

Perry Hall Multi-Academy Trust

Trustees Report and Financial Statements

For the Year Ended 31 August 2017

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Contents

	Page
Reference and Administrative Details	1
Trustees' Report	2 - 9
Governance Statement	10 - 13
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Assurance Report on Regularity	19 - 20
Statement of Financial Activities Incorporating Income and Expenditure Account	21
Balance Sheet	22
Statement of Cash Flows	23
Notes to the Financial Statements	24 - 45

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details
For the Year Ended 31 August 2017

Members	A Brocklehurst L McCarthy K Kent J Purawal T Westwood
Trustees	A Brocklehurst, Chair of Trustees L McCarthy A K Cheema, Chief Executive Officer and Accounting Officer M Edwards, Vice Chair D Tarbuck S Gill (Appointed 4 July 2017) T Hinkley (Appointed 4 July 2017) E Woodhouse (Appointed 20 March 2017)
Company registered number	08566185
Company name	Perry Hall Multi-Academy Trust
Principal and registered office	Colman Avenue Wednesfield Wolverhampton West Midlands WV11 3RT
Company secretary	J Parkes
Chief Executive Officer	A K Cheema
Senior management team	A K Cheema, Chief Executive Officer R Kohli, Head Teacher T Hinkley, Head Teacher D Asbury, Head Teacher E Pritchett, Head of School A Bhandal, Assistant Head Teacher L Fellows, Deputy Head Teacher A Smith, Assistant Head Teacher M Dodd, Assistant Head Teacher S Hughes, Assistant Head Teacher C Gibbins, Assistant Head Teacher R Chander, Assistant Head Teacher J Parkes, Strategic Head of Finance and Business Administration
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Trustees' Report
For the Year Ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2016 to 31 August 2017. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' report under company law.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of Perry Hall Multi-Academy Trust are also the directors of the charitable company for the purpose of company law.

The charitable company is known as Perry Hall Multi-Academy Trust.

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

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. 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 Articles of Association.

On 12 June 2013 the Perry Hall Primary School Governing Body appointed 3 Members for the newly formed Academy. Subsequent changes have occurred to the members. The Members then appointed a number of Trustee Governors.

In accordance with the Articles of Association, the Academy's Governing Body comprises the following:

- Up to 5 Governors appointed by the Members
- Up to 3 Governors appointed in accordance with any policy decided by the Governors
- A minimum of 2 Parent Governors
- The Chief Executive Officer

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

When appointing new Governors the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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

The Board of Trustees has devised an informal induction process to ensure that all Trustees understand their roles and responsibilities. The training and induction provided for new Trustees will depend on their experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees have access to policies, procedures, minutes, budgets and other documents they will need to undertake their role as Trustees. All Trustees are subject to DBS checks.

e. Organisational structure

The Board of Trustees of the Multi-Academy Trust establishes an overall framework for the governance of the Academy and is responsible for setting general policy, adopting an annual plan and budget, monitoring the company by the use of budgets, making major decisions about the strategic directions of the company, and senior staff appointments. The Trustees are responsible for the monitoring and performance of the Chief Executive Officer on a regular basis.

The Local Governing Bodies of each of the schools are responsible for implementing the policies laid down by the Trustees and reporting back to them. The Local Governing Bodies are a mix of parents, staff and co-opted governors.

The Chief Executive Officer is the Accounting Officer.

f. Pay policy for key management personnel

The Trust pay policy has been agreed by the Pay Committees of each local governing body following consultation with staff and recognised trade unions, then subsequently ratified by Trustees. The Trust recognises that all pay progression decisions for teaching staff including those in leadership positions must be linked to annual appraisal of performance and the procedures set out in the Pay policy ensures that this is achieved in a fair and transparent way. The Trustees also recognise the importance of support staff performance appraisal – again including those in key management roles – and performance related pay is being reviewed for these staff members.

Objectives and Activities

a. Objects and aims

The principal object and activity of the charitable company is the operation of Perry Hall Multi-Academy Trust to provide education for pupils aged 3-11, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the schools offering a balanced curriculum, and to promote for the benefit of the individuals living in Wolverhampton and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interest of social welfare and with the object of improving the condition of life of the said individuals.

b. Objectives, Strategies and Activities

The priorities per the School Improvement Plans are;

- **Leadership**
To continue the development of leadership at all levels across the Trust impacting on outcomes for pupils
To ensure subject leaders support and hold staff to account for developing their curriculum areas and raising attainment
To ensure all governors have a strong knowledge of the academies, their strengths and areas of development hence being able to fulfil their strategic roles
- **Quality of Teaching, Learning & Assessment**
To ensure all teaching across the Trust is 100% good and at least 60% outstanding
To ensure that the provision of Early Years is outstanding across the Trust
To develop opportunities for pupils to transfer key skills learnt across the curriculum
- **Personal Development, Behaviour & Welfare**
To ensure that all practice is inclusive and the provision is outstanding across the Trust
To ensure safeguarding is effective and policies and procedures continue to be outstanding
To ensure attendance is above national expectations
To ensure behaviour is outstanding supported by effective policies and procedures
- **Outcomes for Pupils**
To ensure that all children across the Trust make better than expected progress from their individual starting points
To raise attainment for all children in Reading, Writing, Maths & Science
To ensure all groups of children including Disadvantaged Pupils, SEND, More Able and Less Able make better than expected progress

c. Review of activities

The expansion of the Multi-Academy Trust has been at the fore-front of discussions and planning throughout the year. Refinement of the Strategic Growth Plan coupled with continued positive dialogue with the Department for Education regarding expansionary aspirations resulted in the award of Regional Growth funding in the spring term. These discussions have included those with neighbouring local authorities in addition to Wolverhampton City Council.

