

Elston Hall Multi Academy Trust

Trustees Report and Financial Statements

For the Period Ended 31 August 2016

Elston Hall Multi Academy Trust
(A company limited by guarantee)

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Elston Hall Multi Academy Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Period Ended 31 August 2016

Members	L Kruczek (appointed 16 September 2015) Reverend I Poole (appointed 16 September 2015) D Brown (appointed 16 September 2015)
Trustees	L Kruczek, (Chair) (appointed 16 September 2015) K Bradshaw (appointed 16 September 2015) K Grayson (appointed 16 September 2015) K Kent (appointed 16 September 2015) H Marston (appointed 16 September 2015, resigned 1 February 2016) G McDonald (appointed 16 September 2015) K Pal (appointed 16 September 2015) D Percival (appointed 1 February 2016)
Company registered number	09780473
Company name	Elston Hall Multi Academy Trust
Principal and registered office	Stafford Road Fordhouses Wolverhampton West Midlands WV10 6NN
Company secretary	T Chopra
Executive Headteacher	K Grayson
Senior management team	K Grayson, Executive Headteacher L Dollery, Associate Headteacher L Foster, Deputy Headteacher (Elston Hall Primary) B Callaghan, Assistant Headteacher (Elston Hall Primary) L Charmling, Assistant Headteacher (Elston Hall Primary) R Cooper, Assistant Headteacher (Elston Hall Primary) R Hannon, Assistant Headteacher (Elston Hall Primary) B Highman, Assistant Headteacher (Elston Hall Primary) S Collett, Deputy Headteacher (Palmer's Cross Primary) D Nicholls, Assistant Headteacher (Palmer's Cross Primary) T Chopra, Trust Business Manager
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Bankers	Lloyds Bank 3rd Floor, Queen Square Wolverhampton WV1 1TF

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Period Ended 31 August 2016

Advisers (continued)

Solicitors	Howes Percival LLP Nene House 4 Rushmills Northampton Northamptonshire NN4 7YB
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Elston Hall Multi Academy Trust
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Trustees' Report
For the Period Ended 31 August 2016

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 October 2015 to 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust currently operates two primary academies in Wolverhampton, of which one includes a nursery. Its academies have a combined pupil capacity of 862 plus 80 in nursery and had a roll of 869 (including 79 in nursery) in the school census on 6 October 2016.

Structure, governance and management

a. Constitution

The academy is a charitable 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 Elston Hall Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Elston Hall Academy Trust.

Details of the Trustees who served during the period are included in the Reference and administrative details on page 1.

The academy was incorporated on 16 September 2015 and commenced trading on that date.

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect its Members, Directors, Academy Representatives and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The professional indemnity insurance cover is 'unlimited' and provided by the Department for Education under their 'Risk Protection Arrangements'.

d. Method of recruitment and appointment or election of Trustees

The management of the academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed.

Full details are laid out in the Trust's Articles of Association. The number of Trustees shall not be less than three (unless otherwise determined by ordinary resolution) and shall not be subject to any maximum.

Subject to Articles 48-49 and 53, the Academy Trust shall have the following Trustees:

- a) Up to 9 Trustees, appointed under Article 50; and
- b) A minimum of 2 Parent Trustees elected or appointed under Articles 53-56 in the event that no Local Governing Bodies are established under Article 100a or if no provision is made for at least 2 Parent Local Governors on each established Local Governing Body pursuant to Article 101A.

The Academy Trust may also have any Co-opted Trustee appointed under Article 58.

The first Trustees shall be those persons named in the statement delivered pursuant to sections 9 and 12 of the Companies Act 2006.

Future Trustees shall be appointed or elected, as the case may be, under these Articles. Where it is not possible for such a Trustee to be appointed or elected due to the fact that an Academy has not yet been established, then the relevant Article or part thereof shall not apply.

Members may appoint new Trustees by ordinary resolution, up to 9 Trustees.

Members may also appoint Staff Trustees through such process as they may determine.

e. Policies and procedures adopted for the induction and training of Trustees

Upon appointment, all Trustees attended a training session delivered by the Trust's Solicitors that covered Governance, Trustee Roles and Responsibilities. Trustees also received a pack containing key Trust documents. A 'Governors Training' SLA package is also purchased from Services 4 Schools which is extended to Trustees.

f. Organisational structure

Members of the trust meet annually and have established an overall framework for the governance of all academies operating within the Trust.

