Oldbury Academy

(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2017

Company Registration Number: 07672607 (England and Wales)

Oldbury Academy Trust

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Oldbury Academy Trust
Reference and Administrative Details

Members	N. Griggs P. Shackleton S. A. Harvey M Phillips M Jones (resigned 29 May 2017)
Trustees (Governors)	S. A. Harvey (Chair) N. Griggs P. Shackleton (HT and Accounting Officer) E. Atterbury (resigned 27 June 2017) Y Cogzell (Staff Trustee) J. Gowing C. Harrison (Parent Trustee) A. Hughes G. Hunjan K.Lees (Staff appointed January 2017, resigned August 2017) S. Martin (resigned 31 December 2016) S. Okunnu (Parent Trustee) M. Parsons M. Phillips S. Wilkins-Bland (Staff Trustee)
Company Secretary	K.Penn
Senior Management Team:	
· Head Teacher	P. Shackleton
· Deputy Head Teacher	S. Cresswell
· Deputy Head Teacher	P. Davis
· Deputy Head Teacher	L. Wardle
· Assistant Head Teacher	D. Burgoyne
· Assistant Head Teacher	J. Cannon
· Assistant Head Teacher	P. Dryburgh
· Director of Finance and Administration	J. Fitzmaurice
· Health and Safety Officer	A. Burn
Company Name	Oldbury Academy
Principal and Registered Office	Pound Road Oldbury, West Midlands B68 8NE
Company Registration Number	07672607 (England and Wales)
Independent Auditor	PKF Cooper Parry Group Limited One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG
Bankers	The Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP Lloyds Bank Queens Square Wolverhampton WV1 1RF

Oldbury Academy Trust
Trustees' Report

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

The trust operates an independent academy for pupils aged 11 – 18 in Sandwell, West Midlands. It has a pupil capacity of 1,650 (including Sixth Form) and had a roll of 1570 in the school census on 6 October 2017.

Structure, Governance and Management

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

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 2.

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

Trustees' Indemnities
The Academy maintains trustees' liability insurance which gives appropriate cover for any action against them which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of duty of which they may be guilty in relation to the Academy. Such indemnity will not apply to any act or omission which the trustees knew to be in breach of trust or breach of duty or which was committed by the trustees in reckless disregard to whether it was a breach of duty or not, nor will such indemnity extend to the costs of any unsuccessful defence to a criminal prosecution brought against the trustees in their capacity as directors of the academy trust.

Method of Recruitment and Appointment or Election of Trustees
The trustees are appointed, elected and co-opted under the terms set out in the Articles of Association and Funding Agreement. The term of office for any Trustee shall be four years save that this time limit shall not apply to the Head Teacher. Subject to remaining eligible to be a particular type of trustee, any trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees
Trustees have adopted an induction procedure/policy which is circulated to all new trustees on appointment. This is reviewed regularly to assess its appropriateness and to incorporate amendments as necessary. In addition more experienced trustees act as mentors to assist and guide those more recently appointed. Further training is offered to the whole governing body, on various issues, via in house and external providers.

Organisational Structure
In line with the conversion process in place in 2011 the Academy has a Trust and a Governing Body (the governors are referred to as trustees in this report). The trustees are responsible for setting the direction of the Academy, holding the Head Teacher to account and ensuring financial probity. Trustees are Directors of the charitable company for the purposes of the Companies Act 2006 and Trustees for the purposes of the charity legislation and as such must ensure that they are complying with both company and charity law requirements.

The day to day decisions and routine management of the Academy is delegated to the Head Teacher and Senior Leadership Team (details of SLT are shown on page 2). The groups however are interdependent and work closely together to formulate and monitor the School Improvement Plan, budget and objectives. Members of the groups have a further role in the audit, progress and development cycle.

Arrangements for setting pay and remuneration of key management personnel
Key management personnel salaries are benchmarked against similar roles in other academies. The Academy uses a recognised pay scale for the sector with some flexibility applied to take into account the specific requirements for each post and the need to recruit and retain the best staff. Pay progression is awarded based on performance of strategic objectives, assessed through the academy's Performance Management Policy, which is reviewed annually.

Related Parties and other Connected Charities and Organisations

The Academies Trust was established as a standalone company and does not have any external sponsors, neither is it related to any other charitable trust or party.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Academy Trust's object is specifically restricted to advance, for the public benefit, education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing, a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The objectives are clearly identified through the School Improvement Plan. This plan is a product of detailed planning, research and collaboration across all stakeholders. The plan identifies actions, impacts and those responsible for delivery, alongside completion dates and the strategy for achieving our goals.

The activities of the school can be classified into the following areas. Each of these areas provides a focus for our self-evaluation and our School Improvement Plan:

- Overall effectiveness: the quality and standard of education
- Effectiveness of leadership and management
- Quality of teaching, learning and assessment
- Personal development, behaviour and welfare
- Outcomes for pupils
- Effectiveness of the 16-19 study programme

Much work has been done on the impact of outcomes for all. Stakeholders are actively engaged and relationships with pupils, parents and the wider community are improving. The success of our work in this area is evidenced/supported by our most recent HMI monitoring report.

