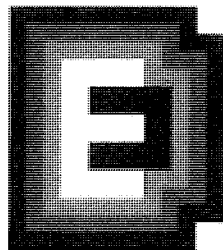


Education Central Multi Academy Trust
(A Company Limited by Guarantee)

Annual Report and Financial Statements
Year ended 31 August 2017



**EDUCATION
CENTRAL**
MULTI ACADEMY TRUST

Company Registration Number:
08255492 (England and Wales)

Education Central Multi Academy Trust

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Education Central Multi Academy Trust

Reference and Administrative Details

Members	Professor G Layer Sir G Hampton A Lee A Holding (as a representative of the University of Wolverhampton Social Enterprise board) #
Trustees	Professor G Layer (Chairman) (resigned 20 March 2017) R Lockwood +* Professor M Waters (resigned 16 October 2017) J Dunne + (Chairman from 20 March 2017) Professor M Lowe + (CEO and Accounting Officer) A Holding (as a representative of the University of Wolverhampton Social Enterprise board) # <i>+ members of academic board</i> <i>* members of the finance and resources committee</i> <i># members of the audit and risk committee</i>
Company Secretary	F Grundy
Senior Management Team:	
* CEO and Accounting Officer	Professor M Lowe
* CFO and Director of Finance	A Wood (appointed 6 March 2017)
* Director of Primary Academies	K Butlin
* Director of Human Resources	S Malhotra
* Director of Secondary Academies	K Inscker (secondment from 1 January 2017 to 30 April 2017)
Company Name Principal and Registered Office	Education Central Multi Academy Trust University of Wolverhampton Wulfruna Street Wolverhampton WV1 1LY
Company Registration Number	08255492 (England and Wales)
Independent Auditor	Moore Stephens LLP 35 Calthorpe Road Birmingham B15 1TS
Bankers	Lloyds Bank plc 2nd Floor Colmore Row Birmingham B3 3SF

Education Central Multi Academy Trust

Reference and Administrative Details

Solicitors

Mills & Reeve LLP
Monument Place
24 Monument Street
London
EC3R 8AJ

Education Central Multi Academy Trust

Trustees' Report

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

The trust operates 10 primary academies and 3 secondary academies across the West Midlands and Staffordshire. Its academies have a combined roll of 6,548 in the school census on October 2016.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The constituent academies of the trust are:

The Ace Academy
Albert Bradbeer Primary Academy
Edgar Stammers Primary Academy
Fairway Primary Academy LGB
Featherstone Academy
Heathlands Primary Academy
The Orchards Primary Academy
Pye Green Academy
Reaside Academy
Smestow School
Tame Valley Academy
Wednesfield High Specialist Engineering Academy
Woodhouse Primary Academy

The trustees of Education Central Multi Academy Trust (ECMAT) are also the directors of the charitable company for the purposes of company law.

The charitable company is known as University of Wolverhampton Social Enterprise Ltd.

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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

Trustees

Jackie Dunne - Chair of Education Central Multi Academy Trust Board and Deputy Vice Chancellor of the University of Wolverhampton - Jackie is responsible for leading the University of Wolverhampton's widening participation and outreach work, including engagement with schools and colleges and the University's work with Academy Schools and University Technical College (UTCs).

Education Central Multi Academy Trust

Trustees' Report (continued)

Professor Michelle Lowe - CEO - Professor Lowe is the Director of Education and the CEO of the Trust - a unique and sector-leading model for school leadership and improvement. Michelle ensures close alignment between the University and the MAT. Michelle has extensive leadership experience in education, working across all sectors.

Andrew Holding - University of Wolverhampton Social Enterprise Nominee

Roy Lockwood - Independent Educationalist. After a career as a teacher and lecturer, Dr Roy Lockwood worked for 3 Local Authorities including Berkshire County Council and Coventry City Council. His final position was as Director for Children and Young People at Wolverhampton City Council. In 2005 he was awarded a Ph.D. by the University of Warwick and in 2012 was given an Honorary Doctorate by the University of Wolverhampton.

Professor G Layer resigned as a Trustee on 20th March 2017 but continues to be a Member.

Professor M Waters resigned at the end of his term on 16th October 2017.

Trustees' Indemnities

As part of the overall insurance cover, taken out with third party insurers, the trust has taken out insurance relating to Governors' Indemnity. The limit of Indemnity cover is £5,000,000 in this respect.

Method of Recruitment and Appointment or Election of Trustees

The management of the academy trust is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction of trustees will depend on their existing experience. New trustees will be appointed according to the level of expertise which meets the requirements of the academy trust. Where necessary, training will be given on legal, financial and educational matters.

All trustees are encouraged to undertake personal training in addition to courses organised for all trustees, to ensure that they are up to date in their knowledge and able to carry out their roles effectively. Shared inset between all the schools in the trust include elements of trustee training and this is supported by external training providers. Trustees meet regularly and receive on a regular basis updated copies of policies and procedures and are encouraged to have an input into Trust self-evaluation and improvement planning.

Organisational Structure

The arrangements for delegated authority within Education Central Multi Academy Trust are set out within our scheme of delegation. The functions of the trust are discharged by its various boards, committees and key posts. The significant roles and responsibilities within the organisation are as follows;

Education Central Multi Academy Trust

Trustees' Report (continued)

Members

The members of ECMAT are signatories to the trust's memorandum and articles of association (a document which outlines the governance structure and how the trust operates). The members appoint trustees to ensure that the trust's charitable object is carried out. They are able to remove trustees if they fail to fulfil this responsibility. Members are also responsible for approving any amendments to the trust's articles of association. While members are permitted to be appointed as trustees, in order to retain a degree of separation of powers between the members and the trust board, and in line with DfE expectations, not all members are trustees. Members are not permitted to be employees of the trust.

Trustees

The trustees of ECMAT are the charity trustees and are responsible for the general control and management of the administration of the trust in accordance with the provisions set out in the memorandum and articles of association. The board of trustees is accountable for the performance of all academies within the trust and as such must;

- Ensure clarity of vision, ethos and strategic direction
- Hold the executive officers and headteachers to account for the educational performance of the academies and their pupils, and the performance management of staff
- Oversee the financial performance of the trust and make sure its money is well spent.

Because trustees are bound by charity and company law, the terms "trustees" and "directors" are used interchangeably.

The Board of Trustees

The ECMAT board is permitted to exercise all the powers of the academy trust. The trustees delegate certain governance functions and these are set out in our scheme of delegation.

The trust has the right to review and adapt its governance structure at any time which includes removing delegated authority in certain circumstances.

The board of trustees of Educational Central Multi Academy Trust delegate responsibility for delivery of its objectives and strategy to the lead professional of the MAT i.e. the Chief Executive Officer who is also designated as the Accounting Officer. The MAT board holds the CEO to account for the performance of the trust, including the performance of the academies within the trust.

Some responsibilities concerning the performance of each academy are delegated to local academy boards. Each local academy board will use its detailed knowledge and engagement with stakeholders to ensure that their academy is performing to the highest possible standards, and that it is being well served by the executive leadership of the trust.

Education Central Multi Academy Trust

Trustees' Report (continued)

The performance management of the Chief Executive Officer (Accounting Officer) is the responsibility of the trust board. The CEO is responsible for the performance management of the academy headteachers but will seek contributions from representatives of the local academy boards to this process.

Board Sub Committees

The trustees have established three sub committees with the purpose of providing advice and support and informing the overall work of the trust board.

- Academic Board
- Finance and Resources Committee
- Audit, Risk and Compliance
- Remunerations Committee

However these sub committees are not legally responsible or accountable for statutory functions – the trust board retains overall accountability and responsibility. The responsibilities of the board sub committees are set out in their terms of reference; the responsibilities of school governing boards are set out in our scheme of delegation. The trust board appoints subcommittee members and chairs.

Local Academy Boards

The responsibilities of local academy boards are set out in detail in our scheme of delegation but they include; building an understanding of how the academy is led and managed, monitoring whether the academy is working within agreed policies, meeting agreed targets, managing its finances well and engaging with stakeholders.

As a committee of the trust board, delegation to a local governing board can be removed if there is evidence of any of the following:

- Weak performance in response to a review of governance or Ofsted inspection.
- An Ofsted inspection where there is a rating decline or an academy moves into a category of serious weakness or requiring improvement.
- A sudden or unexpected significant dip in the performance of an academy
- A significant safeguarding concern within an academy.

Chief Executive Officer (The Accounting Officer)

The CEO has the delegated responsibility for the operation of ECMAT including the performance of the trust's academies.

The CEO is the accounting officer so has overall responsibility for the operation of the academy trust's financial responsibilities and must ensure that the organisation is run with financial effectiveness and stability, avoiding waste and securing value for money.