The Board of Trustees meet on at least a termly basis and make all major decisions about the strategic direction of the Trust.

The Board is supported by a Finance, General Purposes & Audit Committee which is responsible for all financial matters of the Trust, strategic budget monitoring and ensuring appropriate controls are in place.

Each Academy has a Local Governing Body that meets half termly with responsibility for local financial decision making and budget monitoring, achievement and curriculum related matters.

The Accounting Officer for the Trust is the Executive Headteacher.

g. Pay policy for key management personnel

Decisions in relation to the Executive and Associate Headteacher posts are reviewed and implemented in accordance with the Trust's Pay Policy by the Finance, General Purposes and Audit Committee and minuted as 'confidential items'. Other members of the Leadership Team are also reviewed against the Trust's Pay Policy and considered by the relevant Local Governing Body. Such decisions are further ratified by the Board.

h. Connected organisations, including related party relationships

The Trust does not currently participate with any related parties or other connected charities and organisations.

Objectives and Activities

a. Objects and aims

The principal object and activity of the Trust is the operation of Elston Hall Primary School and Palmers Cross Primary School to provide education for pupils aged 3-11. In addition the Trust will focus on developing schools offering a broad and balanced curriculum whilst working closely with parents and other agencies, as appropriate, to maximise children's achievement in all areas of school life.

b. Objectives, strategies and activities

Our Vision

Our schools are places where learners are happy in an environment based on trust and support. We will settle for nothing less than excellence in our drive for achievement wherever this can be found.

Our Aims

- To attain a calm, welcoming and purposeful atmosphere; providing a curriculum which is broad, balanced, enjoyable and challenging; differentiated in order to meet the needs of all our children.
- To provide a school environment that is attractive, stimulating and informative that motivates individuals to reach their full potential. This will be done within a culture of learning, high standards and expectations.
- We want our school to be a happy, safe environment where everyone feels cared for, nurtured, valued and free from discrimination. We aim to encourage mutual respect and sensitivity to the needs of others and recognise and celebrate success in everyone.
- To encourage and develop parental involvement in everyday life of each school and to foster a partnership between our schools and the wider community based on trust and openness.
- To empower staff and governors to develop their professional expertise and fulfill their role as valued members of a team, working to achieve the aims of the school, through effective leadership systems and professional development of staff.
- To ensure we promote the expectations outlined within the National agenda across EYFS, Key Stage 1 and 2 with regard to local and other legal regulations.

c. Public benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties when reviewing the Academy's aims and objectives and planning future activities.

Achievements and performance

a. Key financial performance indicators

The schools continue to use evidence from Ofsted RAISEonline in addition to its own data as Key Performance Indicators.

b. Review of outcomes

Outcomes for Elston Hall Primary as at July 2016

Reception

Good Level of Development 73%

2016	Reading	Writing	Number
ELG 2+	80%	77%	84%

Year 2

2016	Reading	Writing	Maths
Expected standard+	74%	69%	71%
Greater Depth	26%	23%	23%

Combined: Reading, Writing and Maths - KS1 66%

Year 6 SATS results

2016	Reading	SPAG	Maths	Writing TA
Elston Hall % meeting standard	77%	67%	77%	87%
Elston Hall % greater depth	Not available yet			12%
Progress – national average is 0.0	+ 1.7	N/A	+ 2.2	+ 2.2

Combined: Reading, Writing, SPAG and Maths 67%

Outcomes for Palmers Cross Primary as at July 2016

Reception

Good Level of Development 70%

2016	Reading	Writing	Number
ELG 2+	75%	70%	75%

Year 2

2016	Reading	Writing	Maths
Expected standard+	79%	71%	83%
Greater Depth	17%	13%	13%

Combined: Reading, Writing and Maths - KS1 67%

Year 6 SATS results

These results reflect all children in Year 6, including children who form part of the Speech and Language Resource Base.

2016	Reading	SPAG	Maths	Writing TA
Palmers Cross % meeting standard+	22%	33%	22%	41%
Palmers Cross % greater depth	0%	7%	7%	0%
Progress – national average is 0.0	-3.5	N/A	-1.4	-1.1

Combined: Reading, Writing, SPAG and Maths 17%

c. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

Financial review

a. Financial review

The Trust has completed its first academic year (established October 2015) for the period ended 31st August 2016. It should be noted that Palmers Cross Primary joined the Trust in April 2016 and therefore only operated for 5 months under the Trust. Majority of the Trust's income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted. Grants received and associated expenditure is shown as restricted funds in the statement of financial activities.