Public Benefit

The Trustees have reviewed the public benefit guidance published by the Charity Commission and although the Academy is not a fee charging organisation it never-the-less endeavours to ensure all pupils have access to the wider opportunities available through the school. A bursary scheme operates to provide additional support to pupils up to a limit of:

- Year 7 £100
- Year 8 – 11 £50
- 16 – 19 Discretionary Bursary

The school links with local primary and secondary schools, the West Bromwich Albion Foundation and other external bodies to share information and good practice and to build closer links with the wider community. Joint peer reviews for various aspects have been undertaken with two high schools to support local collaboration. External reviews of pupil premium and safeguarding have been completed all of which contribute to the public benefit element of the Academy's improvement plan.

Strategic Report

Achievements and Performance

Based on our most recent set of exam results, there has been significant improvement in the headline figure for Progress 8. This has improved dramatically from -0.46 (2016) to -0.09 (2017). There is still much work to be done in English and science to move towards national indicators. English attainment grades 4-9 (standard pass) were 63% and grades 5-9 (strong pass) were 38%. Maths attainment grades 4-9 (standard pass) were 57% and grades 5-9 (strong pass) were 38%. Science also remains a whole school focus for improvements.

The gap between disadvantaged students will be measured against that of those who are non-disadvantaged nationally. This data is not available at this point. However, the in-school gap between disadvantaged students and non-disadvantaged students is as follows: English P8 gap 0.27, English 4-9 gap 25%, English 5-9 gap 20%. Maths P8 gap 0.30, Maths 4-9 gap 16%, Maths 5-9 gap 17%.

The headline figure for whole school progress 8 demonstrates Oldbury Academy being the second most improved school in Sandwell across this measure.

The latest exam results show that our 6th Form students' performance has improved. A Level results demonstrated an improvement from -0.22 in 2016 to +0.26 in 2017. In addition our A*-B performance improved from 18% in 2016 to 33% in 2017. In Vocational qualifications the Value Added improved from +0.53 in 2016 to +0.60 in 2017. In addition our D*/D performance improved from 79.3% in 2016 to 86.8%in 2017.

Key Financial Performance Indicators

	2016/17		2015/16	
Type	**Budget**	**Outturn**	**Budget**	**Outturn**
	%	**%**	**%**	**%**
GAG Income	99.45	96.89	92.51	90.10
Other Income*	0.55	3.11	7.49	9.90
Staffing (salaries)	65.45	68.64	62.83	65.63
Other Expenditure*	34.55	31.36	37.17	34.37
Pupil Numbers		1,604		1,592
Income Per Pupil		£5,905		£6,110
Spend Per Pupil		£6,298		£6,153
Staffing Numbers		209		194
Average spend per Employee		£48,375		£50,516

* This information does not include the LGPS figures or the depreciation of the Land/Building figures from the Local Authority.

Going Concern

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

Financial Review

Most of the Academy's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of a recurrent grant which is restricted to particular purposes as per the Articles of Association. The grants received from the ESFA during the period of 1 September 2016 to 31 August 2017, and the associated expenditure, are shown as restricted in the Statement of Financial Activities. Also specific targeted grants from the ESFA for Pupil Premium and Year 7 Literacy and Numeracy "Catch-Up" are recorded and recognised as restricted Funds.

We also receive grant funding from Sandwell Local Authority for Special Educational Needs and from Sandwell and other local authorities for Looked After Children.

The Academy has received capital grants from ESFA to be spend on Fixed Assets. In accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of assets concerned.

During the year ended 31 August 2017, total expenditure of £9,758,550 was covered by recurrent grant funding from the ESFA together with other incoming resources generated by the Academy which was £9,472,279. The income over expenditure for the year was (£286,271)

At the 31 August 2017 the net book value of fixed assets was £24,894,333 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

As at the 31 August the current deficit on the Local Government Pension Scheme amounted to £2,779,000.

Reserves Policy

The Trustees have reviewed the Academy's reserves throughout the year. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the level of reserves, and the initiatives the Trustees deem necessary to enhance the learning environment for students and to have an impact on behaviour and attainment.

The Academy's reserves have been built up to support the academy in the reduction of its commitments. The reserves will be used to support the anticipated in year overspend whilst the Trustees implement cost saving measures; this remains an on-going priority for the Trustees.

At 31 August 2017 the Academy's Unrestricted Reserves were £2,577,220, which is an increase on last year. It had been predicted that the school would be using some of this unrestricted reserve to support its overspend in-year.

An ICT development programme has been initiated the cost of which has been met from Capital Reserves.

Investment Policy

The Investment Policy stipulates that the investment accounts are reviewed regularly and replaced or updated as necessary in order to provide flexible access to funds while generating the best interest possible. In view of the current financial climate the investments accounts are currently under review.