The growth income has been deferred into the next academic year awaiting planned expenditure regarding three new establishments joining the Trust.

In addition, with a drive to strengthen the Trust Board, the number of Trustees has been increased with new independent board members bringing strong corporate and business experience. The Board is already seeing the benefit these individuals are bringing via strategic advice and challenge.

Some of the key achievements/developments for the individual schools in the period ended 31 August 2017 are summarised below:

Perry Hall Primary

A major achievement for the school during the year was gaining the designation as a Teaching School during the spring term with consequent funding opportunities. As such, Perry Hall is now able to work formally with other establishments to provide high-quality training, development and support to new and experienced school staff. This is an exciting chapter in the school's journey as it develops the leadership structures required to

Trustees' Report (continued)
For the Year Ended 31 August 2017

establish the teaching school alliance and the contribution to raising standards through school to school support.

Assessment

- Pupils continue to enter school below age related expectations generally leaving Reception at a Good Level of Development and then leaving Key Stage 1 broadly in line with national averages hence demonstrating at least good progress.
- The school enjoyed excellent Key Stage 2 results again this year with Year 6 attainment following the May 2017 SATS continuing to be above national in all subject areas as follows:

READING		WRITING		EGPS		MATHS	
<i>P Hall</i>	<i>National</i>	<i>P Hall</i>	<i>National</i>	<i>P Hall</i>	<i>National</i>	<i>P Hall</i>	<i>National</i>
90%	71%	87%	76%	92%	77%	92%	75%
	+19%		+11%		+13%		+17%

- Combined results therefore showed Perry Hall's percentage of children who achieved standard in test outcomes to be favourable compared to national results.

Behaviour & Attendance

- Overall behaviour in school continues to be outstanding due to the effective systems in place to ensure all incidents are dealt with. Regular meetings between parents, staff, senior leaders and external agencies where required are undertaken.
- Overall percentage of absence across the academic year was 4.2% which was slightly higher than the previous year (3.7%) and slightly below the latest national averages (by 0.3%). All efforts are made to work in conjunction with the Education Welfare Officer and families to improve these statistics further.

Facilities

- It was recognised in the previous annual report that a full heating system replacement for the school was inevitable and this became the subject of a Condition Improvement Funding (CIF) bid which was unsuccessful. However during this academic year, a further CIF bid was submitted and was awarded successfully. Funding of £0.4m was granted (£0.3m in 2016/17 and a further £0.1m to follow early in 2017/18). The Multi-Academy Trust is also due to contribute £50,000 towards the project. The successful heating and air conditioning contractor has made excellent progress since the project commenced in May 2017 with the project anticipating completion early in the autumn term.

Berrybrook Primary

The school was subject to its first OFSTED inspection since academy conversion on January 24th / 25th 2017.

The inspection report confirmed an overall effectiveness rating of "Good" with all sub-categories rated as good also. Highlights of the published report promoted by Governors included:

- The Children - "Pupils are confident and warmly welcome others to their school... They are proud of their school", "Children's behaviour is good", "Children behave exceptionally well in the early years"
- The Staff - "Senior leaders have worked tirelessly since the academy opened to successfully raise expectations", "The Head Teacher with exceptional support from the Chief Executive Officer has eradicated the school's previous history of underachievement", "and (they) have a shared passion for and deep commitment to doing everything possible so pupils feel valued and achieve well"
- The Parents - "The large majority of parents are fully supportive of the school's work and recognise the care and quality of education that the school offers", "Leaders work hard to build strong relationships with

Trustees' Report (continued)
For the Year Ended 31 August 2017

parents"

Assessment

- Pupils continue to enter the school well below age related expectation leaving Reception close to age related bands (GLD) and leaving Key Stage 1 broadly in line with national averages demonstrating at least good progress
- Despite a Reading result below national expectations, Key Stage 2 attainment was above national in three subject areas as demonstrated by the May 2017 SATs results:

<u>READING</u>		<u>WRITING</u>		<u>EGPS</u>		<u>MATHS</u>	
<u>Berrybrook</u>	<u>National</u>	<u>Berrybrook</u>	<u>National</u>	<u>Berrybrook</u>	<u>National</u>	<u>Berrybrook</u>	<u>National</u>
66%	71%	79%	76%	90%	77%	86%	75%
	-5%		+3%		+13%		+11%

- The school still remains proud of the Level 6 results it has achieved with results continuing the overall upward trend of the last few years

Behaviour & Attendance

- Behaviour (as highlighted in the recent OFSTED inspection) continues to improve across school and the new inclusion file system was built upon during the year. Appropriate support continues to be put in place for those pupils with severe social and emotional difficulties and the assistance of the Trust's Assistant Educational Psychologist continues to have a marked effect in this regard.
- Overall percentage of absence across the academic year was 5.9% which was increased on the prior year (4.9%) but still remains below national averages (2% below)
- Berrybrook continues to work hard and closely with the Educational Welfare Officer to ensure this rate is improved by targeting a minority of continued persistent offenders

Facilities

- The roofing project now successfully completed saw final settlement costs of retention release offsetting underspent funding brought forward from the prior year
- The new Terrific for Twos provision opened in September 2016 following the refurbishment project to move year groups around school to accommodate the setting. Numbers have steadily improved during the year ensuring the success of this provision.
- There has been increased dialogue with the two educationally focussed licensees who occupy office space on site, particularly with regard to the hire of training room facilities which has led to increased income for the school and Trust.