Elston Hall Primary School - The budget covering the period October 2015 to August 2016 achieved an overall surplus of £421K against a planned surplus of £151k. This is mainly due to a surplus balance received from the LA and various other support grants and income received that were not originally included in the budget plan.

Palmers Cross Primary School – The budget covering the period April to August 2016 resulted in an in-year deficit of £18k against a balanced budget.

b. Reserves policy

The Trust will review the reserve levels annually in accordance with the requirements specified in the Master Funding Agreement. The review will encompass identifying the nature of income and expenditure streams and the need to match income with commitments. Trustees will take into consideration the future plans of the Trust in accordance with 3 yearly budget plans, the uncertainty over future income streams and any other key risks identified during the risk review.

c. Investment policy and performance

The Trust's investment principles are outlined in its Investment Policy which requires the Trust to:

- undertake suitable risk assessment against any potential investment
- gain professional advice
- review ethical status of potential investments
- monitor and report upon performance

The Trust does not currently have any active investments.

d. Principal Risks, Financial risk management objectives and policies

The risk management process involves identification and review of risks annually by the Finance, General Purposes & Audit Committee. This identifies the types of risk, risk score (high, medium, low) and actions taken to mitigate/minimise risk levels. These have been presented to the Board in the form of an action plan which will be monitored on an ongoing basis.

In addition, financial risks of not achieving budget plan forecast outcomes and actions required are outlined as part of the 3 yearly budget forecast monitoring process which is regularly reported to the Executive and Associate Headteachers and the Finance, General Purposes and Audit Committee.

The key risks of concern to the Multi-Academy Trust have been identified as follows:

- Failure to ensure that the objectives of the academy are met;
- Failure of the academy to recruit sufficient learners to make it viable;
- Failure of the Academy and the Governing Body to have procedures in place to cover the absence of the Headteacher or other members of the Senior Leadership Team;
- Failure to ensure that staff recruited to the school have the required skills and expertise to meet the strategic objectives of the school;
- National Funding Review and Spending Reviews result in significant decrease in funding.

Plans for future periods

a. Future developments

Future aims of the Trust include the following:

- Continue to support Primary Schools in Wolverhampton following their request to join the MAT:
 - Edward the Elder Primary School - due to join the Trust on 1st December 2016
 - Goldthorn Park Primary School – provisional date to join the Trust on 1st April 2017
- Plans for continued excellent performance are identified in each Academy School Improvement Plan (SIP). An understanding of each Academy's effectiveness can be judged through its self-evaluation form.
- The following priorities are shared across the Trust:

Achievement

To ensure every child, regardless of their starting point, achieves their maximum potential. Progress and attainment will be above national averages for all groups. Behaviour will be excellent and attendance levels will be above average in all Academies.

Quality of Teaching and Learning

This will be high standards of learning supported by teaching that is at least Good and much Outstanding.

Leadership

The Trust will continue to develop and grow its own Leaders who will be outstanding and effective in ensuring high standards are maintained.

The effectiveness of these plans and actions will be reported at half termly Local Governing Board meetings.

- The Trust will continue to strive to achieve excellence in children's performance levels.

Funds held as custodian

No monies are being held on behalf of other schools or other organisations as at 31 August 2016.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

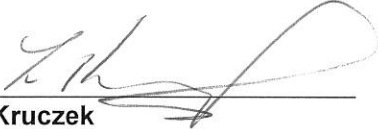
Elston Hall Multi Academy Trust
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Trustees' Report (continued)
For the Period Ended 31 August 2016

Auditors

The auditors, Dains LLP, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

This report was approved by order of the board of trustees as the company directors, on 12 December 2016 and signed on its behalf by:



L Kruczek
Chair of Trustees

Elston Hall Multi Academy Trust
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Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Elston Hall 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 Elston Hall 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 period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
L Kruczek, (Chair)	5	5
K Bradshaw	5	5
K Grayson (Executive Headteacher)	5	5
K Kent	4	5
H Marston (resigned 1 February 2016)	2	2
G McDonald	5	5
K Pal	5	5
D Percival (appointed 1 February 2016)	3	3

Governance Reviews

A skills review was undertaken during the academy conversion application process to ensure all Trustees had relevant and sufficient experience in order to effectively discharge their duties as a Director for the Trust.

