities, the Trust Board has given careful consideration to the Charity Commission's general guidance on public benefit.

The principal public benefit delivered by the Trust is the provision of a high quality education to pupils, in line with the articles of association. The direct beneficiaries of the Trust are the children who benefit from the education provided through the Trust.

**Trustees' report (continued)**

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 STAGE 1 RESULTS 2016**

<b>Subject</b>	<b>Percentage of pupils meeting expected standard</b>	<b>Percentage of pupils achieving Greater Depth</b>
Reading	73%	29%
Writing	67%	4%
Mathematics	65%	11%

**KEY STAGE 2 SATS RESULTS 2016**

<b>Subject</b>	<b>Percentage of pupils who achieved expected standard</b>	<b>Percentage of pupils who achieved a high level of attainment</b>	<b>Average rates of progress</b>
Reading	56%	4%	-3.6
Writing	70%	9%	0.6
Mathematics	62%	11%	-0.8

Percentage of pupils meeting expected standard in Reading, Writing and Mathematics	49%
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**EYFS PROFILE RESULTS 2016**

Percentage of pupils reaching a Good Level of Development	69%
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## **YEAR 1 PHONICS CHECK 2016**

Percentage of pupils achieving the pass rate	73%
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## **YEAR 2 PHONICS CHECK RE-TAKE 2016**

Percentage of pupils achieving the pass rate	89%
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### **Key Performance Indicators**

Ofsted Grading: Good

- Direct costs as a percentage of total costs were 68.1%
- Support costs as a percentage of total costs were 31.9%
- Total payroll costs as a percentage of recurring income were 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 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 EFA and requirements as laid down by the Academy's Financial Handbook.

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

During the period ended 31 August 2016 total resources expended were £1,060,922 and the surplus of income over expenditure was £4,152,963 which included depreciation of £42,975.

### **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 Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

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

The Academy had total funds at 31 August 2016 of £3,403,963 which included £51,157 restricted funds not available for general purposes of the Academy Trust, £827,960 of free reserves defined as unrestricted funds available for general purposes and £4,471,846 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 £879,117.

In addition, the deficit on the restricted pension fund of £1,947,000 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 two months of expenditure. Budgeted expenditure for 2016/17 is £3,241,400 and hence the minimum target is £540,233. Unrestricted reserves at 31 August 2016 therefore represent three months.

**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 Governing Body.

**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.

**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 1 September 2016 to 31 August 2017 the Trust's priorities are as follows:

- To maintain good and outstanding performance at Aston Tower Community Primary School
- Accelerate progress in reading
- Recruit and retain high quality staff
- Reduce pupil absence
- 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, on 17 Feb 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 Executive Headteacher, 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 twice during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Ms Dorothy Alison Graham (Chair)	2	2
Mrs Lesley Huxley (Vice Chair)	1	2
Mr Aaron Bedward	1	2
Miss Rahala Begum (appointed May 2016)	1	2
Mrs Celine Benoit-Powles	1	2
Dr Carolyn Blackburn	1	2
Mr Paul Farrell	1	2
Miss Barbara Grayson	2	2
Mr Amjad Hussain	1	2
Mrs Ruhena Khanam	1	2
Mr Jonathan Moore (Executive Headteacher and Accounting Officer)	2	2
Mrs Heather Roberts	1	2
Mrs Deborah Ward (Staff)	2	2

A review of governance was undertaken during the period which found that the composition of the Trust governance structures are to be considered and 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 :

- Recruitment of a Trustee with experience in finance
- Trustee training undertaken
- Trustee visits undertaken

The trust intends to conduct its next self-evaluation/external review in the Summer Term 2017.

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

**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
Mrs Lesley Huxley (Chair)	1	1
Miss Rahala Begum (appointed May 2016)	1	1
Mr Paul Farrell	0	1
Ms Dorothy Alison Graham	1	1
Mr Jonathan Moore (Executive Headteacher and Accounting Officer)	1	1
Mrs Deborah Ward (Staff)	1	1

**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 period by :

- **Ensuring the operation of the Trust demonstrates good value for money and efficient effective use of resources.** The Trust buys 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 works 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 to 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 Academy for the period to 31 August 2016 and up to the date of approval of the annual report and financial statements.