Dunstall Hill Primary

Following academy conversion in May 2016, 2016/17 saw the first full year of Dunstall Hill operating within the Trust. It has been particularly pleasing to note the change in the parental view of school with the recent parent / carer questionnaire demonstrating overwhelmingly positive feedback compared to a year ago. This positive view has been re-enforced by the opinions of staff and children also collected in feedback.

Trustees' Report (continued)
For the Year Ended 31 August 2017

Assessment

- For the first year as part of the Multi-Academy Trust, Key Stage II attainment was above national in two subject areas as demonstrated by the May 2017 SATs results:

<u>READING</u>		<u>WRITING</u>		<u>EGPS</u>		<u>MATHS</u>	
<u>Dunstall</u>	<u>National</u>	<u>Dunstall</u>	<u>National</u>	<u>Dunstall</u>	<u>National</u>	<u>Dunstall</u>	<u>National</u>
53%	71%	77%	76%	90%	77%	73%	75%
	-18%		+1%		+13%		-2%

- These results are pleasing not least because Reading, EGPS and Maths show increases on prior year results (especially Maths). Writing was consistent with previous year results although there was an increase in the number achieving greater depth.

Behaviour & Attendance

- Overall, behaviour in school continues to improve. The development of Good to Be Green and its additional report card layer continues to provide additional support with moving behaviour to outstanding.
- Overall percentage of absence across the academic year was 4.2% which remains slightly below national averages (0.3% below). However attendance continues to rise not least due to the efforts of school staff with the Education Welfare Officer. Due to observance of religious festivals, the school can add an additional 0.4% to its reported figures meaning that a revised 96.2% attendance would be above national expectations. This is an excellent improvement over the year.

Facilities

- The ongoing primary expansion project has continued throughout the year with staff from the Trust, Local Authority and contractors working hard to bring the project successfully to completion by the end of the academic year. The school opened its doors to the new double storey, increased space in early September and the value (approximately £5m) associated with this expansion will be transferred to the Trust Balance Sheet in 2017/18 once snagging issues have been resolved.

Trust Business Team / Facilities Team

- With the continued drive to a more standardised and efficient central shared service, finance processes continued to be reviewed. All Invoice processing was centralised with effect from 1 November 2016 (with order processing on receipt of duly authorised purchase requisitions to be centralised similarly at the start of the new academic year).
- The Trust Business Team re-located premises to Berrybrook Primary from Perry Hall Primary in January 2017 and this has proven beneficial in continuing to define business processes separate from those of the school front offices.
- Additionally, there has been work undertaken to move the Trust to preferred supplier agreements leveraging procurement benefits. All recruitment of agency staff is now with a preferred supplier and this work continues across other commodities.
- With a move to a more cohesive facilities management team, investment is being made into additional managerial resource with the caretaking teams having taken on a wider remit across all schools this year.

d. Public benefit

The Trustees confirm that they have complied with the requirement in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

Achievements and performance

a. Key performance indicators

The key performance indicators of the Academy Trust include exam results, pupil attendance, pupil levels, Ofsted reports, unrestricted reserves carried forward, cash levels and staff retention. See Review of activities above for further details.

b. 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. Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

At 31 August 2017, the Trust had free reserves of £618,303 (2016 - £556,242), fixed asset reserves of £11,331,639 (2016 - £11,159,483) which can only be realised by disposing of tangible fixed assets, and a pension reserve in deficit of £2,881,000 (2016 - £2,610,000).

No additional funds have been set aside for future expenditure other than accruals for the remaining major capital expenditure for the Perry Hall full heating system replacement project.

b. Material investments policy

Due to the nature and timing of funding, the Trust may at times hold cash balances surplus to the short term operational needs of the schools. The Trustees have authorised the use of short term bank deposit accounts to take advantage of higher interest rates.

c. Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

- As risk management continues to be reviewed and assessed, future funding levels remains a key topic for the schools within the Trust. With the impending implementation of the National Funding Formula, any potential funding decreases may need to be mitigated via employment and operational cost reviews.
- With expansion as the priority strategic aim of the Trust, succession planning has formed a major part of risk evaluation. These plans allow for senior management to focus on increasing expansionary objectives with consequent back-filling of operational responsibilities.
- Cash management remains a key element of risk evaluation. This includes operational review and forecasting in addition to robust due diligence regarding the cash-flow position of any potential establishments joining the Trust.

Plans for future periods

a. Future developments

The strategy of the Trust continues to be growth via sponsorship of schools and attracting other suitable establishments and this has been fully supported via dialogue with the DfE. The intention is to have at least three schools signed up to join the Trust by March / April 2018.

Funds held as custodian

No monies are being held on behalf of other schools or other organisations as at 31 August 2017

Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have 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.