A documented review will now be completed annually from October 2016 to ensure continued effectiveness of Directors' skills and identification of any potential training needs. The Chair of Trustees will undertake a governance review following successful conversion of Edward the Elder in joining the Trust.

The Finance, General Purposes & Audit Committee is a sub-committee of the main board of Trustees. The purpose of this committee is to assist the board in effective and informed decision making. The committee are required to give detailed consideration to the best means of fulfilling the board's responsibility and to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

The committee has formally met 3 times during the year.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
L Kruczek	3	3
K Bradshaw	3	3
K Grayson (Executive Headteacher)	3	3
G McDonald	3	3
K Pal	3	3

Governance Statement (continued)

Review of Value for money

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

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

- Leadership staff restructure across both schools in the Trust has resulted in preventing the need to appoint a new Headteacher at Palmers Cross which is supported by the Associate and Executive Headteachers;
- Appointment of a Trust Business Manager to ensure the efficiency of systems, processes, procedures and financial controls and that these are consistent across all schools within the Trust;
- Review of current Service Level Agreements (SLA) and Contracts across both schools has identified areas where future Trust contracts can be negotiated (upon end of contractual terms) to achieve economies of scale and future savings for the Trust.
- Other Senior Leaders (i.e. Assessment / Inclusion) are operating across all schools within the Trust.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Elston Hall Multi Academy Trust for the period 1 October 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the period 1 October 2015 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 board of trustees;
- regular reviews by the Finance, General Purposes and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;

Governance Statement (continued)

- 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 Dains LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On an annual basis, the auditors report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The academy trust has confirmed that the appointee has delivered their schedule of work as planned. No material control issues were noted as having arisen as a result of the appointee's work and. A risk review was undertaken in July 2016 which did not identify any significant findings that were perceived to be high risk or material in their nature or value.

Review of Effectiveness

As Accounting Officer, 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 auditors;
- the internal audit risk review
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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, General Purposes and Audit Committee and a plan to ensure continuous improvement of the system is in place.


Approved by order of the members of the board of trustees on 12 December 2016 and signed on their behalf, by:



L Kruczek
Chair of Trustees



K Grayson
Accounting Officer



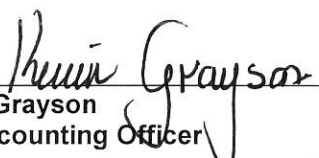
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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Elston Hall 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 EFA.


K Grayson
Accounting Officer

Date: 12 December 2016

Elston Hall Multi Academy Trust
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Statement of Trustees' Responsibilities
For the Period Ended 31 August 2016

The Trustees (who act as governors of Elston Hall 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 12 December 2016 and signed on its behalf by:



L Kruczek
Chair of Trustees

Elston Hall Multi Academy Trust
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Independent Auditors' Report on the Financial Statements to the Members of Elston Hall Multi Academy Trust

We have audited the financial statements of Elston Hall Multi Academy Trust for the period ended 31 August 2016 which comprise the statement of financial activities incorporating income and expenditure account, 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the academy 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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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Independent Auditors' Report on the Financial Statements to the Members of Elston Hall Multi Academy Trust

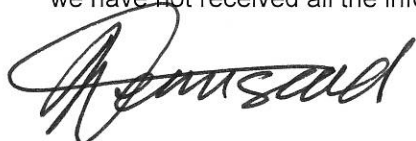
Opinion on other matter prescribed by the Companies Act 2006

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



Julian Townsend ACA FCCA (Senior statutory auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
12 December 2016

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Elston Hall Multi Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 26 September 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 Elston Hall Multi Academy Trust during the period 1 October 2015 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 Elston Hall 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 Elston Hall 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 Elston Hall Multi Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Elston Hall Multi Academy Trust's funding agreement with the Secretary of State for Education dated 29 September 2015, 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 October 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by 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's income and expenditure.

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Elston Hall 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 October 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.