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

**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 period to 31 August 2016 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 Governing Body;
- regular reviews by the Finance and Premises Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- 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 roles 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 period in question the review has been informed by:

- 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17 February 2017 and signed on its behalf by:

  
Dorothy Alison Graham  
Chair of Trustees

  
Jonathan Moore  
Accounting Officer

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

Statement of 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 Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

J D Moore Jonathan Moore – Accounting Officer

17 February 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 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on .....17 Feb..... 2017 and signed on its behalf by:

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



**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**

We have audited the financial statements of Aston Tower Multi-Academy Trust (A Company Limited by Guarantee) for the period ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees' responsibilities (set out on page 2), 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

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 2016, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**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)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report including the Strategic Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept; or
- 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 the 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

17 February 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 Funding Agency**

In accordance with the terms of our engagement letter dated 25 April 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Aston Tower Multi-Academy Trust during the period 1 March to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Aston Tower Multi-Academy Trust and the EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Aston Tower Multi-Academy Trust and the EFA, 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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw 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 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 March to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**David W Farnsworth FCA (Senior Statutory Auditor)**

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

17 February 2017

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

**Statement of financial activities for the period ended 31 August 2016**  
**(including income and expenditure account)**

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £
<b>Income from :</b>						
Transfer from local authority on conversion	2	821,284	(1,180,000)	-	4,504,840	4,146,124
Funding for the academy trust's educational operations	3	26,256	-	1,041,199	-	1,067,455
Other trading activities	4	130	-	-	-	130
Investments	5	176	-	-	-	176
<b>Total</b>		<b>847,846</b>	<b>(1,180,000)</b>	<b>1,041,199</b>	<b>4,504,840</b>	<b>5,213,885</b>
<b>Expenditure on :</b>						
Charitable activities:						
Academy trust's educational operations	6	19,886	18,000	980,061	42,975	1,060,922
<b>Total</b>		<b>19,886</b>	<b>18,000</b>	<b>980,061</b>	<b>42,975</b>	<b>1,060,922</b>
<b>Net income/(expenditure) before transfers</b>		<b>827,960</b>	<b>(1,198,000)</b>	<b>61,138</b>	<b>4,461,865</b>	<b>4,152,963</b>
<b>Transfers between funds</b>	14	-	-	(9,981)	9,981	-
<b>Net income/(expenditure) after transfers</b>		<b>827,960</b>	<b>(1,198,000)</b>	<b>51,157</b>	<b>4,471,846</b>	<b>4,152,963</b>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(749,000)	-	-	(749,000)
<b>Total funds carried forward</b>		<b>827,960</b>	<b>(1,947,000)</b>	<b>51,157</b>	<b>4,471,846</b>	<b>3,403,963</b>

All of the Academy's activities were derived from acquisitions during the above financial period.



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

Company number : 10034419  
Balance sheet as at 31 August 2016

	Notes	2016 £	£
<b>Fixed assets</b>			
Tangible assets	11		4,471,846
<b>Current assets</b>			
Debtors	12	60,685	
Cash at bank and in hand		<u>985,313</u>	
		1,045,998	
<b>Liabilities</b>			
Creditors: amounts falling due within one year	13	<u>166,881</u>	
<b>Net current assets</b>			879,117
<b>Net assets excluding pension liability</b>			<u>5,350,963</u>
Defined benefit pension scheme liability	22		<u>(1,947,000)</u>
<b>Total net assets</b>			<u><u>3,403,963</u></u>
<b>Funds of the academy trust :</b>			
<b>Restricted funds</b>			
Fixed asset fund	14	4,471,846	
General fund	14	51,157	
Pension reserve	14	<u>(1,947,000)</u>	
<b>Total restricted funds</b>			2,576,003
<b>Unrestricted income funds</b>	14		827,960
<b>Total funds</b>			<u><u>3,403,963</u></u>

The financial statements on pages 17 to 37 were approved by the trustees, and authorised for issue on 17 Feb 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 period ended 31 August 2016**

	<b>Notes</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>		
Net cash provided by / (used in) operating activities	17	173,797
Cash transferred on conversion to academy trust	2	821,321
<b>Cash flows from investing activities</b>	18	(9,805)
<b>Cash and cash equivalents at 31 August 2016</b>	19	<u>985,313</u>

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

**Notes to the financial statements for the period ended 31 August 2016**

**1. Statement of accounting policies**

**Basis of preparation**

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

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.

- **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.

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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Income (continued)**

- **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.

**Conversion to academy trust**

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

The assets and liabilities transferred on conversion from Aston Tower Community Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Land and buildings total £4,451,371, other fixed assets total £53,469, a budget surplus totals £821,321 and there was also a pension deficit of £1,180,000 transferred. Further details of the transaction are set out in note 21.

**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.



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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Expenditure (continued)**

- **Charitable activities**

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

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.

The Academy acquired a number of assets from the predecessor school for which no payment was made.