The Trustees' Report was approved by order of the Board of Trustees, as the company directors, on 27 November 2017 and signed on its behalf by:



A Brocklehurst
Chair of Trustees

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Perry 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 Chief Executive Officer, 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 Perry 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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Brocklehurst, Chair of Trustees	3	3
L McCarthy	3	3
A K Cheema, Chief Executive Officer and Accounting Officer	3	3
M Edwards, Vice Chair	3	3
D Tarbuck	3	3
S Gill (Appointed 4 July 2017)	0	1
T Hinkley (Appointed 4 July 2017)	1	1
E Woodhouse (Appointed 20 March 2017)	1	2

Governance reviews:

A skills audit was undertaken at the start of the academic year for each local governing body and this has led to the most appropriate use of resource being deployed on the various sub-committees (namely Resources and Standards).

Another successful Governor Away Day was held in June 2017 and brought governors from each of the three local governing bodies together with Trustees to exchange views and ideas against the context of the individual School Improvement Plans. The day also included a review of risk identification, prioritisation and management and development of action plans from staff, parental and pupil questionnaire results.

This session will continue to be an annual fixture in the Trust's calendar.

Each school has a resources committee which is a sub-committee of the main Board of Trustees. Its purpose is to:

- Monitor, evaluate and review policy and performance in relation to financial management
- Ensure compliance with reporting and regularity requirements
- Draft the annual budget

The resources committee for each school met 5 times during the year.

Governance Statement (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Brocklehurst, Chair of Trustees	10	10
A K Cheema, Chief Executive Officer and Accounting Officer	14	15
L McCarthy	5	5
M Edwards, Vice Chair	4	5
S Gill	1	1

Review of Value for Money

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

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

Financial Governance

In addition to the regular Resources Committee meetings where there is now a review of latest detailed management accounts information, the Trust has employed an external internal audit services provider to review financial procedures and processes. Regular reporting and monitoring is performed based on the findings of this additional responsible officer.

Robust Purchasing

Tendering, quoting and invoicing is appraised to ensure the best mix of quality and effectiveness is being provided to the academies and service level agreements are reviewed and challenged where necessary to ensure best value for the Trust.

Vendors continue to be reviewed across the three academies to ensure that synergies are being realised or standardisation of services provided.

Centralisation has provided additional efficiency to financial processes.

Investment

Individual cash forecasts are prepared and reviewed to ensure that optimal use of cash is employed. Deposit accounts continue to be used where short term cash flow needs allow for excess funds to be invested elsewhere at more beneficial rates.

Pupil Premium / Sports Premium

These additional sources of funding are tracked and monitored regularly in order to ensure resources are effectively targeted to make or exceed expected academic process. The Trust has utilised the pupil premium funding in each school to ensure enough teaching and support staff are deployed appropriately to provide the required intervention strategies for the targeted children.

Governance Statement (continued)

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Perry Hall Multi-Academy Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

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 HCSS to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Leadership and governance
- People management
- Policy and strategy
- Partnership and resources
- Processes

On a termly basis, HCSS reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. HCSS has carried out their schedule of work as planned and have not identified any material control issues.

During the year A Brocklehurst, Chair of Trustees, also carried out a series of checks which included a review of the Single Central Record and the personnel records that support the Single Central Record, and a review of the process undertaken for new employees to check they are suitable for the role and appropriate safeguarding checks have been carried out.

Governance Statement (continued)

Review of Effectiveness

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

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

The accounting Officer has been advised of the implications of the result of their review of the system of internal control by the resources 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 27 November 2017 and signed on their behalf, by:



A Brocklehurst
Chair of Trustees



A K Cheema
Accounting Officer

Statement on Regularity, Propriety and Compliance

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

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

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



A K Cheema
Accounting Officer

Date: 27 November 2017

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities
For the Year Ended 31 August 2017

The Trustees (who act as governors of Perry 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 27 November 2017 and signed on its behalf by:



A Brocklehurst
Chair of Trustees

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

Opinion

We have audited the financial statements of Perry Hall Multi-Academy Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

Basis of opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

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

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

Responsibilities of trustees

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.



Julian Townsend ACA FCCA (Senior Statutory Auditor)

for and on behalf of

Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham
27 November 2017

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

In accordance with the terms of our engagement letter dated 26 September 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Perry Hall Multi-Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Perry Hall Multi-Academy Trust's funding agreement with the Secretary of State for Education dated 28 June 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

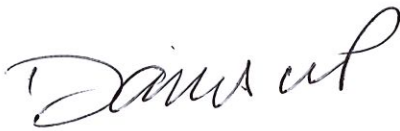
A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a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

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

**Independent Reporting Accountants' Assurance Report on Regularity to Perry Hall Multi-Academy Trust
and the Education and Skills Funding Agency (continued)**