Principal Risks and Uncertainties

The Academy has drawn up a strategic risk register and this has been categorised so that higher level risks are prioritised. Policies are in place to mitigate/reduce these risks. The strategic risk register is reviewed, updated and presented to Trustees for approval on an annual basis.

The key issues for the Academy at present are the deficit on the non-teaching pension scheme and the continued effect of Building Schools for the Future in terms of the Facilities Maintenance contract. Negotiations have taken place regarding the renewal of the ICT contract and a rolling programme to replace this equipment has been agreed and initiated.

The Trustees are aware that the following risks could have serious consequences for the Academy:

- Failure to successfully recruit and retain pupils, both in mainstream school and sixth form;
- Changes to Government policies on Education Funding; and
- Further OFSTED judgement below a 2.

Plans for Future Periods

The School Improvement Plan is reviewed regularly and identifies our short and medium term objectives; in summary these are:

1) Behaviour and Safety;
2) Achievement;
3) Leadership and Management;
4) Teaching and Learning; and
5) Issues from the last inspection and subsequent monitoring visits.

Within each Key area there are a number of priorities and action points.

Funds held as Custodian Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

Auditor

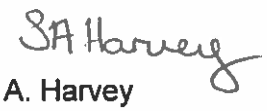
In so far as the Trustees are aware:

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

The auditors, PKF Cooper Parry Group Ltd, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

The Trustees' report, incorporating a strategic report, was approved by order of the Trustees on the 18 December 2017 and signed on its behalf by:

Signed



S. A. Harvey
Chair of Governors (Trustees)
Date: 18 December 2017

Oldbury Academy Trust
Governance Statement

Scope of Responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Oldbury Academy 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 Head Teacher, 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 Oldbury Academy and the Secretary of State for Education. The Head Teacher and Finance director are also responsible for reporting to the governing body 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 6 times during the year, with sub committees meeting a further eighteen times during the year. All meetings have been quorate. Attendance during the year at meetings of the board of trustees was as follows:

Governor Attendance at Meetings from 1 September 2016 – 31 August 2017

Trustees

	Meetings Attended	Out of a Possible
Elizabeth Atterbury (resigned 27 June 2017)	0	6
Yvonne Cogzill (staff trustee)	4	6
Jane Gowing	4	6
Nick Griggs	5	6
Caroline Harrison (parent trustee)	3	6
Sally Harvey (Chair)	4	6
Angela Hughes	3	6
Gianjeet Hunjan	1	6
Keith Lees (Staff Trustee appt'd January 2017, resigned August 2017)	3	3
Sophie Martin (Staff Trustee resigned December 2016)	0	3
Shola Okunnu (parent trustee)	6	6
Maggie Parsons	5	6
Melvyn Phillips	6	6
Philip Shackleton (Head Teacher and Accounting officer)	6	6
Sarah Wilkins-Bland (Staff Trustee)	5	6
James Davis (Associate)	4	6
Dave Walker (Associate)	5	6

Three trustees have resigned during the course of the year, two staff and one parent. These places have not been filled as Members/Trustees have determined to review and adjust the composition of the Trust and the Board and adopt new articles of association, subject to the necessary approval being granted. The academy continues to implement strategies to facilitate the ongoing improvements identified by monitoring visits, the latest of which indicated that leaders should continue to concentrate on the changes put in place to ensure they were firmly embedded in good practice.

Governance Reviews

Training needs are identified throughout the year and arrangements made for internal/external training to be provided to meet these needs at the termly, calendared, training sessions. Skills audits are completed on a bi-annual basis to ensure appropriate allocation of committee work. As indicated in the previous paragraph membership changes are proposed which have led to Members/Trustees reviewing/anticipating the future needs of the Trust and the Board. The intention is to appoint individuals who will bring with them expertise from higher educational establishments, commerce or industry. Further training needs will be identified once the new appointments are in place.

The **Finance & Audit Committee** remit is to review the effectiveness of the Academy's corporate governance arrangements, financial systems, internal control environment and risk management arrangements. All matters appertaining to the remit and terms of reference for this committee have been discussed, recorded and reported upon, in line with the Academy's normal governance arrangements. Significantly this committee makes recommendations for the approval of the external auditors and the reporting officer to the FGB.

Attendance at Finance and Audit Committee meetings in the year was as follows:

Governor	Meetings Attended	Out of a Possible
Nick Griggs	4	5
Sally Harvey	4	5
Gianjeet Hunjan	1	5
Shola Okunnu	2	5
Mel Phillips	4	5
Philip Shackleton	4	5

Review of Value for Money

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

The accounting officer considers how the trust's use of 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:

Analysis was undertaken of spending on items that have historically been a significant cost for the trust. Three areas were identified for review with an expectation that savings would be generated. These were recruitment, exam invigilation and exam entries.