Depreciation is provided on all tangible fixed assets other than freehold land, 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.

**Debtors**

Operational and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash at bank and in hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.



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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**1. Statement of accounting policies (continued)**

**Liabilities**

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

**Leased assets**

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

**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 period ended 31 August 2016 (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 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**2. Transfer from local authority on conversion**

	Unrestricted funds £	Restricted pension funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £
Fixed assets	-	-	-	4,504,840	4,504,840
Other assets	3,107	-	-	-	3,107
Surplus on LA funds	818,177	-	-	-	818,177
LGPS pension deficit	-	(1,180,000)	-	-	(1,180,000)
	<u>821,284</u>	<u>(1,180,000)</u>	<u>-</u>	<u>4,504,840</u>	<u>4,146,124</u>

**3. Funding for the Academy Trust's educational operations**

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £
<b>DfE/EFA grants</b>				
General Annual Grant (GAG)	-	809,101	-	809,101
Other DfE/EFA grants	-	151,324	-	151,324
	<u>-</u>	<u>960,425</u>	<u>-</u>	<u>960,425</u>
<b>Other government grants</b>				
Local authority grants	-	80,774	-	80,774
	<u>-</u>	<u>80,774</u>	<u>-</u>	<u>80,774</u>
Other income from the academy trust's educational operations	26,256	-	-	26,256
	<u>26,256</u>	<u>80,774</u>	<u>-</u>	<u>107,030</u>
	<u>26,256</u>	<u>1,041,199</u>	<u>-</u>	<u>1,067,455</u>

**4. Other trading activities**

	Unrestricted funds £	Restricted funds £	Total 2016 £
Hire of facilities	<u>130</u>	<u>-</u>	<u>130</u>



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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**5. Investment income**

	Unrestricted funds £	Restricted funds £	Total 2016 £
Short term deposits	176	-	176

**6. Resources expended**

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2016 £
Academy's educational operations				
Direct costs	682,669	13,703	25,679	722,051
Allocated support costs	163,229	78,607	97,035	338,871
	<u>845,898</u>	<u>92,310</u>	<u>122,714</u>	<u>1,060,922</u>

Net incoming/(outgoing) resources for the period include :

		£
Operating leases	- other	2,320
Depreciation		42,975
Fees payable to auditor	- audit	<u>6,750</u>

**7. Charitable activities**

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2016 £
<b>Educational operations</b>				
Direct costs	3,829	-	718,222	722,051
Support costs	16,057	18,000	304,814	338,871
	<u>19,886</u>	<u>18,000</u>	<u>1,023,036</u>	<u>1,060,922</u>
<b>Analysis of support costs</b>				
Support staff	-	18,000	145,229	163,229
Depreciation	-	-	29,272	29,272
Technology costs	-	-	119	119
Premises costs	-	-	49,335	49,335
Other support costs	16,057	-	73,159	89,216
Governance costs	-	-	7,700	7,700
<b>Total support costs</b>	<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 period ended 31 August 2016 (continued)**

**8. Staff**

**a) Staff costs**

Staff costs during the period were:

	<b>Total 2016 £</b>
Wages and salaries	604,141
Social security costs	55,914
Operating costs of defined benefit pension schemes	126,064
	<hr/> 786,119
Supply staff costs	59,779
	<hr/> 845,898 <hr/>

**b) Staff numbers**

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

	<b>2016 Number</b>
<b>Charitable activities</b>	
Teachers	36
Administration and support	27
Management	6
	<hr/> 69 <hr/>

**c) Higher paid staff**

	<b>Total 2016 Number</b>
The number of employees whose emoluments (excluding employer pension costs) exceeded £60,000 on an annualised basis was :	
£80,001 - £90,000	<hr/> 1 <hr/>

**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 £162,867.

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

**Notes to the financial statements for the period ended 31 August 2016 (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)	
Remuneration	£30,000 - £35,000
Employer's pension contributions paid	£5,000 - £10,000
Deborah Ward (staff trustee)	
Remuneration	£15,000 - £20,000
Employer's pension contributions paid	£nil - £5,000

During the period ended 31 August 2016, travel and subsistence expenses totalling £nil were reimbursed or paid directly to nil trustees.