Conclusion

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



Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

27 November 2017

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Statement of Financial Activities incorporating Income and Expenditure Account
For the Year Ended 31 August 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Income from:						
Donations & capital grants:						
Transfer from Local Authority on conversion	2	-	-	-	-	2,137,815
Other donations and capital grants	2	44,693	16,498	481,911	543,102	527,462
Charitable activities:	3					
Funding for the academy trust's educational operations		-	4,873,884	-	4,873,884	3,956,959
Other trading activities	4	43,214	-	-	43,214	9,100
Investments	5	2,301	-	-	2,301	3,431
Total income		90,208	4,890,382	481,911	5,462,501	6,634,767
Expenditure on:						
Charitable activities		140,246	4,953,388	386,650	5,480,284	4,316,378
Total expenditure	6	140,246	4,953,388	386,650	5,480,284	4,316,378
Net income / (expenditure) before transfers		(50,038)	(63,006)	95,261	(17,783)	2,318,389
Transfers between Funds	17	7,588	(84,483)	76,895	-	-
Net income / (expenditure) before other recognised gains and losses		(42,450)	(147,489)	172,156	(17,783)	2,318,389
Transfers between funds		-	(19,000)	-	(19,000)	(991,000)
Net movement in funds		(42,450)	(166,489)	172,156	(36,783)	1,327,389
Reconciliation of funds:						
Total funds brought forward		556,242	(2,610,000)	11,159,483	9,105,725	7,778,336
Total funds carried forward		513,792	(2,776,489)	11,331,639	9,068,942	9,105,725

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)
Registered number: 08566185

Balance Sheet
As at 31 August 2017

	Note	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	14		11,330,285		11,159,483
Current assets					
Debtors	15	587,894		404,869	
Cash at bank and in hand		802,671		1,005,811	
		<u>1,390,565</u>		<u>1,410,680</u>	
Creditors: amounts falling due within one year	16	<u>(770,908)</u>		<u>(854,438)</u>	
Net current assets			<u>619,657</u>		<u>556,242</u>
Total assets less current liabilities			<u>11,949,942</u>		<u>11,715,725</u>
Defined benefit pension scheme liability	22		<u>(2,881,000)</u>		<u>(2,610,000)</u>
Net assets including pension scheme liabilities			<u><u>9,068,942</u></u>		<u><u>9,105,725</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	17	104,511		-	
Restricted fixed asset funds	17	<u>11,331,639</u>		<u>11,159,483</u>	
Restricted income funds excluding pension liability		<u>11,436,150</u>		<u>11,159,483</u>	
Pension reserve		<u>(2,881,000)</u>		<u>(2,610,000)</u>	
Total restricted income funds			<u>8,555,150</u>		<u>8,549,483</u>
Unrestricted income funds	17		<u>513,792</u>		<u>556,242</u>
Total funds			<u><u>9,068,942</u></u>		<u><u>9,105,725</u></u>

The financial statements on pages 21 to 45 were approved by the Trustees, and authorised for issue, on 27 November 2017 and are signed on their behalf, by:



A Brocklehurst
Chair of Trustees

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

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Statement of Cash Flows
For the Year Ended 31 August 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	<u>(129,900)</u>	<u>(228,241)</u>
Cash flows from investing activities:			
Interest received		2,301	3,431
Purchase of tangible fixed assets		(557,452)	(792,544)
Capital grants from DfE/ESFA		481,911	462,936
Cash received on conversion		-	355,653
Net cash (used in)/provided by investing activities		<u>(73,240)</u>	<u>29,476</u>
Change in cash and cash equivalents in the year		(203,140)	(198,765)
Cash and cash equivalents brought forward		<u>1,005,811</u>	<u>1,204,576</u>
Cash and cash equivalents carried forward	20	<u><u>802,671</u></u>	<u><u>1,005,811</u></u>

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Perry 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.

1.3 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 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.

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

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 on raising funds 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 costs are costs incurred on the academy trust's educational operations, including support costs and those costs relating to the governance of the academy trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 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.

Depreciation is provided at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long Term Leasehold Land	-	Over the lease term
Long Term Leasehold Property	-	2% Straight line
Leasehold Improvements	-	10% Straight line
Fixtures and fittings	-	20% Straight line
Computer equipment	-	33.3% Straight line

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.

1.6 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. Accounting Policies (continued)

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.12 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1. Accounting Policies (continued)

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 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.

1.14 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 the Department for Education 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 for Education.

1. Accounting Policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible fixed assets are depreciated over their 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.

Notes to the Financial Statements
For the Year Ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	-	-	-	-	2,137,815
Donations	-	16,498	-	16,498	17,299
Parent contributions to school visits	44,693	-	-	44,693	47,227
Devolved capital funding	-	-	18,525	18,525	15,596
Capital maintenance fund	-	-	351,959	351,959	315,340
Capital contribution	-	-	111,427	111,427	132,000
Subtotal	44,693	16,498	481,911	543,102	527,462
	44,693	16,498	481,911	543,102	2,665,277
<i>Total 2016</i>	396,009	(297,701)	2,566,969	2,665,277	

Notes to the Financial Statements
For the Year Ended 31 August 2017

3. Funding for Academy's educational operations

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General annual grant (GAG)	-	3,604,509	3,604,509	2,854,306
Start up grant	-	-	-	25,000
Universal free school meals	-	79,344	79,344	52,440
Pupil premium	-	388,306	388,306	321,873
Sports funding	-	27,670	27,670	18,590
School improvement funding	-	-	-	45,000
Rates relief	-	2,282	2,282	-
Sponsorship capacity funding	-	-	-	75,000
	-	4,102,111	4,102,111	3,392,209
Other government grants				
Contributions from other services	-	70,344	70,344	75,281
Early years funding/SEN	-	379,724	379,724	267,666
Twos funding	-	136,384	136,384	105,438
Pupil premium	-	3,625	3,625	2,878
Expansion funding	-	66,153	66,153	-
	-	656,230	656,230	451,263
Other funding				
Catering income	-	46,875	46,875	32,599
Income from school support services	-	31,145	31,145	42,575
Extended services fees	-	37,523	37,523	38,313
	-	115,543	115,543	113,487
	-	4,873,884	4,873,884	3,956,959
<i>Total 2016</i>	-	3,956,959	3,956,959	