Education Central Multi Academy Trust

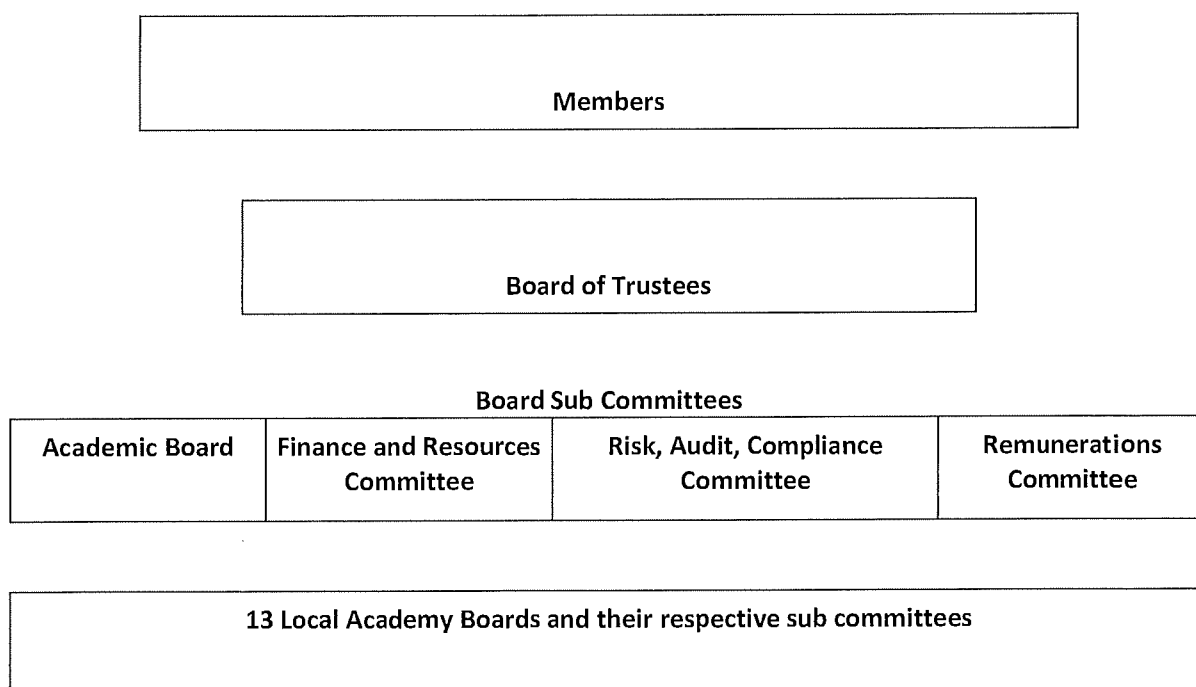
Trustees' Report (continued)

The CEO leads the executive management team of ECMAT. The CEO will delegate executive management functions to the executive management team and is accountable to the trust board for the performance of the executive management team.

Academy Headteacher

The academy headteacher is responsible for the day to day management of the academy and is managed by the chief executive officer. She / he reports to the local academy board on the overall performance of the school, the progress of pupils and any other matters which have been delegated.

GOVERNANCE STRUCTURE: EDUCATION CENTRAL MULTI ACADEMY TRUST



Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting the pay and remuneration of the key management personnel of the academy trust are subject to the 'school teachers pay and conditions document and guidance on school teachers pay and conditions'. The determination of leadership pay is in line with the school group size and relevant scale points attributed to the group pay range. Incremental rises are dependent upon the successful completion of the previous years' performance management cycle and quality assured by the Senior Leadership Team within each academy. Recommendations for pay increases are made by the Senior Leadership Team to the academy governing committee and their decision is validated by Trust Officers and reported to the board of trustees.

Education Central Multi Academy Trust

Trustees' Report (continued)

Pay progression for Headteachers is dependent upon the successful completion of the previous years' performance management cycle with a sample quality assured by a member of the Trust Board. Recommendations for pay increases are made by the Appraisal Committee Chair (normally the Chair of the Local Governing Board) and their decision is reported and approved by the Trust Board Remuneration Committee during the autumn term.

Pay progression for Trust Officers is dependent upon the successful completion of the previous years' performance management cycle with recommendations approved by the Chief Executive and Trust Board Remuneration Committee.

Non-teaching staff pay is based on the outcome of the national negotiations and conclusion of the National Joint Council's pay decision.

Related Parties and other Connected Charities and Organisations

The members, board of trustees, academy committee members and the accounting officer all complete a pecuniary interest declaration on an annual basis. This declaration sets out any relationship with the academy trust that is not directly related to their duties within these roles. Each individual is also required to declare a potential 'conflict of interest' if it arises between such declarations. Once a declaration has been made, the individual concerned takes no further part in any decision relating to the matter declared. In respect of the current year, academy trust has the following relationships:

- Has made payments and received income from University of Wolverhampton and University of Wolverhampton Social Enterprises
- Has made payment to Waters Education Ventures Ltd, a company controlled by one of the trustees.
- Has incurred costs on behalf of and therefore recharged Health Futures UTC, an educational establishment which is also sponsored by University of Wolverhampton
- Has provided services to City of Wolverhampton Academy Trust, a multi academy trust sponsored by University of Wolverhampton which has now transferred to another academy chain.

Vision and Aims of the Trust

Vision

Our Trust works for all pupils in our family of schools to secure an innovative approach to schooling, which builds on observable strength and addresses long-standing difficulties. The Trust strives for the best whilst remaining realistic, invests in communities, whilst taking the lead where necessary and expects the best, whilst dealing with the worst.

The Trust is dynamic, active and imaginative in its work with schools while at the same time encouraging schools to take responsibility and develop their own autonomy within the context of a community of schools supporting each other.

Education Central Multi Academy Trust

Trustees' Report (continued)

The link with Wolverhampton University is central to our ethos. The faculties of the University offer expertise to our schools, including high calibre teaching staff. The University itself acts as an image of personal growth, learning and achievement for the community of which the pupils and their families are a part. The Trust believes that it is contributing to the long-term health of the region and works closely with employers and business to meet the local economic needs.

We will work to ensure that parents are confident that committed staff at every level offer pupils the best of school experiences where their futures are secure. Pupils will leave the schools of the Trust with the skills to enter the next stage of their life, a desire to continue to learn and a belief that their schooling was the best it could be.

The Trust committed to creating a culture where staff are valued and supported. The Trust supports a culture of openness and mutual respect in which staff will be encouraged to play as full a part as they can in the life and goals of the Multi Academy Trust.

We believe in allowing each Academy to retain its own distinct voice and identity, supporting all with efficient and effective Central Services and expertise. All our Academies are focused and innovative with School Improvement Practices sharing best practice and developing deep partnerships that will embed consistent levels of student outcomes and ensure progress. Education, at every stage of the student journey, is about the development and nurture of the whole child. The environment of the Trust is designed to encourage creativity, physical excellence and academic achievement so that they are ready to take their place in the world and bring their contribution to society.

Aims

Our overarching aim is to do the right things for the children who attend our academies so that they can be successful. To do this we will focus on four shared aims: As a Trust we will;

Put pupils and their families first

Give our students skills for the economy

Provide significant influence in education

Run a responsible and reliable business

Aim 1 - Pupils and their Families First

As a Trust we will deliver a sector leading school experience for all of our pupils, maximising their potential. We will do this by delivering outstanding pedagogic practice underpinned by research.

Education Central Multi Academy Trust

Trustees' Report (continued)

Aim 2 - Skills for the Economy

Our learning opportunities will target the economic and social needs of the areas in which we work. We will seek to maximise the individual potential of all of our staff.

Aim 3 - Significant Influence

The Trust will be a leader in the creation and dissemination of knowledge about 'what works' in schools. We aim to be a MAT that 'makes a difference' locally, regionally and nationally.

Aim 4 - A Responsible and Reliable business

The Trust will deliver 'Best Value' in the use of public money for pupils in the Trust and will create a sustainable school workforce. It will operate at all times within the regulatory frameworks. We will seek to grow our MAT responsibly from 13 Academies in 2016/17 to 26 Academies by the end of 2018/19.

Our aims and objectives have been informed by our self-evaluation and a SWOT analysis. These have been completed using the Multi-academy trusts: establishing and developing your trust guidance provided by the DfE (December 2016) - <https://www.gov.uk/government/publications/multi-academy-trusts-establishing-and-developing-your-trust>

Our Trust is currently working at the Developing descriptor using the 'Characteristics of successful Multi Academy Trusts guidance (August 2016). The Trust has started to drive improvement and strategy to embed stronger practice in the schools to sustain their improvement. Further key improvements are beginning to be shared across the Trust. We aim by the end of this planning period to have moved to the 'Embedding' phase with a more concise model of Trust influence where some of the systems and structures that the Trust wants to embed are in place and making a difference. Our aims structure our work. Each contains four key objectives led by a Trust Officer under the direction of the CEO.

Plans for Future Periods

Strategic Plan

The ECMAT Development Plan has been designed to provide a strategic overview of the key priorities that the Trust Board will be focusing on from 2017-19. It is available on request.

Strategic Report Achievements and Performance

Primary

The quality of provision in Primary has continued to be strengthened, particularly in relation to teaching and learning. Pupil performance and progress has continued to improve in primary and this has brought ECMAT broadly in line with national.

Education Central Multi Academy Trust

Trustees' Report (continued)

Currently we exceed or equal national in relation to Maths (national =75%) and SPAG (Spelling & Grammar where national = 77%). 50% of our schools exceed national in Primary combined (national 61%). 60% exceed national in reading with some significantly above (national 71%). 60% exceed national in writing (national = 76%) and 50% exceed national in maths (national = 75%). As a Trust we are within 2 points of national in relation to reading and our combined score. We are continuing to close the gap against national benchmarks in more than 1 category in 90% of our primary schools.