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

12 December 2016

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the Period Ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Income from:					
Donations & capital grants:					
Transferred from local authority	2	261,938	(1,877,000)	4,939,997	3,324,935
Other donations and capital grants	2	4,808	-	4,783	9,591
Charitable activities: Funding for the Multi academy trust's educational operations	3	-	3,602,308	-	3,602,308
Other trading activities	4	15,852	-	-	15,852
Investments	5	379	-	-	379
Total income		282,977	1,725,308	4,944,780	6,953,065
Expenditure on:					
Raising funds		17,512	-	-	17,512
Charitable activities: Multi academy Trust's educational operations		-	3,503,738	82,955	3,586,693
Total expenditure	6	17,512	3,503,738	82,955	3,604,205
Net income / (expenditure) before transfers		265,465	(1,778,430)	4,861,825	3,348,860
Transfers between Funds	16	-	(56,091)	56,091	-
Net income / (expenditure) before other recognised gains and losses		265,465	(1,834,521)	4,917,916	3,348,860
Actuarial losses on defined benefit pension schemes	13	-	(1,062,000)	-	(1,062,000)
Net movement in funds		265,465	(2,896,521)	4,917,916	2,286,860
Reconciliation of funds:					
Total funds brought forward		-	-	-	-
Total funds carried forward		265,465	(2,896,521)	4,917,916	2,286,860

All of the academy's activities derive from acquisitions in the current financial period.

The notes on pages 24 to 45 form part of these financial statements.

Elston Hall Multi Academy Trust
(A company limited by guarantee)
Registered number: 09780473

Balance Sheet
As at 31 August 2016

	Note	£	2016 £
Fixed assets			
Tangible assets	13		4,917,916
Current assets			
Debtors	14	168,683	
Cash at bank and in hand		553,034	
		<u>721,717</u>	
Creditors: amounts falling due within one year	15	(318,773)	
		<u>402,944</u>	
Net current assets			<u>402,944</u>
Total assets less current liabilities			<u>5,320,860</u>
Defined benefit pension scheme liability	21		(3,034,000)
			<u>2,286,860</u>
Net assets including pension scheme liabilities			<u>2,286,860</u>
Funds of the academy			
Restricted income funds:			
Restricted income funds	16	137,479	
Restricted fixed asset funds	16	4,917,916	
		<u>5,055,395</u>	
Restricted income funds excluding pension liability		5,055,395	
Pension reserve		(3,034,000)	
		<u>2,021,395</u>	
Total restricted income funds			<u>2,021,395</u>
Unrestricted income funds	16		265,465
			<u>2,286,860</u>
Total funds			<u>2,286,860</u>

The financial statements were approved by the Trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:



L Kruczek
Chair of Trustees

The notes on pages 24 to 45 form part of these financial statements.

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Statement of Cash Flows
For the Period Ended 31 August 2016

	Note	2016 £
Cash flows from operating activities		
Net cash provided by operating activities	18	<u>608,746</u>
Cash flows from investing activities:		
Interest from investments		379
Purchase of tangible fixed assets		<u>(60,874)</u>
Capital grants from DfE/EFA		4,783
Net cash used in investing activities		<u>(55,712)</u>
Change in cash and cash equivalents in the period		553,034
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	19	<u><u>553,034</u></u>

All of the cash flows are derived from acquisitions in the current financial period.

1. Accounting Policies

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

1.1 Basis of preparation of financial statements

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Elston Hall Multi Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements..

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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.

Sponsorship income

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donated goods, facilities and services

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

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1. Accounting Policies (continued)

1.4 Expenditure

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

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,500 are capitalised.

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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On 30 September 2015 and 31 March 2016, Wolverhampton City Council granted Elston Hall Primary School and Palmers Cross Primary School a lease for the school site. These have been treated as a long term leasehold property on a depreciated replacement cost basis.

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

1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	2% straight line
Long-term leasehold land	-	over lease term
Leasehold improvements	-	10% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

1.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Debtors

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

1.9 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.

1.10 Liabilities and provisions

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

1.11 Financial instruments

The academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1. Accounting Policies (continued)

1.12 Taxation

The academy 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 is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.13 Pension Benefits

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

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 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 21, 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 incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1. Accounting Policies (continued)

1.14 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Elston Hall Primary School and Palmers Cross Primary School to an 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 incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 20.

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by Department of Education and the Education Funding Agency 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 and include grants from the Department of Education and the Education Funding Agency.

Investment income, gains and losses are allocated to the appropriate fund.

1. Accounting Policies (continued)

1.16 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Trustees to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Trustees believe that the critical accounting policies where judgements or estimating are necessarily applied are summarised below.