- Recruitment - As staff have left/retired a review of their role has been undertaken and changes made where necessary/possible and in some instances roles have been moved to ensure needs are still being met. It has been necessary to reappoint to some of the posts but overall a reduction has been achieved within the trust. Online advertisements are used wherever possible further reducing recruitment costs.
- Exam invigilation - The school has established its own "pool" of exam invigilators thereby reducing the cost of using an external agency and securing consistency and loyalty from those engaged. The use of invigilators for internal exams was not deemed to be cost effective following their use in the previous exam series.
- Exam entries - Year 11 students were entered for an additional qualification (ECDL) in 2016/17 with the majority of them achieving a Distinction *. Despite this additional expense, savings were still generated overall by staff exercising robust assessments prior to determining the exam entry levels for students.

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 risks 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 on-going 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 Oldbury Academy for the period 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 trustees have 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 trustees are of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 trustees.

Oldbury Academy Trust
Governance Statement (continued)

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 trustees;
- Regular reviews by the Finance & 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;
- Identification and management of risks.

The trustees have considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, they have appointed Mr. A. Poulton, to perform additional checks. His role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems and processes. In particular the checks carried out in the current period include :

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

Mr A Poulton submits a report to the Chair of Trustees on the operation of the systems of control and on the discharge of the trustees' financial responsibilities. This is presented to the Finance and Audit Committee where trustees are advised of the remedial action taken, or planned, to rectify any issues that have been identified.

Review of Effectiveness
As accounting officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Audit 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 governing body on 18 December 2017 and signed on its behalf by:

S A Harvey

S.A. Harvey
Chair of Governors

P Shackleton

P. Shackleton
Accounting Officer

Oldbury Academy Trust
Statement on Regularity, Propriety and Compliance

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

I confirm that I and the Academy 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 of 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 Trustees and ESFA.

P. Shackleton
Accounting officer
18 December 2017

Oldbury Academy Trust
Statement of Trustees' Responsibilities

The trustees (who act as governors of Oldbury 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 in the Charities SORP 2015 and the Academies Accounts Direction 2016 - 17;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 18 December 2017 and signed on its behalf by:

S.A. Harvey
Chair

Oldbury Academy Trust
Independent Auditors' Report to the members of Oldbury Academy

Opinion

We have audited the financial statements of Oldbury Academy (the '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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report and 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept, or 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.

Oldbury Academy Trust

Independent Auditors' Report to the members of Oldbury Academy (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PKF Cooper Parry Group Limited

Simon Atkins FCA (Senior statutory auditor)
For and on behalf of

PKF Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

18/12/17

Oldbury Academy Trust

Independent Reporting Accountants' Assurance Report on Regularity to Oldbury Academy and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 18 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Oldbury Academy during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Oldbury Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertake so that we might state to Oldbury Academy and 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 Oldbury Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective Responsibilities of Oldbury Academy Accounting Officer and the Reporting Accountant

The accounting officer is responsible, under the requirements of Oldbury Academy funding agreement with the Secretary of State for Education dated 1 December 2011, 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 Trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

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.

PKF Cooper Parry Group Limited

PKF Cooper Parry Group Limited

Reporting Accountant

18 December 2017

Oldbury Academy Trust

Statement of Financial Activities for the year ended 31 August 2017 (including Income and Expenditure Account)

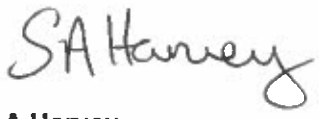
	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	**Total 2017**	Total 2016
Income and endowments from:		£	£	£	**£**	£
Donations and capital grants	2	8,693	-	31,501	**40,194**	35,721
Charitable activities:						
Funding for the academy trust's educational operations	3	-	9,083,655	-	**9,083,655**	9,457,803
Other trading activities	4	285,343	62,779	-	**348,122**	269,659
Investments	5	308	-	-	**308**	
Total		294,344	9,146,434	31,501	**9,472,279**	9,763,183
Expenditure on:						
Raising funds	6	250,481	-	-	**250,481**	219,643
Charitable activities:						
Academy trust educational operations	6	-	9,288,164	219,905	**9,508,069**	9,882,658
Total		250,481	9,288,164	219,905	**9,758,550**	10,102,301
Net income / (expenditure)		43,863	(141,730)	(188,404)	**(286,271)**	(339,118)
Other recognised losses:						
Actuarial losses on defined benefit pension schemes	26	-	(155,000)	-	**(155,000)**	(942,000)
Net movement in funds		43,863	(296,730)	(188,404)	**(441,273)**	(1,281,118)
Reconciliation of funds						
Total funds brought forward		2,533,357	(2,246,739)	25,535,194	**25,821,812**	27,102,930
Total funds carried forward		2,577,220	(2,543,469)	25,346,790	**25,380,541**	25,821,812