We are one of the best performing Trusts nationally for our work with disadvantaged pupils with these pupils achieving above average in both reading and mathematics at KS2 (Hutchings, M. and Francis, B. (2017) *Chain Effects 2017 - The impact of academy chains on low-income students* Sutton Trust)

ECMAT Primary Academies v National Average 2017 v 2016 (Number of Academies)										
	Reading		Writing		Maths		SPAG		Combined	
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017
= or > Nat Av	6	7	4	4	5	5	5	4	5	6
< Nat Av	4	3	6	6	5	5	5	6	5	4

ECMAT Academy Individual Outcomes 2017 v 2016 (Number of Academies)					
Improvement	Reading	Writing	Maths	SPAG	Combined
Improved	8	8	4	6	8
Declined	1	1	5	3	1

KS2 Attainment at Expected Standard and Higher Standard Nationally in 2017, 61% of pupils reached the expected standard in combined reading, writing and mathematics, an increase of 8 percentage points (pp) from 53% in 2016. Attainment in reading, writing and mathematics at the higher standard increased by 3 percentage points, from 5% in 2016 to 9% in 2017. In the Trust in 2017, 61% of pupils reached the expected standard in combined reading, writing and mathematics, an increase of 11pp from 50% in 2016. This is a significant achievement for our schools and brings Trust attainment in combined reading, writing and maths in line with the national average for 2017

Point Score

In 2017 the Trust's *Average Scaled Score* for reading and maths was 103 (102 in 2016) 1 point below the national of 104 for both subjects, and 104 for GPS (104 2016) 2 points below the national of 106.

Education Central Multi Academy Trust

Trustees' Report (continued)

KS2 Progress measures

In 2017 for 9 of our schools had a *Progress Measure* 'Close to England Average' or better (7 in 2016) for reading; 1 was 'Above Average' (2 in 2016); 1 was 'Below Average' (2 in 2016), and 0 were 'Well Below Average' (1 in 2016).

In 2017 for 9 of our schools had a *Progress Measure* 'Close to England Average' or better (8 in 2016) for writing; 0 were 'Above Average' (0 in 2016); 1 were 'Below Average' (2 in 2016), and 0 were 'Well Below Average' (0 in 2016).

In 2017 for 10 of our schools had a *Progress Measure* 'Close to England Average' or better (7 in 2016) for maths; 1 was 'Above Average' (1 in 2016); 0 were 'Below Average' (3 in 2016), and 0 were 'Well Below Average' (0 in 2016).

Coasting Schools

Initial information indicates that none of our schools will be designated as a Coasting School in 2017 (2 were in 2016).

Secondary

KS4

The picture in Secondary is considerably poorer. Progress 8 (the measure of how much progress a child makes between the age of 11 and 16 where 0 is equivalent to progression in line with national expectations) has slightly improved in Alexandra College of Enterprise (ACE) and Smestow Academy and is better than predictions - but at this stage still significantly not meeting the -0.5 threshold of poor school performance. In terms of performance against national at each subject level the picture is varied and greater analysis will be needed across all subjects. In GCSE English, the national figure (grade 4 and above) is 62.1%. Both Smestow and ACE exceeded this. Wednesfield High School (WHS) is below. In GCSE Maths the national figure is 61%. ACE is above. Smestow is 1% below and WHS is 16% below. There is evidence for the Regional Schools Commissioner (RSC) and OFSTED that we have at least stabilized the schools, made gains where we have intervened and that we are clear about what is required to move each school forward at pace.

KS5

We are 1 point short of national (88%) on the % Students staying in education or employment for two terms post-18 in two of our schools (Sm / WHS). We are close to national (94%) of students staying in education or employment post 16. In relation to 16-19 provision we exceed national in relation to the applied (vocational subjects) general average grade (distinction) (A / S). We are above national (34%) in relation to the point score per entry in relation to applied (vocational subjects) general point score per entry (A / S).

Education Central Multi Academy Trust

Trustees' Report (continued)

Going Concern

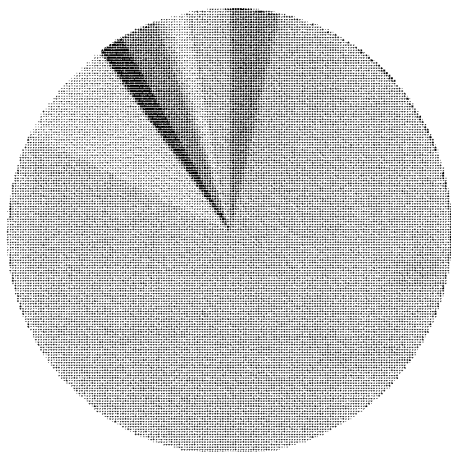
After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further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

Financial Review

Income

Income for the period was £39,257,000 of which £34,640,000 was provided by the Department of Education (DfE) via the Education and Skills Funding Agency (ESFA) by means of standard grants to cover operational and capital costs. This was supplemented by donations and Capital Grants along with other trading activities including third party lettings and funds generated by extended school activities which totalled the remaining £4,617,000.

Analysis of Income



- Capital Grants
- Donations
- GAG
- Pupil Premium
- Other DfE/ESFA
- LA Grants
- Education operations
- Prenatal contributions
- Hire of Facilities
- Catering
- Consultancy
- Extended School Activities
- Other
- Short term investments

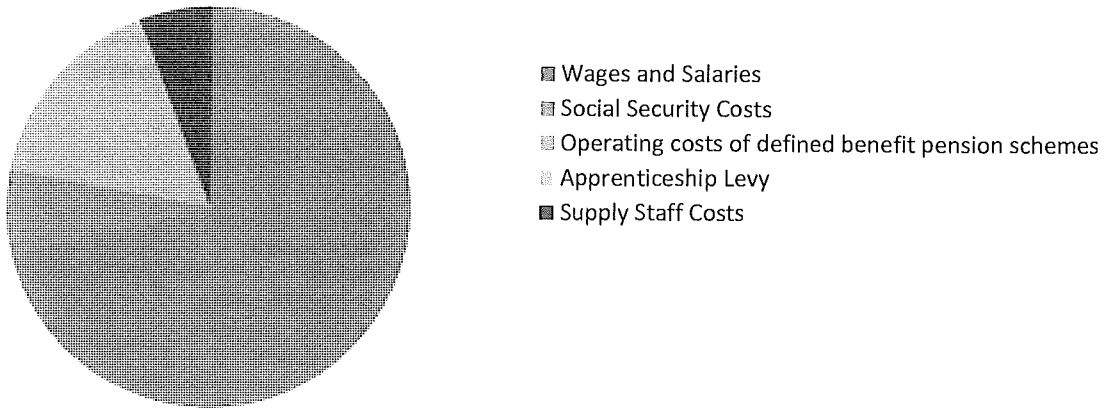
Education Central Multi Academy Trust

Trustees' Report (continued)

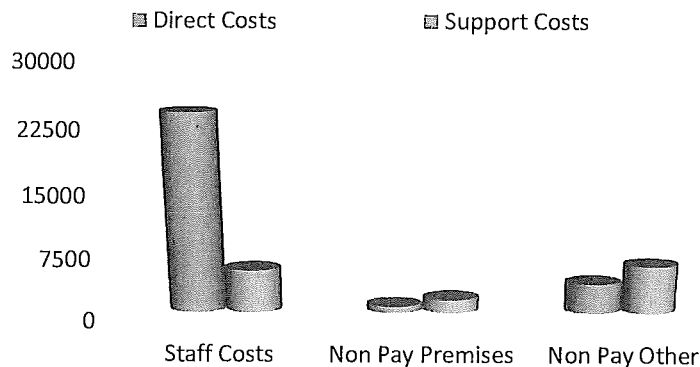
Expenditure

All expenditure supports the academy trust key objectives to deliver quality education to our pupils and community. Expenditure for the period was £41,153,000 with the largest element of this expenditure being attributed to staff costs totalling £29,194,000 for the period. The depreciation charge on assets of £1,540,000 has been included. Net Income for the period was (£1,896,000).

Analysis of Direct Costs



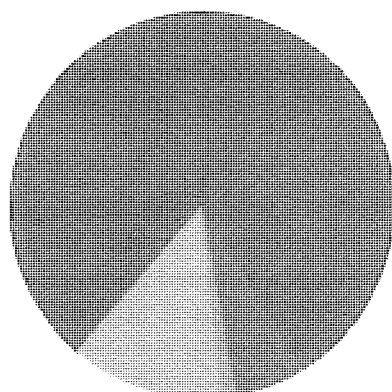
Analysis of Direct and Support Costs



Education Central Multi Academy Trust

Trustees' Report (continued)

Analysis of Support Costs



- Staffing
- Depreciation
- Technology
- Premises
- Other Support Costs
- Governance costs

The academy trust element of the West Midlands and Staffordshire Pension funds that forms part of the Local Government Pension Scheme was valued at 31 August 2017, showing a net deficit of £24,410,000.