**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. The 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 £
<b>Cost or valuation</b>				
Transfer on conversion	4,451,371	25,289	28,180	4,504,840
Other additions	-	4,887	5,094	9,981
At 31 August 2016	<u>4,451,371</u>	<u>30,176</u>	<u>33,274</u>	<u>4,514,821</u>
<b>Depreciation</b>				
Charge for the period	37,095	1,258	4,622	42,975
At 31 August 2016	<u>37,095</u>	<u>1,258</u>	<u>4,622</u>	<u>42,975</u>
<b>Net book values</b>				
At 31 August 2016	<u>4,414,276</u>	<u>28,918</u>	<u>28,652</u>	<u>4,471,846</u>



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

**Notes to the financial statements for the period ended 31 August 2016 (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 2016 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Total £
Cost	4,451,371	25,289	28,180	4,504,840
	<u>4,451,371</u>	<u>25,289</u>	<u>28,180</u>	<u>4,504,840</u>

The trust's acquisitions relating to land and buildings included the taking up of a leasehold on 1 April 2016 for £4,451,371 over a term of 125 years.

**12. Debtors**

	Total 2016 £
Prepayments and accrued income	52,493
Other debtors	<u>8,192</u>
	<u>60,685</u>

**13. Creditors**

	Total 2016 £
<b>Amounts falling due within one year :</b>	
Creditors from operations	38,897
Accruals and deferred income	127,882
Other creditors	<u>102</u>
	<u>166,881</u>
<b>Deferred income</b>	
Resources deferred in the period	31,258
Deferred income at 31 August 2016	<u>31,258</u>

At the balance sheet date the academy trust was holding funds received in advance for free schools meals, Early Years funding and rates relief for the Autumn 2016/17 term.

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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**14. Funds**

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>				
General Annual Grant (GAG)	809,101	(747,963)	(9,981)	51,157
Other DfE/EFA grants	151,324	(151,324)	-	-
Other grants	80,774	(80,774)	-	-
	<u>1,041,199</u>	<u>(980,061)</u>	<u>(9,981)</u>	<u>51,157</u>
<b>Restricted fixed asset funds</b>				
Transfer on conversion	4,504,840	(42,063)	-	4,462,777
Capital expenditure from GAG	-	(912)	9,981	9,069
	<u>4,504,840</u>	<u>(42,975)</u>	<u>9,981</u>	<u>4,471,846</u>
<b>Pension reserve</b>	<u>(1,180,000)</u>	<u>(18,000)</u>	<u>(749,000)</u>	<u>(1,947,000)</u>
<b>Total restricted funds</b>	<u>4,366,039</u>	<u>(1,041,036)</u>	<u>(749,000)</u>	<u>2,576,003</u>
<b>Unrestricted funds</b>				
Other income	847,846	(19,886)	-	827,960
<b>Total unrestricted funds</b>	<u>847,846</u>	<u>(19,886)</u>	<u>-</u>	<u>827,960</u>
<b>Total funds</b>	<u>5,213,885</u>	<u>(1,060,922)</u>	<u>(749,000)</u>	<u>3,403,963</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 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 2016.

**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 Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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

**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**15. Analysis of net assets between funds**

Fund balances at 31 August 2016  
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	4,471,846	4,471,846
Current assets	827,960	-	218,038	-	1,045,998
Current liabilities	-	-	(166,881)	-	(166,881)
	<u>827,960</u>	<u>-</u>	<u>51,157</u>	<u>4,471,846</u>	<u>5,350,963</u>
Pension scheme liability	-	(1,947,000)	-	-	(1,947,000)
<b>Total net assets</b>	<u>827,960</u>	<u>(1,947,000)</u>	<u>51,157</u>	<u>4,471,846</u>	<u>3,403,963</u>

**16. Capital commitments**

	2016 £
Contracted for but not provided in the financial statements	-

**17. Commitments under operating leases**

At 31 August 2016 the total of the Academy  
Trust's future minimum lease payments under non-  
cancellable operating leases was:

	Other Total 2016 £
Amounts due within one year	5,567
Amounts due between one and five years	8,350
	<u>13,917</u>

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

	Total 2016 £
Net income/(expenditure) for reporting period (as per the SoFA on page 17)	4,152,963
Depreciation (note 11)	42,975
Cash transferred on conversion to academy trust (note 24)	(821,321)
Assets transferred on conversion to academy trust (note 24)	(4,504,840)
Interest receivable (note 5)	(176)
Defined benefit pension scheme obligation inherited	1,180,000
Defined benefit pension scheme cost less contributions payable	(1,000)
Defined benefit pension scheme finance cost/(income) (note 22)	19,000
Increase in debtors	(60,685)
Increase in creditors	166,881
<b>Net cash provided by / (used in) operating activities</b>	<u>173,797</u>



**Aston Tower Multi-Academy Trust**  
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**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**19. Cash flows from investing activities**

	<b>Total 2016 £</b>
Interest received	176
Purchase of tangible fixed assets	(9,981)
<b>Net cash provided by / (used in) investing activities</b>	<b><u>(9,805)</u></b>

**20. Analysis of cash and cash equivalents**

	<b>At 31 August 2016 £</b>
Cash at bank and in hand	985,313
	<b><u>985,313</u></b>

**21. Member's 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 2013.

There were no outstanding or prepaid contributions at the end of the financial period.