Oldbury Academy Trust
Balance Sheet
as at 31 August 2017

Company Registration No: 07672607

	Notes	2017	2017	2016	2016
Fixed assets		£	£	£	£
Tangible assets	11		**24,894,333**		24,990,553
Current assets					
Stock	12	**2,905**		6,342	
Debtors	13	**247,230**		259,529	
Cash at bank and in hand		**4,106,095**		3,783,333	
		4,356,230		4,049,204	
Liabilities					
Creditors: Amounts falling due within one year	14	**(1,091,022)**		(600,945)	
Net current assets			**3,265,208**		3,448,259
Total assets less current liabilities			**28,159,541**		28,438,812
Creditors: Amounts falling due after more than one year			**-**		-
Net assets excluding pension liability			**28,159,541**		28,438,812
Defined benefit pension scheme liability	26		**(2,779,000)**		(2,617,000)
Total assets			**25,380,541**		25,821,812
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	15	**25,346,790**		25,535,194	
. Restricted income fund	15	**235,531**		370,261	
. Pension reserve	15	**(2,779,000)**		(2,617,000)	
Total restricted funds			**22,803,321**		23,288,455
Unrestricted income funds	15		**2,577,220**		2,533,357
Total funds			**25,380,541**		25,821,812

The financial statements on pages 17 to 38 were approved by the trustees, and authorised for issue on 18 December 2017 and are signed on their behalf by:



S.A.Harvey
Chair of Trustees

Oldbury Academy Trust
Statement of Cash Flows
for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	19	**414,638**	(940,403)
Cash flows from investing activities	21	**(91,876)**	(1,953)
Cash flow from financing activities		**-**	-
Change in cash and cash equivalents in the reporting period		**322,762**	(942,356)
Cash and cash equivalents at 1 September 2015		**3,783,333**	4,672,323
Cash and cash equivalents at the 31 August 2016	22	**4,106,095**	3,783,333

1. Statement of Accounting Policies

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

Basis of Preparation

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

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

Going Concern

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

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**
  Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

- **Sponsorship Income**
  Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.
- **Donations**
  Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.
- **Other Income**
  Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.
- **Donated goods, facilities and services**
  Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. 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'.
- **Donated fixed assets**
  Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

  The donation of leased properties from the Local Authority have been valued independently by the ESFA, and have been separately identified within the accounts. They are included in the appropriate fixed asset category and depreciated over the lease period in accordance with the academy trust's policies.

Expenditure

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets
Assets costing £1,000 and Building Improvement/Modification Costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	over the 125 year lease
Furniture and equipment	over 5 years
Computer equipment and software	over 3 years
Motor vehicles	over 7.5 years
Building Improvement/Modification	over 10 years

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

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

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

Provisions
Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

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

Stock
Unsold uniforms, ICT equipment and stationery are valued at the lower of cost or net realisable value.

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity'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 cost as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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 the 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.

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government

Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund Accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency/DfE.

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 26, 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.

2 Donations and capital grants

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Capital Grants	0	31,501	**31,501**	32,530
Donations	8,693	0	**8,693**	3,191
	8,693	31,501	**40,193**	35,721

The income from donations and capital grants in 2016 of £32,530 was restricted and £3,191 was unrestricted.

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
DfE / ESFA grants				
. General Annual Grant (GAG)	0	8,367,523	**8,367,523**	8,763,997
. Other DfE/ESFA grants	0	611,320	**611,320**	594,006
	0	8,978,843	**8,978,843**	9,358,003
Other Government grants				
. Local authority grants	0	8,000	**8,000**	18,200
. Special educational projects	0	96,812	**96,812**	81,600
	0	104,812	**104,812**	99,800
	0	9,083,655	**9,083,655**	9,457,803

The income from the academy educational operations in 2016 of £9,457,803 was allocated to restricted income.

4 Other Trading activities

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Staffing Initiative	0	62,779	**62,779**	42,120
Catering Income	3,130	0	**3,130**	1,447
Hire of Facilities/Services	46,314	0	**46,314**	48,135
Shop	89,624	0	**89,624**	97,369
Trips	71,806	0	**71,806**	58,239
Miscellaneous	74,469	0	**74,469**	22,350
	285,343	62,779	**348,122**	**269,660**

The income from other trading activities in 2016 of £227,539 was allocated to unrestricted income and £42,121 was allocated to restricted income.

The income from the Hire of Facilities/Services has significantly reduced due to students leaving who had been placed with us temporarily from other Establishments.