As at 31 August 2017, the net book value of fixed assets was £94,469,000 and the movement in tangible fixed assets are shown in Note 12 of the financial statements. The assets were used exclusively in providing education and the associated support services to the pupils across the academy trust.

The academy trust complies with the principles of financial control as outlined in the Academies Financial Handbook and the Accounts Direction. The financial procedures, Scheme of Delegation and Value for Money statement together with systems of financial control ensure that the academy trust conforms to the requirements of propriety, regularity and sound financial management.

The board of trustees are accountable for the allocation of resources to meet the objectives set out in the Strategic Development Plan. The Accounting Officer together with the Chief Finance Officer and Finance Committee is responsible for reviewing the Financial Procedures on an annual basis and recommending approval to the main board of trustees. The intention is for individual academy budgets to be monitored on a monthly basis with reports and commentary on income and expenditure against budget provided to the Finance Committee on a twice termly basis and to the board of trustees on a termly basis.

Education Central Multi Academy Trust

Trustees' Report (continued)

Reserves Policy

Any reserves held are in accordance with the requirements laid down in the Master Funding Agreement and by the Education and Skills Funding Agency. The level of reserves held takes into account the nature of income and expenditure streams and the need to match them to commitments. It also considers future capital projects, and the need to maintain sufficient reserves to cover any unexpected urgent expenditure requirements. The board of trustees identify capital projects on an annual basis and reserves are reviewed alongside this exercise. The board of trustees will review the level of reserves and reserves policy annually.

A minimum level for reserves is not considered appropriate at this point in time. Our target of 5% of General Annual Grant has not been achieved this year. Revenue reserves have decreased from £504,000 to £362,000 within the year. This is largely due to financial pressures in our secondary sector. The ACE Academy, Wednesfield High School and Smestow School continue to face challenging times as they struggle to balance improving outcomes with reduction in funding and increasing costs. All three academies have deficit recovery plans in place or in progress. A much smaller deficit within Edgar Stammers is already reducing in line with the deficit recovery plan developed last year.

Principal Risks and Uncertainties

The major risks, as identified by the trustees, to which the academy trust is exposed have been reviewed. Systems and procedures have been established including internal controls to manage and mitigate these risks. Risks are regularly reviewed and reported to the Audit, Risk and Compliance Committee and any non-compliance is acted upon.

ECMAT holds a risk register and management plan which are based on guidance contained in the HM Treasury Publication "Management of Risk – Principles and Concepts". This provides guidance on developing a strategic framework for the organisational consideration of risk. The register is based on the strategic objectives of ECMAT and the risks to achieve these objectives. Risk management is embedded into the ongoing planning and strategy process of the Local Academy Boards and the ECMAT Board.

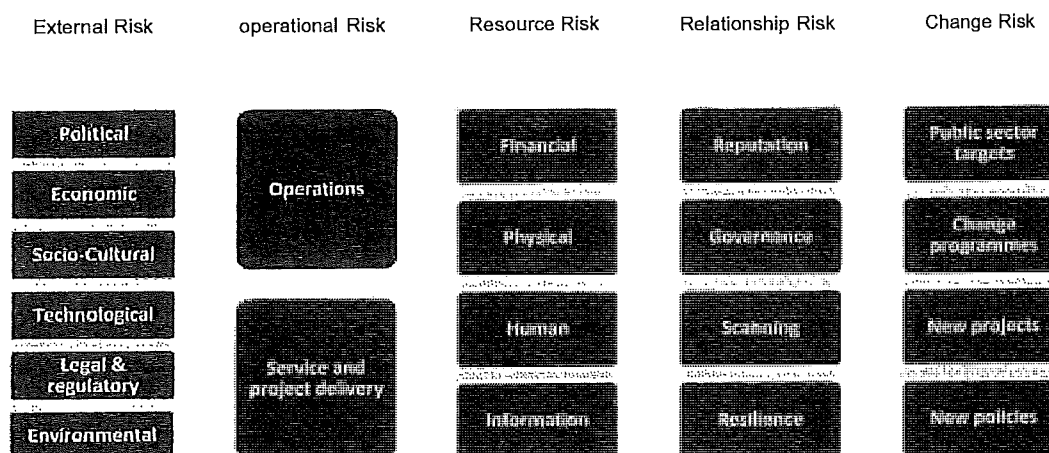
A review of the principal risks highlights the financial risk involved in the reliance on Government funding and the limited influence of the academy trust on the level and future of this funding.

The deficit on the Local Government Pension Scheme of £24,410,000 presents a concern. However, Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that in the event of academy closure, outstanding local government pension scheme liability would be met by the Department for Education. This guarantee came into force on 18 July 2013.

Education Central Multi Academy Trust

Trustees' Report (continued)

Categories of Risk



Risk Responses

In this plan, responses to risk are divided into four response categories:

Transfer: For some risk the best response may be to transfer them. This might be done by conventional insurance, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks of risks to assets.

Tolerate: The exposure may be tolerable without any further action being taken. Even if it is not tolerable, an ability to do anything about some risks may be limited, or the cost of taking any action may be disproportionate to the potential benefit gained. In these cases the response may be toleration. This option may be supplemented by contingency planning for handling the impacts that will arise if the risk is realised.

Treat: By far the greatest number of risks will belong to this category. The purpose of treatment is not necessarily to obviate the risk but more likely to take control action to contain the risk to an acceptable level.

Terminate: Some risks will only be treatable, or containable to acceptable levels, by terminating the activity. It should be noted that the option of termination of activities may be severely limited in the public sector when compared to the private sector.

During the year under review, ECMAT has had due regard to its responsibilities to adhere to the regularity and propriety requirement laid down by Parliament. The trustees are able to identify any material irregular or improper use of funds by the trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and academies financial handbook.

During the year under review, no instances of material irregularity, impropriety or funding non-compliance have been discovered.

Funds Held as Custodian Trustee on Behalf of Others

ECMAT does not act as a custodian trustee on behalf of any others.

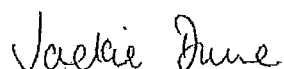
Auditor

Insofar as the trustees are aware:

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

At the Full Board of Governors meeting held on 3 May 2017 approval was given for the reappointment of Moore Stephens as external auditors for the financial year 2016-17. The Board will need to consider arrangements for the 2017-18 audit.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2017 and signed on the board's behalf by:



J Dunne
Chair of Trustees
18 December 2017

Education Central Multi Academy Trust

Governance Statement

Scope of Responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Education Central Multi Academy Trust (ECMAT) 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, 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 Education Central 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 2 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees and Officers in attendance	Attended	Out of a possible
J Dunne	2	2
R Lockwood	1	2
Professor M Lowe	1	2
A Holding	2	2
Professor G Layer	1	1
Professor M Waters	2	2
S Malhotra	2	2
C Avern (Chair – Reaside LAB)	1	2
A Wood	1	2
G Lahiri (Parent – Smestow LAB)	2	2
G Banger (Parent – Wednesfield LAB)	1	2
J Dunne (Parent – Featherstone LAB)	2	2
S Starr	1	2
B McAllister	1	2
K Butlin	2	2
G Butler	1	2

To ensure ECMAT has effective board and LAB membership, an evaluation and review process is underway, this includes the completion of a self-evaluation and skills assessment by all members. The outcome will be reviewed to ensure that we have a combination of suitably skilled and qualified membership to support our academies to the highest level and in the most effective way.

Education Central Multi Academy Trust

Governance Statement (continued)

Review of Value for Money

As accounting officer the chief executive has responsibility for ensuring that the multi 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:

- looking at where economies of scale can be achieved across the trust and where costs can be reduced by streamlining the use of suppliers;
- a number of new elements of software relating to finance, safeguarding, assessments and assets have been introduced to give consistency across the trust.
- encouraging knowledge sharing amongst the academies so that the trust is aware of any potential savings to be made; and
- enhancing engagement with the University's procurement department to initiate cost savings where possible. For example, significant savings have been made across the trust in relation to catering and cleaning contracts as well as payroll services. Energy costs continue to bring savings having been collated last year.