4. Other trading activities

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	43,214	-	43,214	9,100
<i>Total 2016</i>	9,100	-	9,100	

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

5. Investment income

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	2,301	-	2,301	3,431
<i>Total 2016</i>	3,431	-	3,431	

6. Expenditure

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Educational Operations:					
Direct costs	1,958,129	309,813	922,315	3,190,257	2,399,557
Support costs	1,784,134	318,983	186,910	2,290,027	1,916,821
	3,742,263	628,796	1,109,225	5,480,284	4,316,378
<i>Total 2016</i>	2,766,520	470,568	1,079,290	4,316,378	

7. Direct costs

	Total 2017 £	Total 2016 £
LGPS costs	57,000	53,000
Educational supplies	68,173	109,815
Staff development	42,796	27,540
Technology costs	27,538	54,301
Educational consultancy	215,814	170,779
Travel and subsistence	60,363	63,379
Other direct costs	107,381	133,212
Recruitment and support	1,622	127
Wages and salaries	1,619,535	1,274,103
National insurance	165,412	114,608
Pension cost	514,810	157,450
Depreciation	309,813	241,243
	3,190,257	2,399,557
<i>At 31 August 2016</i>	2,399,557	

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

8. Support costs

	Total 2017 £	Total 2016 £
Travel and subsistence	17,564	5,776
Other direct costs	148,381	151,008
Irrecoverable VAT	7,290	13,387
Maintenance of premises	40,224	12,480
Maintenance of equipment	35,145	53,894
Cleaning	41,296	36,536
Rates	23,833	13,220
Water rates	33,128	21,084
Energy	58,346	47,025
Insurance	38,340	41,518
Catering costs	275,182	176,402
Severance payment	15,175	8,150
Governance costs	51,953	97,559
Wages and salaries	1,234,571	1,064,051
National insurance	74,695	61,686
Pension cost	118,067	86,472
Depreciation	76,837	26,573
	<u>2,290,027</u>	<u>1,916,821</u>
<i>At 31 August 2016</i>	<u>1,916,821</u>	

9. Net income/(expenditure)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	386,650	267,816
Auditors' remuneration - audit	11,375	11,050
Auditors' remuneration - other services	750	750
Operating lease rentals	<u>1,759</u>	<u>2,644</u>

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

10. Staff costs

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	2,854,105	2,338,154
Social security costs	240,106	176,294
Operating costs of defined benefit pension schemes	632,877	243,922
	3,727,088	2,758,370
Termination payments	15,175	8,150
	3,742,263	2,766,520

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

	2017	2016
	No.	No.
Teachers and teaching assistants	95	84
Administration and support	46	52
Management	13	12
	154	148

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

	2017	2016
	No.	No.
In the band £80,001 - £90,000	0	1
In the band £100,001 - £200,000	1	0

The key management personnel of the academy trust comprise key trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the academy trust was £803,528 (2016 - £612,316).

Notes to the Financial Statements
For the Year Ended 31 August 2017

11. Central services

The Academy has provided the following central services to its academies during the year:

- Human resources
- Finance services
- Administration
- Data services
- Early years consultancy
- Chief Executive Officer and leadership support
- Educational psychologist support
- Caretaker services

The Academy charges for these services on the following basis:

Salary charges are split equally between the 3 academies.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Perry Hall Primary School	111,793	144,144
Berrybrook Primary School	118,042	144,144
Dunstall Hill Primary School	111,793	35,233
	341,628	323,521
Total	341,628	323,521

12. Trustees' remuneration and expenses

One Trustee has been paid remuneration or has received other benefits from an employment with the academy trust. The Chief Executive Officer only receives remuneration in respect of services she provides undertaking the role of Chief Executive Officer under her contract of employment, and not in respect of her role as a Trustee. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
A K Cheema	Remuneration	100,000-105,000	85,000-90,000
	Pension contributions paid	15,000-20,000	10,000-15,000

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2016 - £NIL).

13. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was £29,245 (2016 - £36,413).