5 Investment income

	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
	£	£	£	£
Short term deposits	308	0	308	0
	308	-	308	-

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total	Total
		Premises	Other	2017	2016
	£	£	£	£	£
Expenditure on raising funds	46,589	23,530	180,362	250,481	219,643
Academy's educational operations:					
. Direct costs	6,336,144	-	996,202	7,332,346	7,670,433
. Allocated support costs	550,991	1,396,125	228,607	2,175,723	2,212,225
	6,933,724	1,419,655	1,405,171	9,758,550	10,102,301

Net income/(expenditure) for the period includes:

	2017	2016
	£	£
Operating lease rentals	-	4,188
Depreciation	219,905	213,263
Fees payable to auditor for:		
- audit	13,050	13,750

7 Charitable Activities

	Total 2017 £	Total 2016 £
Direct costs – educational operations	**7,332,346**	7,670,433
Support costs – educational operations	**2,175,723**	2,212,225
	9,508,069	9,882,658

Analysis of support costs	**Educational Operations £**	**Total 2017 £**	Total 2017 £
Support staff costs	538,849	**538,849**	537,630
Depreciation	199,942	**199,942**	197,985
Technology costs	27,670	**27,670**	29,707
Premises costs	1,221,066	**1,221,066**	1,219,934
Other support costs	163,171	**163,171**	203,388
Governance costs	25,026	**25,026**	23,581
Total support costs	2,175,723	**2,175,723**	2,212,225

Included within governance costs are any costs associated with the strategic, as opposed to day-to-day management of the charity's activities. These costs will include any employee benefits for trusteeship, the cost of charity employees involved in meetings with trustees, the cost of any administrative support provided to the trustees, and costs relating to constitutional and statutory requirements including audit and preparation of statutory accounts.

8 Staff

a. Staff costs

Staff costs during the period were:

	Total 2017 £	Total 2016 £
Wages and salaries	**5,275,966**	5,200,214
Social security costs	**518,418**	442,877
Operating costs of defined benefit pension schemes	**847,625**	893,072
Apprentice levy	**4,932**	-
	6,646,941	6,536,163
Supply staff costs	**286,783**	611,555
	6,933,724	7,147,718

b. Non statutory/non contractual staff severance payments

There have been no such payments in 2017 or 2016.

c. Staff numbers

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

	2017 No.	2016 No.
Teachers	**104**	98
Administration and support	**95**	84
Management	**10**	12
	209	200

d. Higher paid staff

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

	2017 No.	2016 No.
£60,000 - £70,000 (full year equivalent)	**2**	4
£70,001 - £80,000 (full year equivalent)	**1**	1
£80,001 - £90,000 (full year equivalent)	**0**	1
£90,001 - £100,000 (full year equivalent)	**1**	0
£190,001 - £200,000 (full year equivalent)	**0**	1
	4	**7**

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £893,378 (2016: £851,176).

9 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

P.Shackleton (head teacher and trustee):

. Remuneration £90,000 - £100,000 (2016: £80,000 - £90,000)

. Employer's pension contributions paid £15,000 - £20,000 (2016: £10,000 - £15,000)

M. Jones (deputy head teacher (8/12's - 2016/17) and trustee (8/12's)):

. Remuneration £40,000 - £50,000 (2016: £60,000 - £70,000)

. Employer's pension contributions paid (8/12's 2016-17) £5,000 - £10,000 (2016: £10,000 - £15,000)

S. Wilkins (staff governor)

. Remuneration £25,000 - £30,000 (2016: £25,000 - £30,000)

. Employer's pension contributions paid £0 - £5,000 (2016: £0 - £5,000)

Y. Cogzell (staff governor)

. Remuneration £40,000 - £45,000 (2016: £35,000 - £40,000)

. Employer's pension contributions paid £5,000 - £10,000 (2016: £5,000 - £10,000)

S. Martin (staff governor 4/12's 2016/17)

. Remuneration £10,000 - £15,000 (2016: £35,000 - £40,000)

. Employer's pension contributions paid £0 - £5,000 2016/7 (2016: £5,000 - £10,000)

K. Lees (staff governor 8/12's)

. Remuneration £20,000 - £25,000 (2016: N/A)

. Employer's pension contributions paid £0 - £5,000 (2016: N/A)

During the period ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly to any Trustees .

10 Trustees' and Officers' Insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. 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.

Oldbury Academy Trust
Notes to the Financial Statements for the year ended 31 August 2017 (continued)

11 Tangible Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Furniture and Equipment	Computer Hardware	Motor Vehicles	**Total**
COST	**£**	**£**	**£**	**£**	**£**	**£**
At 1 Sept 2016	0	25,831,046	117,619	7,209	23,095	25,978,969
Additions	0	0	1,249	122,435	0	123,684
Disposals	0	0	0	0	0	0
At 31 Aug 2017	**0**	**25,831,046**	**118,868**	**129,644**	**23,095**	**26,102,653**
Depreciation						
At 1 Sept 2016	0	918,051	52,427	5,615	12,323	988,416
Charged in year	0	193,031	22,908	886	3,079	219,905
Disposals	0	0	0	0	0	0
At 31 Aug 2017	**0**	**1,111,082**	**75,335**	**6,501**	**15,402**	**1,208,321**
Net book values						
At 31 August 2016	**0**	24,912,995	65,192	1,594	10,772	**24,990,553**
At 31 August 2017	**0**	**24,719,965**	**43,533**	**123,142**	**7,693**	**24,894,333**

Included in the leasehold land and buildings is leasehold land at £1,685,865 (2016: £1,685,865) which is not depreciated. The academy also rents building facilities offsite which is not included in the figures above but is included in the expenditure section of the accounts for the value of £15,000.