Finance and Resources Committee

The Board established a Finance and Resources Committee as a sub-committee of the Board on 12 March 2014, to support them in their responsibilities for issues of financial monitoring, HR, control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

Membership

The members of the Finance and Resources Committee are:

- R Lockwood
- A Holding (Chair)
- Professor M Lowe
- S Malhotra (in attendance)
- A Wood (in attendance)

Reporting

The Finance and Resources Committee will formally report in writing to the Board and Accounting Officer after each meeting, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Education Central Multi Academy Trust

Governance Statement (continued)

Responsibilities

The Finance and Resources Committee will review and advise the Board and Accounting Officer on the activities of the academies to include:

- Review the proposed annual budget produced by the Headteacher and LAB for recommendation by the Accounting officer
- Review the actual expenditure and half termly budget reports
- Approve expenditure of sums over £25,000. sums under the amount are delegated to the Headteacher and LAB under the Scheme of Delegation Policy
- Approve all virements of sums over £25,000 sums below that amount are delegated to the Headteacher and LAB under the Scheme of Delegation Policy
- To establish and receive an up to date 3 year financial plan for each academy
 - Consider a budget position statement at least termly and to report significant anomalies from the anticipated position to the Accounting Officer and ECMAT board.
 - Ensure academies operate within the Financial Regulations of ESFA and Charities Commission for the use of Public Money.
 - Monitor expenditure of all voluntary funds kept on behalf of the Governing Body.
 - Receive any recommendations from the Internal Audit Control reports and ensure action plans are monitored to compliance.
 - Receive any ESFA audit plans and ensure they are monitored to compliance.
- Pay and conditions - review likely financial Implications to budget, Including where necessary, determining whether sufficient funds are available for pay increments as recommended by the Headteacher and LABs.
- To monitor and confirm ECMAT standing orders and Accounting policies are compiled with.
- To delegate to Headteacher monitoring of contracts and suppliers.
- To monitor and apply structures for the following procedures: redeployment, redundancy, disciplinary, grievance, appraisal and capability
- To consider issues of Personnel: leaves of absence, secondment and early retirement.
- To draft and keep under review the staffing structure in consultation with the Headteacher and LAB for salary assessments.
- To monitor financial Implications of appointment of teaching/non-teaching staff as recommended by Headteacher and or LAB.
- To oversee appraisal process for Headteacher and conduct salary review for senior leadership team (The Committee may delegate this power to an appropriately qualified working group).
- To determine whether sufficient funds are available for pay Increments as recommended by the Headteacher and LAB.
- To annually review charges and remissions policies and expenses policies.
- To monitor decisions made In respect of service level agreements.
- To make decisions on expenditure following recommendations from other committees.
- To ensure, as far as is practical, that Health and Safety financial issues are appropriately prioritised.

Education Central Multi Academy Trust

Governance Statement (continued)

Responsibilities (continued)

- To establish a Pay Policy by adopting ECMAT Pay Policy for all categories of staff and to be responsible for its administration and review.
- To oversee the appointment procedure for all staff (the committee can delegate this item to the Academies and/or HR Director as appropriate).
- To establish and review an Appraisal Policy for all staff.
- To keep under review staff work/life balance, working conditions and well-being, including monitoring of absence.
- To consider any appeal against a decision on pay grading or pay awards.

Attendance at meetings in the year was as follows:

Trustees and Officers in attendance	Attended	Out of a possible
R Lockwood	3	3
Professor M Lowe	2	2
A Holding (Chair)	3	3

The Finance and Resources Committee found no significant issues during the period under review.

Audit and Risk Assurance Committee

The Board established an Audit Risk and Compliance Committee as a sub-committee of the Board on 6 February 2014.

to support them in their responsibilities for issues of risk, control and governance by reviewing the comprehensiveness of assurances In meeting the Board and Accounting Officer's assurance needs and reviewing the reliability and integrity of these assurances.

Membership

The members of the Audit and Risk Assurance Committee are:

- Professor M Lowe
- C Avern (Chair)
- A Wood (in attendance)

Reporting

- The Audit and Risk Assurance Committee will formally report in writing to the Board and Accounting Officer after each meeting.
- The Audit and Risk Assurance Committee will provide the Board and Accounting Officer with an Annual Report, timed to support finalisation of the accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Education Central Multi Academy Trust

Governance Statement (continued)

Responsibilities

The Audit and Risk Assurance Committee will advise the Board and Accounting Officer on:

- the strategic processes for risk, control and governance and the Governance Statement;
- the accounting policies, the accounts, and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
- the planned activity and results of both internal and external audit;
- adequacy of management response to issues identified by audit activity, including external audit's management letter;
- assurances relating to the management of risk and corporate governance requirements for the organisation;
- (where appropriate) proposals for tendering for either Internal or External Audit services or for purchase of non-audit services from contractors who provide audit services;
- anti-fraud policies, whistle-blowing processes, and arrangements for special investigations; and
- the Audit and Risk Assurance Committee will also periodically review its own effectiveness and report the results of that review to the Board.

Meetings

The Audit Risk and Compliance Committee will meet at least three times a year. The Chair of the Audit Risk and Compliance Committee may convene additional meetings as they deem necessary.

Trustees and Officers in attendance	Attended	Out of a possible
C Avern (Chair)	3	3
Professor M Lowe	1	2
A Wood	1	1

The Audit Risk and Compliance Committee found no significant Issues during the period under review.

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 controls 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 ECMAT for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Education Central Multi Academy Trust

Governance Statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 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 Audit Risk and Compliance Committee and 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 finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks, by ECMAT and individual academies (as presented in each LAB)

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor at this time. However, this requirement will be kept under review.

Internal control checks (ICC) have been carried out as routine during the financial year by members of the finance and ECMAT central team. These checks have included; bank and payroll reconciliations, orders, invoices, payments, segregation of duties, supplier checks, expenses, procurement and LAB Finance minutes. Any areas of non-compliance will be forwarded to the relevant Headteacher and LAB chair for appropriate action and reported back to Finance & Resources Committee.

Review of Effectiveness

As accounting officer the chief executive 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 reviewer;
- the work of the executive managers within the academy trust who support the reviewer in the development and maintenance of the internal control framework;
- the financial management and governance self-assessment (FMGS) process; and
- the work of the external auditor.

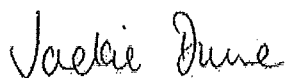
Education Central Multi Academy Trust

Governance Statement (continued)

Review of Effectiveness (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the reviewer, Executive Managers, FMGS and Finance and Resources Committee and a plan to address weaknesses, if presented and ensure continuous improvement of the system is in place.

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



J Dunne
Chair of Trustees
18 December 2017



Professor M Lowe
CEO and Accounting Officer
18 December 2017

Education Central Multi Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Education Central Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the multi 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 2017.

I confirm that I and the multi academy trust board of trustees are able to identify any material irregular or improper use of funds by the multi academy trust, or material non-compliance with the terms and conditions of funding under the multi academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



Professor M Lowe
CEO and Accounting Officer
18 December 2017

Education Central Multi Academy Trust

Statement of Trustees' Responsibilities

The trustees (who act as governors of Education Central Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

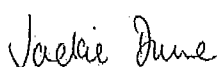
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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:



J Dunne
Chair of Trustees

Education Central Multi Academy Trust
Independent Auditor's Report on the Financial Statements to the Board of
Trustees of Education Central Multi Academy Trust

OPINION

We have audited the financial statements of Education Central 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 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'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 and its 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 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 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.

Education Central Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Education Central Multi Academy Trust (continued)

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 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 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 including the Strategic 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.

Education Central Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Education Central Multi Academy Trust (continued)

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 including the Strategic 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.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the 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 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 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.

Education Central Multi Academy Trust

Independent Auditor's Report on the Financial Statements to the Board of Trustees of Education Central Multi Academy Trust (continued)

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.



Nicholas Simkins (Senior Statutory Auditor)

for and on behalf of
Moore Stephens LLP

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

18 December 2017

Education Central Multi Academy Trust

Independent Reporting Accountant's Report on Regularity to Education Central Multi Academy Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 23 June 2015 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 Education Central 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 Education Central 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 Education Central 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 Education Central Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF EDUCATION CENTRAL MULTI ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirement of Education Central Multi Academy Trust's funding agreement with the Secretary of State for Education, 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.

Education Central Multi Academy Trust

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

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

We have undertaken testing as appropriate in accordance with the Academies Accounts Direction 2016 to 2017. This includes an evaluation of the control environment of the school, enquiry, analytical review and substantive testing.

Our procedures included, but not limited to the following:

- Reviewing minutes of meetings, management accounts and made enquiries of management;
- Performing sample testing of expenditure ensuring items are for the School's purposes and are appropriately authorised;
- Sample testing on credit card expenditure, review for any indication of purchase for personal use by staff, Head or Governors;
- Reviewing the procedures for identifying and declaring related parties and other business interests;
- Scrutinising journals, and other adjustments posted during the period for evidence of unusual entries and made further enquiries into any such items where relevant;
- Taking a selection of nominal ledger accounts for evidence of unusual entries and made further enquiries into any such items where relevant;
- Performing an evaluation of the general control environment of the School;
- Reviewing nominal ledger accounts for any large or unusual entries and obtaining supporting documentation.