Notes to the Financial Statements
For the Year Ended 31 August 2017

14. Tangible fixed assets

	Long Term Leasehold Land and Buildings £	Leasehold Improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	9,990,000	1,552,531	78,540	135,277	11,756,348
Additions	-	367,282	37,065	153,105	557,452
At 31 August 2017	9,990,000	1,919,813	115,605	288,382	12,313,800
Depreciation					
At 1 September 2016	380,970	169,184	29,734	16,977	596,865
Charge for the year	161,760	148,053	19,395	57,442	386,650
At 31 August 2017	542,730	317,237	49,129	74,419	983,515
Net book value					
At 31 August 2017	9,447,270	1,602,576	66,476	213,963	11,330,285
At 31 August 2016	9,609,030	1,383,347	48,806	118,300	11,159,483

15. Debtors

	2017 £	2016 £
Trade debtors	144,517	110,290
VAT recoverable	133,699	77,153
Other debtors	9,680	10,048
Prepayments and accrued income	299,998	207,378
	<u>587,894</u>	<u>404,869</u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

16. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	69,828	257,115
Other taxation and social security	55,265	59,438
Other creditors	113,170	42,182
Accruals and deferred income	532,645	495,703
	<u>770,908</u>	<u>854,438</u>
	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	132,403	393,671
Resources deferred during the year	181,465	132,403
Amounts released from previous years	(132,403)	(393,671)
Deferred income at 31 August 2017	<u>181,465</u>	<u>132,403</u>

At the balance sheet date the Academy was holding Universal Infant Free School Meals funding received in advance of the academic year 2017/18 and unspent growth funding and capital funds.

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

17. Statement of funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	556,242	90,208	(140,246)	7,588	-	513,792
Restricted funds						
General Annual Grant	-	3,604,509	(3,276,390)	(223,608)	-	104,511
Pupil Premium	-	388,306	(380,718)	(7,588)	-	-
Other DfE/ESFA grants	-	109,296	(29,952)	(79,344)	-	-
Other funding	-	741,396	(741,396)	-	-	-
Catering	-	46,875	(272,932)	226,057	-	-
Pension reserve	(2,610,000)	-	(252,000)	-	(19,000)	(2,881,000)
	<u>(2,610,000)</u>	<u>4,890,382</u>	<u>(4,953,388)</u>	<u>(84,483)</u>	<u>(19,000)</u>	<u>(2,776,489)</u>
Restricted fixed asset funds						
Terrific For Twos	60,171	-	(13,880)	-	-	46,291
Capital Maintenance Fund	755,192	351,959	(85,354)	-	-	1,021,797
Devolved Capital grants	31,011	18,525	-	-	-	49,536
Assets inherited on conversion	9,695,332	-	(190,834)	-	-	9,504,498
Assets funded from GAG	487,110	-	(80,454)	76,895	-	483,551
Capital contribution	130,667	111,427	(16,128)	-	-	225,966
	<u>11,159,483</u>	<u>481,911</u>	<u>(386,650)</u>	<u>76,895</u>	<u>-</u>	<u>11,331,639</u>
Total restricted funds	<u>8,549,483</u>	<u>5,372,293</u>	<u>(5,340,038)</u>	<u>(7,588)</u>	<u>(19,000)</u>	<u>8,555,150</u>
Total of funds	<u>9,105,725</u>	<u>5,462,501</u>	<u>(5,480,284)</u>	<u>-</u>	<u>(19,000)</u>	<u>9,068,942</u>

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds	453,050	412,369	(182,747)	(126,430)	-	556,242
	<u>453,050</u>	<u>412,369</u>	<u>(182,747)</u>	<u>(126,430)</u>	<u>-</u>	<u>556,242</u>
Restricted funds						
General Annual Grant	142,693	2,854,306	(2,710,193)	(286,806)	-	-
Pupil Premium	-	321,873	(321,009)	(864)	-	-
Other DfE/ESFA grants	-	216,030	(163,590)	(52,440)	-	-
Other funding	-	545,621	(545,621)	-	-	-
Catering	-	32,599	(176,402)	143,803	-	-
	<u>(1,355,000)</u>	<u>(315,000)</u>	<u>51,000</u>	<u>-</u>	<u>(991,000)</u>	<u>(2,610,000)</u>
	<u>(1,212,307)</u>	<u>3,655,429</u>	<u>(3,865,815)</u>	<u>(196,307)</u>	<u>(991,000)</u>	<u>(2,610,000)</u>
Restricted fixed asset funds						
Terrific For Twos	74,051	-	(13,880)	-	-	60,171
Capital Maintenance Fund	507,862	315,340	(68,010)	-	-	755,192
Devolved Capital grants	15,415	15,596	-	-	-	31,011
Assets inherited on conversion	7,747,566	2,104,033	(156,267)	-	-	9,695,332
Assets funded from GAG	192,699	-	(28,326)	322,737	-	487,110
Capital contribution	-	132,000	(1,333)	-	-	130,667
	<u>8,537,593</u>	<u>2,566,969</u>	<u>(267,816)</u>	<u>322,737</u>	<u>-</u>	<u>11,159,483</u>
Total restricted funds	<u>7,325,286</u>	<u>6,222,398</u>	<u>(4,133,631)</u>	<u>126,430</u>	<u>(991,000)</u>	<u>8,549,483</u>
Total of funds	<u>7,778,336</u>	<u>6,634,767</u>	<u>(4,316,378)</u>	<u>-</u>	<u>(991,000)</u>	<u>9,105,725</u>

17. Statement of funds (continued)

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 Trust at the discretion of the trustees. Unrestricted funds will be deployed primarily on appropriate staffing and leadership structures at the recently converted academy to ensure that pupil achievement is enhanced.

Restricted general funds

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

Pension reserve

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

Restricted fixed asset funds

This fund represents grants and other income received to carry out works of a capital nature.