12 Stock

	2017	2016
	£	£
Clothing	1,837	2,970
ICT/Stationery	1,068	3,372
	2,905	6,342

13 Debtors

	2017	2016
	£	£
Trade debtors	12,092	17,911
VAT recoverable	36,651	193,286
Other debtors	14,199	19,932
Prepayments and accrued income	184,288	28,400
	247,230	259,529

14 Creditors: Amounts Falling due within one year

	2017	2016
	£	£
Trade creditors	833,412	286,037
Other taxation and social security	131,758	128,338
Other creditors	104,100	100,104
Accruals and deferred income	21,751	86,466
	1,091,022	600,945

Deferred income

	2017	2016
	£	£
Deferred income at 1 September 2016	86,465	60,272
Released from previous years	21,753	86,465
Resources deferred in the year	(86,465)	(60,272)
Deferred Income at 31 August 2017	21,753	86,465

At the balance sheet date the Academy Trust was holding funds for trips that were not taking place until the next academic year. There was also funding towards the salary cost of a sports co-ordinator. These will be released in the 2017/18 financial year.

Oldbury Academy Trust
Notes to the Financial Statements for the year ended 31 August 2017 (continued)

15 Funds

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£	£	£	£	£
Restricted general funds					
General Annual Grant (GAG)	29,751	8,367,523	(8,494,750)	-	**(97,476)**
Pupil Premium	217,812	586,769	(588,860)	-	**215,721**
Other grants	122,698	129,363	(134,775)		**117,286**
Pension reserve	(2,617,000)	-	(7,000)	(155,000)	**(2,779,000)**
Activities for Generating Funds	-	62,779	(62,779)	-	**-**
	(2,246,739)	9,146,434	(9,288,164)	(155,000)	**(2,543,469)**
Restricted fixed asset funds					
Transfer on conversion	24,912,995	-	(193,031)	-	**24,719,964**
DfE/ESFA capital grants	158,314	31,501	-	-	**189,815**
Capital expenditure from GAG	43,914	-	(17,687)	-	**26,227**
Voluntary Income	81,925	-	-	-	**81,925**
Transfer on Conversion Capital Grant	338,046	-	(9,187)	-	**328,859**
	25,535,194	31,501	(219,905)	-	**25,346,790**
Total restricted funds	**23,288,456**	**9,177,935**	(9,508,069)	(155,000)	**23,803,21**
Transfer on Conversion (LA)*	2,242,958	-	-	-	**2,242,958**
Unrestricted funds	290,399	294,344	(250,481)	-	**334,262**
Total unrestricted funds	2,533,357	294,344	(250,481)	-	**2,577,220**
Total funds	**25,821,814**	9,472,279	(9,758,550)	(155,000)	**25,380,541**

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of General Annual Grant (GAG) that it could carry forward at 31 August 2017. However it must be used for the annual running costs of the academy.

Other DfE/ESFA Grants held and not spent are for Pupil Premium, Summer School Pupil Premium and Year 7 Catch-Up.
Income not spent has been restricted and will only be spent on its intended funding purposes.

Other Government Grants are funds that have been received in relation to Looked After Pupils from Sandwell and other Local Authorities. The school has restricted this money so that it can only be spent on its intended purpose.

16 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
Tangible fixed assets	0	0	24,894,332	**24,894,332**
Current assets	2,577,220	1,326,552	452,458	**4,356,230**
Current liabilities	0	(1,091,021)	0	**(1,091,021)**
Non-current liabilities	0	0	0	**0**
Pension scheme liability	0	(2,779,000)	0	**(2,779,000)**
Total net assets	2,577,220	(2,543,469)	25,346,790	**25,380,541**

17 Capital Commitments

	2017	2016
	£	£
Contracted for, but not provided in the financial statements	-	-

18 Commitments under operating leases

Operating Leases

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

	2017	2016
	£	£
Amounts due between one and five years	**0**	4,188
	0	4,188

The operating lease on a Unit for educational purposes started on the 1 October 2012 initially for a period of two years. The Academy began negotiations to purchase the facility however, due to legal technicalities that had not been disclosed the purchase was unable to continue. The Academy are renting the facility until the vendor provides new/revised legal documentation.

Restricted fixed assets are represented by assets funded by government grants and assets on academy conversion.