CONCLUSION

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



Moore Stephens LLP

35 Calthorpe Road
Edgbaston
Birmingham
B15 1TS

18 December 2017

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

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

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
Income and endowments from:						
Donations and capital grants	2	33	276	1,092	1,401	5,699
Charitable activities:						
Funding for the academy trust's educational operations	3	-	35,761	-	35,761	36,753
Other trading activities	4	2,090	-	-	2,090	1,762
Investments	5	4	-	-	4	-
Total		2,127	36,037	1,092	39,256	44,214
Expenditure on:						
Charitable activities:						
Academy trust educational operations	6	2,035	37,577	1,540	41,153	44,645
Total		2,035	37,577	1,540	41,153	44,645
Net income / (expenditure)		92	(1,540)	(448)	(1,896)	(431)
Transfers between funds	17	(234)	167	67	-	-
Other recognised gains / (losses):						
Actuarial losses on defined benefit pension schemes	17,26	-	(3,073)	-	(3,073)	(6,284)
Net movement in funds		(142)	(4,446)	(381)	(4,969)	(6,715)
Reconciliation of funds						
Total funds brought forward		504	(19,964)	95,587	76,127	82,842
Total funds carried forward		362	(24,410)	95,206	71,158	76,127

A statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

In the current and previous period, the trust had no discontinued operations.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

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

The trust's prior year's Statement of Financial Activities has been included for comparative purposes below:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2016	Total 2015
	£000	£000	£000	£000	£000
Income and endowments from:					
Donations and capital grants	(25)		5,724	5,699	433
Transfer from local authority on comersion				-	31,616
Charitable activities:					
Funding for the academy trust's educational operations		36,753		36,753	34,694
Other trading activities	1,425	337		1,762	2,399
Total	1,400	37,090	5,724	44,214	69,142
Expenditure on:					
Charitable activities:					
Academy trust educational operations		40,056	4,589	44,645	39,214
Total		40,056	4,589	44,645	39,214
Net income/ (expenditure)	1,400	(2,966)	1,135	(431)	29,928
Transfers between funds	(3,685)	3,481	204		
Other recognised gains/ (losses):					
Defined benefit pension scheme deficit brought in on con1,ersion				-	(3,573)
Actuarial losses on defined benefit pension schemes		(6,284)		(6,284)	(639)
Net movement in funds	(2,285)	(5,769)	1,339	(6,715)	25,716
Reconciliation of funds					
Total funds brought forward	2,789	(14,195)	94,248	82,842	57,126
Total funds carried forward	504	(19,964)	95,587	76,127	82,842

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Balance Sheet as at 31 August 2017

Company Number 08255492

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	12		94,470		95,317
Current assets					
Stock	13	5		5	
Debtors	14	1,992		1,363	
Cash at bank and in hand		<u>4,046</u>		<u>3,692</u>	
		6,042		5,060	
Liabilities					
Creditors: Amounts falling due within one year	15	<u>(4,800)</u>		<u>(4,110)</u>	
Net current assets			<u>1,242</u>		<u>950</u>
Total assets less current liabilities			95,712		96,267
Creditors: Amounts falling due after more than one year	16		<u>(144)</u>		<u>(176)</u>
Net assets excluding pension liability			<u>95,568</u>		<u>96,091</u>
Defined benefit pension scheme liability	26		<u>(24,410)</u>		<u>(19,964)</u>
Total assets			<u>71,158</u>		<u>76,127</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	17	95,206		95,587	
. Restricted income fund	17	0			
. Pension resen.e	17	<u>(24,410)</u>		<u>(19,964)</u>	
Total restricted funds			70,796		75,623
Unrestricted income funds	17		<u>362</u>		<u>504</u>
Total funds			<u>71,158</u>		<u>76,127</u>

The financial statements on pages 36 to 69 were approved by the trustees, and authorised for issue on 18 December 2017 and are signed on their behalf by:

Jackie Dunne

J Dunne
Chair of trustees

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Statement of Cash Flows for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided used in operating activities	21	(17)	(2,779)
Cash flows from investing activities	23	404	66
Cash flows from financing activities	22	(32)	(68)
Change in cash and cash equivalents in the reporting period		355	(2,781)
Cash and cash equivalents at 1 September		3,692	6,473
Cash and cash equivalents at the 31 August	24	4,047	3,692

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017

1 Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Education Central Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Income

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

Grants

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

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

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 grant are reflected in the balance 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.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

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 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.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

Liabilities

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

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 and catering stocks are valued at the lower of cost or net realisable value.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

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 and the assets are held separately from those of the academy trust.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

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 29, 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 trust at the discretion of the trustees.

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

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

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.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

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 27, will impact the carrying amount of the pensions 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.

Critical areas of judgement

There have been no areas of critical judgement made during the period of account that will have a significant effect on the amounts recognised in the financial statements.

Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the academy trust does not have control over the charitable application of the funds. The funds received and paid and balances held are disclosed in note 29.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

2 Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Capital Grants	-	1,092	1,092	4,792
Donated fixed assets	-	-	-	(25)
Donations	33	276	309	932
	<u>33</u>	<u>1,368</u>	<u>1,401</u>	<u>5,699</u>
2016 total	<u>(25)</u>	<u>5,724</u>	<u>5,699</u>	

3 Funding for the Academy Trust's Educational Operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
DfE / ESFA grants				
General Annual Grant (GAG)	-	30,886	30,886	31,258
Pupil Premium	-	3,056	3,056	3,076
Lead in and implementation grant	-	-	-	49
Other DfE/ESFA grants	-	697	697	701
	<u>-</u>	<u>34,639</u>	<u>34,639</u>	<u>35,084</u>
Other Government grants				
Local authority grants	-	1,074	1,074	1,669
	<u>-</u>	<u>1,074</u>	<u>1,074</u>	<u>1,669</u>
Other income from the academy trust's educational operations	-	48	48	-
	<u>-</u>	<u>35,761</u>	<u>35,761</u>	<u>36,753</u>
2016 total	<u>-</u>	<u>36,753</u>	<u>36,753</u>	

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

4 Other Trading activities

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Parental contributions	245	-	245	337
Hire of facilities	107	-	107	89
Catering	514	-	514	423
Consultancy	4	-	4	-
Extended school activities	69	-	69	54
Other	1,151	-	1,151	859
	<u>2,090</u>	<u>-</u>	<u>2,090</u>	<u>1,762</u>
2016 total	<u>1,425</u>	<u>337</u>	<u>1,762</u>	

5 Investment income

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	4	-	4	-
	<u>4</u>	<u>-</u>	<u>4</u>	<u>-</u>
2016 total	<u>-</u>	<u>-</u>	<u>-</u>	

6 Expenditure

	Staff Costs £000	Non Pay Expenditure Premises £000	Other £000	Total 2017 £000	Total 2016 £000
Academy's educational operations:					
Direct costs	23,921	776	3,649	28,346	32,819
Allocated support costs	5,274	1,668	5,865	12,807	11,826
	<u>29,195</u>	<u>2,444</u>	<u>9,514</u>	<u>41,153</u>	<u>44,645</u>
2016 total	<u>29,294</u>	<u>8,434</u>	<u>6,917</u>	<u>44,645</u>	

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

6 Expenditure (continued)

Net income / (expenditure) for the period includes:

	2017	2016
	£000	£000
Operating lease rentals	1,146	83
Depreciation	1,540	1,618
(Gain)/loss on disposal of fixed assets	-	2,971
Fees payable to auditor for:		
- audit	18	22
- other services	-	-

Included within expenditure are ex-gratia payments totalling £457,206 (2016: £246,138) made up of £457,206 (2016: £239,403) COT3 settlements to 41 employees (2016: 24 employees) and £nil (2016: £6,735) settlement agreement paid to no employees (2016: 1 employee).

The legal authority sought to make ex-gratia payments was in compliance with the Academies Financial Handbook 2017, being delegated authority or approval from the Education and Skills Funding Agency.

7 Charitable Activities

	Total	Total
	2017	2016
	£000	£000
Direct costs – educational operations	28,346	32,819
Support costs – educational operations	12,807	11,826
	<u>41,153</u>	<u>44,645</u>

The expenditure on charitable activities was £41,153,000 (2016: £44,645,000) of which £2,035,000 was unrestricted (2016: £nil), £37,578,000 restricted (2016: £40,056,000) and £1,540,000 restricted fixed assets (2016: £4,589,000).

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

7 Charitable Activities (continued)

Analysis of support costs	Educational operations £000	Total 2017 £000	Total 2016 £000
Support staff costs	5,274	5,274	3,164
Depreciation	763	763	1,618
Technology costs	159	159	707
Premises costs	1,668	1,668	2,752
Other support costs	4,849	4,849	3,585
Governance costs	94	94	-
Total support costs	12,807	12,807	11,826

8 Staff

a. Staff costs

Staff costs during the period were:	Total 2017 £000	Total 2016 £000
Wages and salaries	20,437	21,573
Social security costs	1,932	1,740
Operating costs of defined benefit pension schemes	4,614	3,689
Apprenticeship levy	41	-
	27,024	27,002
Supply staff costs	1,714	1,717
Staff restructuring costs	457	170
	29,195	28,889
Staff restructuring costs comprise:		
Severance payments	457	170
	457	170

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

8 Staff (continued)

b. Non statutory/non contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £457,206 (2016: £246,138). Individually, the payments were:

COT3	£2,500	Compulsory Redundancy	£15,601
COT3	£8,000	Compulsory Redundancy	£6,162
COT3	£13,000	Compulsory Redundancy	£4,266
COT3	£1,500	Voluntary Redundancy	£20,039
COT3	£8,000	Compulsory Redundancy	£9,041
COT3	£29,500	Compulsory Redundancy	£7,523
COT3	£500	Compulsory Redundancy	£1,233
COT3	£2,500	Voluntary Redundancy	£12,811
COT3	£1,050	Voluntary Redundancy	£6,012
COT3	£5,500	Voluntary Redundancy	£23,177
COT3	£6,600	Voluntary Redundancy	£8,704
COT3	£28,000	Voluntary Redundancy	£17,493
COT3	£3,600	Voluntary Redundancy	£3,504
COT3	£11,000	Voluntary Redundancy	£12,705
COT3	£13,950	Voluntary Redundancy	£14,363
COT3	£12,640	Voluntary Redundancy	£9,536
COT3	£500	Voluntary Redundancy	£20,369
Formal	£30,000	Voluntary Redundancy	£25,015
COT3	£19,900	Voluntary Redundancy	£6,314
COT3	£13,998	COT3	£20,000
Formal	£1,100		

c. Staff numbers

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

	2017	2016
	No.	No.
Teachers	296	316
Administration and support	565	607
Management	60	63
	921	986

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

d. Higher paid staff

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

	2017	2016
	No.	No.
£60,001 - £70,000	11	10
£70,001 - £80,000	1	4
£80,001 - £90,000	2	0
£90,001 - £100,000	1	2
£100,001 - £110,000	0	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £211,715 (2016: £143,188).