Transfers between funds

Transfers between funds relate to school trips being funded by pupil premium.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Perry Hall Primary School	88,876	(66,325)
Berrybrook Primary School	92,250	100,227
Dunstall Hill Primary School	349,366	359,202
Multi-Academy Trust	87,811	163,138
Total before fixed asset fund and pension reserve	618,303	556,242
Restricted fixed asset fund	11,331,639	11,159,483
Pension reserve	(2,881,000)	(2,610,000)
Total	<u>9,068,942</u>	<u>9,105,725</u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

17. Statement of funds (continued)

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 2017 £	Total 2016 £
Perry Hall Primary School	704,878	546,534	22,944	579,400	1,853,756	2,221,653
Berrybrook Primary School	480,265	351,588	17,677	390,860	1,240,390	1,346,259
Dunstall Hill Primary School	620,244	339,643	27,440	521,688	1,509,015	439,958
Multi-Academy Trust	152,742	204,742	112	75,877	433,473	40,692
	<u>1,958,129</u>	<u>1,442,507</u>	<u>68,173</u>	<u>1,567,825</u>	<u>5,036,634</u>	<u>4,048,562</u>

18. Analysis of net assets between funds

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	11,330,285	11,330,285
Current assets	513,792	679,473	197,300	1,390,565
Creditors due within one year	-	(574,962)	(195,946)	(770,908)
Provisions for liabilities and charges	-	(2,881,000)	-	(2,881,000)
	<u>513,792</u>	<u>(2,776,489)</u>	<u>11,331,639</u>	<u>9,068,942</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	11,159,483	11,159,483
Current assets	556,241	819,973	34,467	1,410,681
Creditors due within one year	-	(819,973)	(34,467)	(854,440)
Provisions for liabilities and charges	-	(2,610,000)	-	(2,610,000)
	<u>556,241</u>	<u>(2,610,000)</u>	<u>11,159,483</u>	<u>9,105,724</u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(17,783)	2,318,389
Adjustment for:		
Depreciation charges	386,650	267,816
Dividends, interest and rents from investments	(2,301)	(3,431)
Increase in debtors	(183,025)	(216,122)
(Decrease)/increase in creditors	(83,530)	56,858
Capital grants from DfE and other capital income	(481,911)	(462,936)
Net (loss) on assets and liabilities from local authority on conversion	-	(2,137,815)
LGPS adjustments	252,000	(51,000)
Net cash used in operating activities	(129,900)	(228,241)

20. Analysis of cash and cash equivalents

	2017 £	2016 £
Cash in hand	802,671	1,005,811
Total	802,671	1,005,811

21. Capital commitments

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	88,420	-

22. 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 West Midlands Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £237,000 (2016 - £179,000).

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).

Notes to the Financial Statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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 year ended 31 August 2017 was £156,000 (2016 - £286,000), of which employer's contributions totalled £108,000 (2016 - £248,000) and employees' contributions totalled £48,000 (2016 - £38,000). The agreed contribution rates for future years are 16.3% 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 at the balance sheet date (expressed as weighted averages):

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	3.75 %
Rate of increase for pensions in payment / inflation	2.70 %	2.00 %

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

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

	At 31 August 2017 £	At 31 August 2016 £
Sensitivity analysis		
Discount rate +0.1%	(101,000)	(90,000)
Discount rate -0.1%	103,000	93,000
Mortality assumption - 1 year increase	121,000	85,000
Mortality assumption - 1 year decrease	(117,000)	(82,000)
CPI rate +0.1%	86,000	75,000
CPI rate -0.1%	(84,000)	(73,000)

Perry Hall Multi-Academy Trust
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	539,000	412,000
Government bonds	62,000	48,000
Property	62,000	55,000
Cash and other liquid assets	42,000	45,000
Other bonds	33,000	60,000
Other	113,000	75,000
	<u>851,000</u>	<u>695,000</u>
Total market value of assets	<u>851,000</u>	<u>695,000</u>

The actual return on scheme assets was £130,000 (2016 - £88,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(303,000)	(144,000)
Interest cost	(57,000)	(53,000)
	<u>(360,000)</u>	<u>(197,000)</u>
Total	<u>(360,000)</u>	<u>(197,000)</u>
Actual return on scheme assets	<u>130,000</u>	<u>88,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,305,000	1,676,000
Inherited on conversion	-	315,000
Current service cost	303,000	144,000
Interest cost	73,000	71,000
Contributions by employees	48,000	38,000
Actuarial losses	17,000	1,061,000
Benefits paid	(14,000)	-
	<u>3,732,000</u>	<u>3,305,000</u>
Closing defined benefit obligation	<u>3,732,000</u>	<u>3,305,000</u>

Notes to the Financial Statements
For the Year Ended 31 August 2017

22. Pension commitments (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	695,000	321,000
Return on plan assets (excluding net interest on the net defined pension liability)	114,000	70,000
Interest income	16,000	18,000
Contributions by employer	108,000	248,000
Contributions by employees	48,000	38,000
Benefits paid	(14,000)	-
Other actuarial gains/(losses)	(116,000)	-
	<u>851,000</u>	<u>695,000</u>
Closing fair value of scheme assets	<u>851,000</u>	<u>695,000</u>

23. Operating lease commitments

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	4,353	1,759
Between 1 and 5 years	11,182	2,115
Total	<u>15,535</u>	<u>3,874</u>

24. Members' liability

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

25. 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 12.