Tangible fixed assets are depreciated over the useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors.

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2016

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset fund 2016 £	Total funds 2016 £
Transfer from local authority on conversion	261,938	(1,877,000)	4,939,997	3,324,935
Donations	4,808	-	-	4,808
Capital Grants	-	-	4,783	4,783
Total donations and capital grants	<u>266,746</u>	<u>(1,877,000)</u>	<u>4,944,780</u>	<u>3,334,526</u>

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
DfE/EFA grants			
GAG (General Annual Grant)	-	2,581,965	2,581,965
Pupil Premium	-	317,600	317,600
Universal Free School Meals	-	31,354	31,354
Start up grants	-	50,000	50,000
Rates relief	-	3,836	3,836
PE Sports grant funding	-	14,054	14,054
National Teaching School income	-	3,040	3,040
	<u>-</u>	<u>3,001,849</u>	<u>3,001,849</u>
Other government grants			
Local authority start up / assistance grants	-	129,500	129,500
Maternity insurance cover grant income	-	30,965	30,965
Other local authority grants	-	225,515	225,515
	<u>-</u>	<u>385,980</u>	<u>385,980</u>
Other funding			
Catering income	-	26,826	26,826
School trip income	-	33,536	33,536
Extended services income	-	45,150	45,150
Outsourced Teacher income	-	107,012	107,012
University placement income	-	1,955	1,955
	<u>-</u>	<u>214,479</u>	<u>214,479</u>
	<u>-</u>	<u>3,602,308</u>	<u>3,602,308</u>

Notes to the Financial Statements
For the Period Ended 31 August 2016

4. Income from trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Fundraising activities	3,441	-	3,441
Sale of uniform	3,941	-	3,941
Other income	4,261	-	4,261
Music services income	575	-	575
Sale of goods and services	3,634	-	3,634
	<u>15,852</u>	<u>-</u>	<u>15,852</u>

5. Income from investments

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Bank interest receivable	<u>379</u>	<u>-</u>	<u>379</u>

6. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £
Expenditure on fundraising trading	-	-	17,512	17,512
Activities:				
Direct costs	2,271,274	61,982	300,882	2,634,138
Support costs	399,250	229,285	324,020	952,555
	<u>2,670,524</u>	<u>291,267</u>	<u>642,414</u>	<u>3,604,205</u>

In 2016, of the total expenditure, £17,512 was to unrestricted funds and £3,553,131 was to restricted funds.

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2016

7. Charitable activities

	Total funds 2016 £
Direct costs - educational operations	
Wages and salaries	1,808,711
National insurance	21,939
Pension cost	440,624
Depreciation	82,955
Pension income	59,000
Educational supplies	46,533
Staff development	14,972
Technology costs	9,463
Other direct costs	142,293
Supply teacher insurance	7,648
	2,634,138
Support costs - educational operations	
Wages and salaries	270,966
National insurance	14,844
Pension cost	113,440
Technology costs	12,411
Other direct costs	129,895
Maintenance of premises	134,907
Operating leases	8,646
Rates	6,131
Energy	40,887
Insurance	47,360
Governance costs	13,981
Catering costs	159,087
	952,555
	3,586,693

8. Net incoming resources/(resources expended)

This is stated after charging:

	2016 £
Depreciation of tangible fixed assets:	
- owned by the charity	82,955
Auditors' remuneration - audit	8,000
Auditors' remuneration - other services	1,900
Operating leases	8,646
	99,501

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2016

9. Staff

a. Staff costs

Staff costs were as follows:

	2016 £
Wages and salaries	2,079,678
Social security costs	36,783
Operating costs of defined benefit pension schemes	554,063
	<hr/>
	2,670,524 <hr/> <hr/>

b. Staff numbers

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

	2016 No.
Teachers	34
Teaching Assistants	42
Administrative	7
Management	7
Support staff	36
Caretaker	2
	<hr/>
	128 <hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2016 No.
Teachers	31
Teaching Assistants	29
Administrative	6
Management	7
Support staff	6
Caretaker	2
	<hr/>
	81 <hr/> <hr/>

c. Highest paid staff

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

	2016 No.
In the band £90,001 - £100,000	1

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 £461,607.

10. Central services

No central services were provided by the academy to its academies during the period and no central charges arose.