9 Central Services

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

- Human resources
- Financial services
- Legal services
- Educational support services; or
- Others as arising

The academy trust charges for these services based on a fee per contract which totalled £1,296,602 (2016: £200,430) for the financial year.

The actual amounts charged during the year were as follows:

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

	2017	2016
	£000	£000
Tame Valley Primary Academy	46,987	5,465
Reaside Primary Academy	55,117	5,780
ACE Academy	295,396	43,205
Fairway Primary Academy	51,796	5,355
Edgar Stammers Primary Academy	100,622	16,195
The Orchards Primary Academy	68,279	8,195
Woodhouse Primary Academy	81,852	10,295
Smestow School	102,483	21,115
Heathlands Academy	108,503	17,870
Featherstone Academy	115,952	6,825
Albert Bradbeer Academy	52,337	31,235
Pye Green Academy	53,617	6,720
Wednesfield High Specialist Engineering Academy	163,661	22,175
	<u>1,296,602</u>	<u>200,430</u>

10 Related Party Transactions - Trustees' Remuneration and Expenses

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

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

M Lowe (CEO, Accounting Officer and trustee, appointed 1 December 2016):

Remuneration £30,000 - £35,000 (2016: £nil)

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

E Dix (CEO, Accounting Officer and trustee, resigned 28 September 2016):

Remuneration £5,000 - £10,000 (2016: £nil)

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

During the year ended 31 August 2017, no travel and subsistence expenses were reimbursed or paid directly trustees (2016: £nil).

Other related party transactions involving the trustees are set out in note 27.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

11 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 period ended 31 August 2017 was £2,750 (2016: £2,750). The cost of this insurance is included in the total insurance cost.

12 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Total
	£000	£000	£000	£000
Cost				
At 1 September 2016	96,520	2,493	17	99,030
Additions	537	155	-	692
Disposals	-	-	-	-
At 31 August 2017	<u>97,057</u>	<u>2,648</u>	<u>17</u>	<u>99,722</u>
Depreciation				
At 1 September 2016	1,998	1,705	9	3,712
Charged in year	776	759	4	1,539
Disposals	-	-	-	-
At 31 August 2017	<u>2,774</u>	<u>2,464</u>	<u>13</u>	<u>5,251</u>
Net book values				
At 31 August 2017	<u>94,283</u>	<u>184</u>	<u>3</u>	<u>94,470</u>
At 31 August 2016	<u>94,521</u>	<u>788</u>	<u>8</u>	<u>95,317</u>

The academy trust continues to occupy the premises which were previously occupied by the predecessor schools on a long term basis, and are held under 125 year leases. The legal owners are the local authorities associated with each academy.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

13 Stock

	2017	2016
	£000	£000
Stock on hand	5	5
	<u>5</u>	<u>5</u>

14 Debtors

	2017	2016
	£000	£000
Trade debtors	64	1
VAT recoverable	542	227
Other debtors	6	43
Prepayments and accrued income	1,271	975
Amounts due from related companies	109	117
	<u>1,992</u>	<u>1,363</u>

15 Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	2,457	2,186
Other taxation and social security	940	937
Loans	29	30
Other creditors	0	32
Accruals and deferred income	774	925
Amounts due to related companies	600	-
	<u>4,800</u>	<u>4,110</u>

Deferred income

	2017	2016
	£000	£000
Deferred income at 1 September	297	358
Released from previous years	(297)	(358)
Resources deferred in the year	265	297
Deferred Income at 31 August	<u>265</u>	<u>297</u>

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

15 Creditors: Amounts falling due within one year (continued)

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals for 2017/18.

16 Creditors: Amounts falling due in greater than one year

	2017	2016
	£000	£000
Loans	144	176
	<u>144</u>	<u>176</u>

The loans within the academy trust were inherited liabilities when the academies converted and were loans with the local authority.

17 Funds

	Balance at 1 September 2016	Income	Expenditure	Gains, losses and transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	-	30,886	(31,085)	199	(0)
Pupil premium	-	3,056	(3,056)	-	0
Pension reserve	(19,964)	-	(1,373)	(3,073)	(24,410)
Other grants	-	2,096	(2,064)	(32)	0
	<u>(19,964)</u>	<u>36,038</u>	<u>(37,578)</u>	<u>(2,906)</u>	<u>(24,410)</u>
Restricted fixed asset funds					
Transfer on conversion	89,135	-	(1,350)	(639)	87,146
DfE/ESFA capital grants	973	1,092	(71)	78	2,072
Capital expenditure from GAG	477	-	(70)	390	797
Private sector capital sponsorship	5,002	-	(49)	238	5,191
	<u>95,587</u>	<u>1,092</u>	<u>(1,540)</u>	<u>67</u>	<u>95,206</u>
Total restricted funds	<u>75,623</u>	<u>37,130</u>	<u>(39,118)</u>	<u>(2,839)</u>	<u>70,796</u>
Total unrestricted funds	<u>504</u>	<u>2,127</u>	<u>(2,035)</u>	<u>(234)</u>	<u>362</u>
Total funds	<u>76,127</u>	<u>39,257</u>	<u>(41,153)</u>	<u>(3,073)</u>	<u>71,158</u>

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

17 Funds (continued)

For comparative purposes, the split of funds as at 31 August 2016 were as follows:

	Balance at 1 September 2015 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2016 £000
Restricted general funds					
General Annual Grant (GAG)	(1,185)	31,258	(33,554)	3,481	-
Pension reserve	(13,010)	-	(670)	(6,284)	(19,964)
Other grants	-	5,832	(5,832)	-	-
	<u>(14,195)</u>	<u>37,090</u>	<u>(40,056)</u>	<u>(2,803)</u>	<u>(19,964)</u>
Restricted fixed asset funds					
Transfer on conversion	93,312		(4,177)	-	89,135
DfE/ESFA capital grants	(396)	932	437	-	973
Capital expenditure from GAG	588	-	(315)	204	477
Private sector capital sponsorship	744	4,792	(534)	-	5,002
	<u>94,248</u>	<u>5,724</u>	<u>(4,589)</u>	<u>204</u>	<u>95,587</u>
Total restricted funds	<u>80,053</u>	<u>42,814</u>	<u>(44,645)</u>	<u>(2,599)</u>	<u>75,623</u>
Total unrestricted funds	<u>2,789</u>	<u>1,400</u>	<u>-</u>	<u>(3,685)</u>	<u>504</u>
Total funds	<u>82,842</u>	<u>44,214</u>	<u>(44,645)</u>	<u>(6,284)</u>	<u>76,127</u>

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

General Annual Grant

The general annual grant must be used for the normal running costs of the academies in the academy trust. There are no restrictions on the allowable balance for carry forward, but the academy trust bears due regard to the guidelines set out by the Charity Commission.

The academy trust funding agreement for 31 August 2017 contained no limits on the amount of the general annual grant that is permitted to be carried forward from one year to the next.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

17 Funds (continued)

Pupil Premium

During the year, the academy trust received additional grants from the ESFA which were for the purposes of improving the provision of education for pupils from disadvantaged backgrounds who attend the academies within the academy trust. Expenditure relating to these grants is controlled and used specifically as set out in the conditions of the grant.

Pension Reserve

The restricted pension reserve represents the deficit on the academy trust's share of the Local Government Pension Scheme as at 31 August 2017.

Other Grants

During the year, the academy trust received other grants and income from the ESFA, LEA and other bodies. Where grants were received with specific conditions attached, the expenditure on such grants was controlled and properly used.

Restricted fixed asset funds

During the year, the academy trust received capital grants from the ESFA of £1,092,000 (2016: £932,000) which represents School Condition Allocation and Devolved Formula Capital.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

17 Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Tame Valley Primary Academy	396	373
Reaside Primary Academy	253	217
ACE Academy	(1,174)	(1,039)
Fairway Primary Academy	23	82
Edgar Stammers Primary Academy	(58)	(62)
The Orchards Primary Academy	196	235
Woodhouse Primary Academy	319	220
Smestow School	(179)	1
Heathlands Academy	288	208
Featherstone Academy	42	45
Albert Bradbeer Academy	31	94
Pye Green Academy	426	441
Wednesfield High Specialist Engineering Academy	(532)	(279)
Central services	331	238
Total before fixed assets and pension reserve	362	774
Restricted fixed asset fund	95,206	95,317
Pension reserve	(24,410)	(19,964)
Total	71,158	76,127

ACE Academy is carrying a net deficit of £1,174k on these funds because:

There has been significant expenditure over the past few years on exclusion charges, restructuring costs and BSF charges.