**Aston Tower Multi-Academy Trust**  
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**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**22. Pension and similar obligations (continued)**

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. 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 period the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

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

**Aston Tower Multi-Academy Trust**  
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**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**22. Pension and similar obligations (continued)**

**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 period ended 31 August 2016 was £65,000, of which employer's contributions totalled £52,000 and employees' contributions totalled £13,000. The agreed contribution rates for future years are 12.8% for employers and between 5.5% and 8.5% for employees.

LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

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 2016**

Rate of increase in salaries	3.75%
Rate of increase for pensions in payment / inflation	2.00%
Discount rate for scheme liabilities	2.20%
Inflation assumption (CPI)	2.00%
Commutation of pensions to lump sums	50.00%

**Sensitivity analysis**

	<b>As disclosed</b>	<b>Discount rate</b>	<b>Pension increases</b>	<b>In life expectancy</b>
		<b>+ 0.1% pa</b>	<b>+ 0.1% pa</b>	<b>+ 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	2,760	2,695	2,806	2,830
Projected service cost	192	187	197	197
		<b>- 0.1% pa</b>	<b>- 0.1% pa</b>	<b>- 1 year</b>
	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>	<b>£'000s</b>
Present value of total obligation	2,760	2,827	2,715	2,691
Projected service cost	192	197	188	187

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 2016**

Retiring today	
Males	23.1
Females	25.8
Retiring in 20 years	
Males	25.3
Females	28.1



**Aston Tower Multi-Academy Trust**  
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**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**22. Pension and similar obligations (continued)**

**Local Government Pension Scheme (continued)**

	<b>Fair value at 31 August 2016 £</b>
Equities	482,000
Government bonds	56,000
Other bonds	70,000
Property	65,000
Cash liquidity	52,000
Other	88,000
<b>Total market value of assets</b>	<b><u>813,000</u></b>

The actual return on scheme assets was £89,000.

	<b>2016 £</b>
<b>Amount recognised in the statement of financial activities</b>	
Current service cost (net of employee contributions)	51,000
Net interest cost	19,000
<b>Total operating charge</b>	<b><u>70,000</u></b>

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

	<b>2016 £</b>
Upon conversion	1,839,000
Current service cost	51,000
Interest cost	30,000
Employee contributions	13,000
Plan introductions, benefit changes, curtailments and settlements	827,000
<b>At 31 August 2016</b>	<b><u>2,760,000</u></b>

**Aston Tower Multi-Academy Trust**  
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**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**22. Pension and similar obligations (continued)**

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

**2016**

**£**

Upon conversion	659,000
Interest income	11,000
Return on assets (excluding net interest on the net defined pension liability)	78,000
Employer contributions	52,000
Employee contributions	13,000
<b>At 31 August 2016</b>	<b>813,000</b>

**Net pension scheme liability** **(1,947,000)**

**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 trustees' remuneration and expenses already disclosed in note 9.

**24. Conversion to an academy trust**

On 1 April 2016 Aston Tower Community Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Aston Tower Multi-Academy Trust from Birmingham City Local Authority for £nil consideration.

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

**Aston Tower Multi-Academy Trust**  
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**Notes to the financial statements for the period ended 31 August 2016 (continued)**

**24. Conversion to an academy trust (continued)**

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings	-	-	-	4,451,371	4,451,371
Other tangible fixed assets	-	-	-	53,469	53,469
Budget surplus on LA funds	818,177	-	-	-	818,177
LGPS pension deficit	-	(1,180,000)	-	-	(1,180,000)
Other identified assets	3,107	-	-	-	3,107
<b>Total net assets</b>	<b>821,284</b>	<b>(1,180,000)</b>	<b>-</b>	<b>4,504,840</b>	<b>4,146,124</b>

The above net assets include £821,284 transferred as cash.

The transfer agreement requires the company to run the academy known as Aston Tower Community Primary School on the present site; transfers all property, undertakings, rights, assets whether tangible or intangible to the academy trust; and sets out the responsibilities of the academy with regards to the employees of the former local authority controlled school. The transfer included the lease of property for a period of 125 years.