11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		11 months 2016 £
K Grayson (Executive Headteacher and trustee)	Remuneration	90,000-95,000
	Pension contributions paid	10,000-15,000

During the period, no Trustees received any benefits in kind.
During the period, no Trustees received any reimbursement of expenses.

12. 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.

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2016

13. Tangible fixed assets

	Long-term leasehold property £	Leasehold improvements £	Computer equipment £	Total £
Cost				
Additions	-	55,392	5,482	60,874
Assets transferred on conversion	4,882,878	-	57,119	4,939,997
At 31 August 2016	<u>4,882,878</u>	<u>55,392</u>	<u>62,601</u>	<u>5,000,871</u>
Depreciation				
Charge for the period	61,982	-	20,973	82,955
At 31 August 2016	<u>61,982</u>	<u>-</u>	<u>20,973</u>	<u>82,955</u>
Net book value				
At 31 August 2016	<u>4,820,896</u>	<u>55,392</u>	<u>41,628</u>	<u>4,917,916</u>

The academy's transactions relating to land and buildings included:

The transfer of leasehold land and buildings from Wolverhampton City Council, on 30 September 2015 and 31 March 2016 for Elston Hall Primary School and Palmers Cross Primary School respectively, on a long term 125 year lease. The leases were gifted to the academy.

14. Debtors

	2016 £
Trade debtors	30,000
VAT debtor	9,505
Other debtors	87,441
Prepayments and accrued income	41,737
	<u>168,683</u>

Elston Hall Multi Academy Trust
(A company limited by guarantee)

Notes to the Financial Statements
For the Period Ended 31 August 2016

15. Creditors: Amounts falling due within one year

	2016 £
Other creditors	786
Accruals and deferred income	317,987
	318,773
	318,773
	£
Deferred income	
Deferred income at 1 October 2015	-
Resources deferred during the year	112,379
	112,379

At the balance sheet date the academy trust was holding funds received in advance from the EFA and Wolverhampton City Council.

16. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted costs	-	282,977	(17,512)	-	-	265,465
	-	282,977	(17,512)	-	-	265,465
Restricted funds						
General Annual Grant (GAG)	-	2,581,965	(2,285,549)	(161,563)	-	134,853
Start Up Grant	-	50,000	(50,000)	-	-	-
Pupil Premium	-	317,600	(317,600)	-	-	-
Other EFA grants	-	52,283	(20,929)	(31,354)	-	-
Local authority grants	-	385,980	(385,980)	-	-	-
Catering	-	26,826	(159,087)	132,261	-	-
Educational visits	-	33,538	(38,103)	4,565	-	-
Teachers outsourced	-	107,012	(107,012)	-	-	-
Extended services	-	45,150	(44,478)	-	-	672
Other restricted funds	-	1,954	-	-	-	1,954
Pension reserve	-	(1,877,000)	(95,000)	-	(1,062,000)	(3,034,000)
	-	1,725,308	(3,503,738)	(56,091)	(1,062,000)	(2,896,521)
	-	1,725,308	(3,503,738)	(56,091)	(1,062,000)	(2,896,521)

16. Statement of funds (continued)

Restricted fixed asset funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Transferred on conversion	-	4,939,997	(82,496)	-	-	4,857,501
DfE grants and transfers from the GAG	-	4,783	(459)	56,091	-	60,415
	-	4,944,780	(82,955)	56,091	-	4,917,916
Total restricted funds	-	6,670,088	(3,586,693)	-	(1,062,000)	2,021,395
Total of funds	-	6,953,065	(3,604,205)	-	(1,062,000)	2,286,860

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

Unrestricted funds

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the Academy at the discretion of the directors.

Restricted general fund

This fund represents grants and other income received for the Academy's operational activities and development.

Pension reserve

This pension reserve included within restricted general funds represents the Academy's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund represents grants received from the DfE, EFA and Local Authority to carry out works of a capital nature.