19 Reconciliation of Net Income/(expenditure) to Net Cash Flow from Operating Activities

	2017	2016
	£	£
Net expenditure for the reporting period (as per the statement of financial activities)	**(286,271)**	(339,118)
Adjusted for:		
Depreciation charges (note 11)	**219,905**	213,265
Capital grants from DfE and other capital income	**(31,501)**	(32,530)
Interest receivable (note 5)	**(308)**	
Defined benefit pension scheme cost less contributions payable (note 26)	**(47,000)**	47,000
Defined benefit pension scheme finance cost (note 26)	**54,000**	60,000
Increase in stocks	**3,437**	(3,602)
Increase/(decreased) in debtors	**12,299**	(75,205)
(Decrease)/increase in creditors	**490,079**	(810,213)
Net cash used in Operating Activities	**414,638**	(940,403)

20 Cash Flows from Financing Activities

	2017	2016
	£	£
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by/ (used in) financing activities	-	-

21 Cash Flows from Investing Activities

	2017	2016
	£	£
Dividends, interest and rents from investments	**308**	-
Purchase of tangible fixed assets	**(123,684)**	(34,483)
Capital grants from DfE/ESFA	**31,501**	32,530
Net cash (used in)/provided by investing activities	**(91,876)**	(1,953)

22 Analysis cash and cash equivalents

	At 31 August 2017	At 31 August 2016
	£	£
Cash in hand and at bank	4,106,095	3,783,333
Total cash and cash equivalents	**4,106,095**	3,783,333

23 Guarantees, Letters of Comfort and Indemnities

The Trustees did not provide any guarantees, letters of comfort or indemnities.

24 Contingent Liabilities

The Trustees are not aware of any possible obligations/commitments that might arise from past events. There are none whose existence will be confirmed only by the occurrence of one or more uncertain future Events not wholly within the academy trust's control, or a present obligation that arises from a past event but is not recognised because it is not probable that a transfer of economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

25 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of 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 cases to be a member.

26 Pension and Similar Obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined benefit 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 was an outstanding amount of £103,800 (2016: £93,182) contributions at 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 HMI 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 employers pension costs paid to TPS in the period amounted to £621,634 (2016: £592,469)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2017 was £450,000 (2016: £253,000), of which employer's contributions totalled £390,000 (2016: £191,000) and employees' contributions totalled £60,000 (2016: £62,000).

The agreed contribution rates for future years are 16.9 per cent for employers and employees varies as per gross salary.

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

The Academy made additional contributions of £4,625 per month for the period of 1 September 2016 to 31 March 2017. The academy has made additional contributions for the future years which enables them to receive an overall reduction in costs.

	At 31 August 2017	At 31 August 2016
Principal Actuarial Assumptions		
Rate of increase in salaries	**4.20%**	3.75%
Rate of increase for pensions in payment/inflation	**2.70%**	2.00%
Discount rate for scheme liabilities	**2.60%**	2.20%

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

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

26 Pension and similar obligations

Sensitivity Analysis	At 31 August 2017 £
Discount Rate +0.1%	137
Discount Rate -0.1%	(140)
Mortality assumption – 1 year increase	(192)
Mortality assumption – 1 year decrease	186
CPI rate +0.1%	(110)
CPI rate -0.1%	107

The academy's share of net assets were:

	Fair value at 31 August 2017	Fair value at 31 August 2016
	£	£
Equity instruments	1,858,000	1,252,000
Bonds	328,000	327,000
Property	215,000	168,000
Cash/Liquidity	146,000	135,000
Other	390,000	228,000
Total market value of assets	2,937,000	2,110,000

The actual return on scheme assets was (£395,000) (2016: £328,000).

Amounts recognised in the statement of financial activities

	2017	2016
	£	£
Current service cost (net of employee contributions)	343,000	238,000
Net interest cost	53,000	59,000
Total operating charge	396,000	297,000

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

	2017	2016
	£	£
At 1 September		
Deficit in the Scheme	4,727,000	3,177,000
Current service cost	343,000	238,000
Interest cost	104,000	127,000
Employee contributions	60,000	62,000
Actuarial (gain)/loss	525,000	1,202,000
Benefits paid	(43,000)	(79,000)
At 31 August	5,716,000	4,727,000

26 Pension and similar obligations

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

	2016	2015
	£	£
At 1 September	**2,110,000**	1,609,000
Interest income	**51,000**	68,000
Return on plan assets (excluding net interest on the net defined pension liability)	**344,000**	260,000
Actuarial gain/ (loss)	**26,000**	
Employer contributions	**390,000**	191,000
Employee contributions	**60,000**	62,000
Benefits paid	**(43,000)**	(79,000)
Administrative Expenses	**(1,000)**	(1,000)
At 31 August	**2,937,000**	2,110,000

27 Related Party Transactions

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

The academy trust employs the following people who are, a close family member of the Governor/Trustees. They received remuneration commensurate with that of other employees holding the same position in the academy and the Governors/Trustees did not partake in the decision making process regarding their employment, remuneration or performance management.

Governor/Trustee	Employee	Role Within Trust
Mrs SA Harvey	Mrs S. Harvey £34,750 (incl. of pension scheme)	Teaching - Un-qualified Teacher
Mr K. Lees	Miss C. Rowland £26,358 (incl. of pension scheme)	Non Teaching - Academic Coach
Mr J Davis	Mrs D Powell £29,555 (incl. of pension scheme)	Non Teaching - Administration