Transfers between funds

Transfers between funds represent the transfer of the General Annual Grant for the purchase of fixed assets.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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For the Period Ended 31 August 2016

16. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £
Elston Hall Primary School	421,337
Palmers Cross Primary School	(18,393)
	<hr/>
Total before fixed asset fund and pension reserve	402,944
Restricted fixed asset fund	4,917,916
Pension reserve	(3,034,000)
	<hr/>
Total	<u>2,286,860</u>

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Elston Hall Primary School	2,033,806	342,631	41,114	668,313	3,085,864
Palmers Cross Primary School	237,469	56,619	5,420	135,879	435,387
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,271,275</u>	<u>399,250</u>	<u>46,534</u>	<u>804,192</u>	<u>3,521,251</u>

17. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	4,917,916	4,917,916
Current assets	265,465	394,164	62,088	721,717
Creditors due within one year	-	(256,685)	(62,088)	(318,773)
Provisions for liabilities and charges	-	(3,034,000)	-	(3,034,000)
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>265,465</u>	<u>(2,896,521)</u>	<u>4,917,916</u>	<u>2,286,860</u>

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For the Period Ended 31 August 2016

18. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £
Net income for the year (as per Statement of financial activities)	3,348,860
Adjustment for:	
Depreciation charges	82,955
Dividends, interest and rents from investments	(379)
Increase in debtors	(169,181)
Increase in creditors	319,271
Capital grants from DfE and other capital income	(4,783)
Defined benefit pension scheme obligation inherited	1,877,000
Defined benefit pension scheme cost less contributions payable	95,000
Tangible fixed assets gifted	(4,939,997)
Net cash provided by operating activities	<u>608,746</u>

19. Analysis of cash and cash equivalents

	2016 £
Cash in hand	553,034
Total	<u>553,034</u>

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For the Period Ended 31 August 2016

20. Conversion to an academy trust

On 1 October 2015 Elston Hall Primary School and on 1 April 2016 Palmers Cross Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Elston Hall Multi Academy Trust from Wolverhampton City Council 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 incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Longterm leasehold land and buildings	-	-	4,882,878	4,882,878
- Other tangible fixed assets	-	-	57,119	57,119
Budget surplus/(deficit) on LA funds	255,938	-	-	255,938
Budget surplus/(deficit) on other school funds	6,000	-	-	6,000
LGPS pension surplus/(deficit)	-	(1,877,000)	-	(1,877,000)
Net assets/(liabilities)	<u>261,938</u>	<u>(1,877,000)</u>	<u>4,939,997</u>	<u>3,324,935</u>

The value of the land and buildings transferred is split between the two schools; £3,036,000 for Elston Hall Primary School and £1,846,878 for Palmers Cross Primary School.

The value of the other tangible fixed assets transferred upon conversion is split between the two schools; £47,396 for Elston Hall Primary School and £9,723 for Palmers Cross Primary School.

The budget surplus on LA funds and other school funds related to Elston Hall Primary School.

The value of the pension deficit is split between the two schools; £1,506,000 for Elston Hall Primary School and £371,000 for Palmers Cross Primary School.

21. Pension commitments

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

As described in note 20 the 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.

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 either the beginning or the end of the financial period.

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

21. Pension commitments (continued)

and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £145,000.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2016 was £174,000, of which employer's contributions totalled £145,000 and employees' contributions totalled £29,000. The agreed contribution rates for future years are 13.3% for employers and 5.5 - 12.5% for employees.

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.

Principal actuarial assumptions:

	2016
Discount rate for scheme liabilities	2.20 %
Rate of increase in salaries	3.75 %
Rate of increase for pensions in payment / inflation	2.00 %

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

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

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21. Pension commitments (continued)

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

	Fair value at 31 August 2016 £
Equities	178,000
Government bonds	21,000
Other bonds	25,000
Property	24,000
Cash/liquidity	20,000
Other	32,000
Total market value of assets	<u>300,000</u>

The actual return on scheme assets was £35,000.

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £
Current service cost (net of employee contributions)	181,000
Net interest cost	59,000
Total	<u>240,000</u>
Actual return on scheme assets	<u>35,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £
Upon conversion	1,968,000
Current service cost	181,000
Interest cost	65,000
Contributions by employees	29,000
Actuarial losses	1,091,000
Closing defined benefit obligation	<u>3,334,000</u>

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21. Pension commitments (continued)

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

	2016 £
Upon conversion	91,000
Return on plan assets (excluding net interest on the net defined pension liability)	29,000
Interest income	6,000
Contributions by employees	29,000
Contributions by employer	145,000
	<hr/>
Closing fair value of scheme assets	300,000
	<hr/> <hr/>

22. Operating lease commitments

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

	2016 £
Amounts payable:	
Within 1 year	1,098
Between 1 and 5 years	1,098
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Total	2,196
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23. 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.

24. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.