The trust is taking the following action to return the academy to surplus:

The academy has now set a balanced budget excluding a 2% contingency and will continue to do. The situation is being closely monitored by the trust to ensure the academy remains balanced. There is a deficit recovery plan in place. All expenditure is now scrutinised by the CFO prior to commitments.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

17 Funds (continued)

Edgar Stammers Primary Academy is carrying a net deficit of £58k on these funds because:

Additional costs required to support the academy in school improvement during financial year 2015/16. The academy's 5 year budget plan shows a net in year surplus from 2017/18, with cumulative reserves reaching a surplus by year end 2019/20.

The trust is taking the following action to return the academy to surplus:

The academy's 5 year budget plan shows a net in year surplus from 2017/18, with cumulative reserves reaching a surplus by year end 2019/20.

Smestow School is carrying a net deficit of £179k on these funds because:

This is largely the result of high, unsustainable staffing costs along with some timing issues in relation to other expenditure.

The trust is taking the following action to return the academy to surplus:

A staff restructure will take place within 2017/18 and a robust recovery plan is now in place. All expenditure is now scrutinised by the CFO prior to commitments.

Wednesfield High Specialist Engineering Academy is carrying a net deficit of £532k on these funds because:

This is largely the result of high, unsustainable staffing costs.

The trust is taking the following action to return the academy to surplus:

A staff restructure took place towards the end of financial year 2016/17 and a robust recovery plan is now in place. A new Head Teacher has been appointed this year. All expenditure is now scrutinised by the CFO prior to commitments.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

17 Funds (continued)

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding Depreciation) £000	Total 2017 £000	Total 2016 £000
Tame Valley Primary Academy	778	180	177	225	1,360	1,262
Reaside Primary Academy	685	244	150	225	1,304	1,279
ACE Academy	5,356	505	1,133	2,026	9,020	9,529
Fairway Primary Academy	826	225	123	173	1,347	1,206
Edgar Stammers Primary Academy	1,146	347	193	335	2,021	2,016
The Orchards Primary Academy	927	187	195	283	1,592	1,511
Woodhouse Primary Academy	1,554	486	300	307	2,647	2,489
Smestow School	3,696	675	692	894	5,957	6,230
Heathlands Academy	1,453	432	239	394	2,518	5,447
Featherstone Academy	758	200	148	193	1,299	1,252
Albert Bradbeer Academy	1,692	431	236	546	2,905	3,030
Pye Green Academy	1,280	242	180	274	1,976	1,867
Wednesfield High Specialist Engineering Academy	3,769	545	516	745	5,575	5,837
Central services	-	575	(632)	149	92	72
Academy trust	23,920	5,274	3,650	6,769	39,613	43,027

18 Analysis of Net Assets between Funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	94,469	94,469
Current assets	362	4,944	737	6,043
Current liabilities	-	(4,800)	-	(4,800)
Non-current liabilities	-	(144)	-	(144)
Pension scheme liability	-	(24,410)	-	(24,410)
Total net assets	362	(24,410)	95,206	71,158

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

18 Analysis of Net Assets between Funds (continued)

For comparative purposes, fund balances at 31 August 2016 were represented by:

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
Tangible fixed assets	-	-	95,317	95,317
Current assets	504	4,286	270	5,060
Current liabilities	-	(4,110)	-	(4,110)
Non-current liabilities	-	(176)	-	(176)
Pension scheme liability	-	(19,964)	-	(19,964)
Total net assets	504	(18,721)	95,587	77,370

19 Capital Commitments

There were no capital commitments contracted for, but not provided in the financial statements (2016: £nil).

20 Commitments under operating leases

Operating Leases

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

	2017 £000	2016 £000
Amounts due within one year	1,055	1,519
Amounts due between one and five years	3,998	6,657
Amounts due after five years	14,547	23,572
	19,600	31,748

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

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

	2017	2016
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(1,896)	(431)
Adjusted for:		
Depreciation charges (note 12)	1,539	1,618
Loss on disposal of fixed assets	-	2,971
Donated fixed assets	-	(4,792)
Capital grants from DfE and other capital income	(1,092)	(932)
Interest receivable (note 5)	(4)	-
Defined benefit pension scheme cost less contributions payable (note 26)	948	180
Defined benefit pension scheme finance cost (note 26)	425	490
(Increase)/decrease in debtors	(629)	480
Increase/(decrease) in creditors	690	(2,363)
Net cash provided used in Operating Activities	(19)	(2,779)

22 Cash Flows from Financing Activities

	2017	2016
	£000	£000
Repayments of borrowing	(32)	(68)
Net cash used in financing activities	(32)	(68)

23 Cash Flows from Investing Activities

	2017	2016
	£000	£000
Dividends, interest and rents from investments	4	-
Purchase of tangible fixed assets	(692)	(866)
Capital grants from DfE/ESFA	1,092	932
Net cash provided by investing activities	404	66

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

24 Analysis cash and cash equivalents

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	4,047	3,692
Total cash and cash equivalents	4,047	3,692

25 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.

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 WM Pension Fund and Staffordshire 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.

Contributions amounting to £263,927 (2016: £nil) were payable to the schemes at the end of the financial year and are included within creditors.

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.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

26 Pension and Similar Obligations (continued)

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; and
- 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, where upon 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 £1,963,601 (2016: £1,277,410).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

26 Pension and Similar Obligations (continued)

The total contribution made for the year ended 31 August 2017 was £1,533,817 (2016: £1,420,717), of which employer's contributions totalled £1,112,393 (2016: £1,000,101) and employees' contributions totalled £421,424 (2016: £420,616) The agreed contribution rates for future years are between 12.4% and 27.1% employers and between 2.75% and 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 31 August 2017	At 31 August 2016
West Midlands		
Rate of increase in salaries	4.20%	3.75%
Rate of increase for pensions in payment/inflation	2.70%	2.00%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.00%
Commutation of pensions to lump sums	50.00%	50.00%
Staffordshire		
Rate of increase in salaries	2.80%	2.50%
Rate of increase for pensions in payment/inflation	2.40%	2.10%
Discount rate for scheme liabilities	2.50%	2.10%
Inflation assumption (CPI)	2.40%	2.10%
Commutation of pensions to lump sums	50/75%	50/75%

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

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

26 Pension and Similar Obligations (continued)

	At 31 August 2017	At 31 August 2016
West Midlands		
<i>Retiring today</i>		
Males	21.8	23.1
Females	24.3	25.8
<i>Retiring in 20 years</i>		
Males	24.0	25.3
Females	26.6	28.1
Staffordshire		
<i>Retiring today</i>		
Males	22.1	22.1
Females	24.1	24.3
<i>Retiring in 20 years</i>		
Males	24.4	24.3
Females	26.4	26.6
Sensitivity analysis		At 31 August 2017
		£'000
West Midlands		
Discount rate +0.1%		747
Discount rate -0.1%		(765)
Mortality assumption - 1 year increase		(1,036)
Mortality assumption - 1 year decrease		953
CPI rate +0.1%		(509)
CPI rate -0.1%		497
Staffordshire		
Discount rate -0.5%		535
Salary increase rate +0.5%		204
Pension increase rate +0.5%		315

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

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

26 Pension and Similar Obligations (continued)

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	7,167	3,714
Gilts	707	-
Corporate bonds	537	971
Property	817	498
Cash and other liquid assets	536	401
Other	1,283	676
Total market value of assets	11,047	6,260

The actual return on scheme assets was £1,224,000 (2016: £1,032,000).

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost	(2,437)	(1,663)
Interest Income	178	219
Interest Cost	(603)	(709)
Total operating charge	(2,862)	(2,153)

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

	2017 £'000	2016 £'000
At 1 September	27,327	17,694
Current service cost	2,437	1,663
Interest cost	603	709
Employee contributions	469	(286)
Actuarial (gain)/loss	4,791	7,128
Benefits paid	(170)	419
At 31 August	35,457	27,327

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

26 Pension and Similar Obligations (continued)

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

	2017	2016
	£'000	£'000
At 1 September	7,363	4,684
Interest income	178	219
Actuarial gain/(loss)	1,718	845
Employer contributions	1,489	1,483
Employee contributions	469	419
Benefits paid	(170)	(286)
At 31 August	11,047	7,364

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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transaction took place in the period of account.

The academy trust has a close relationship with the University of Wolverhampton (UOW) and the University of Wolverhampton Social Enterprise (UOWSE). Certain costs incurred by the academy trust were recharged from either UOW or UOWSE, as the purchasing power and economies of scale achievable by these organisations provided the academy trust with best value. Where such costs were recharged to the academy trust, this was done at cost.

At the end of the financial year, the academy trust owed £930,929 to the UOW and £380,601 was owed from the UOW to the academy trust in relation to these recharges. No amounts were owed to or from the UOWSE at the end of the financial year (2016: £nil).

School improvement advisors, who are related to the academy trust either as a member or trustee, received consultancy payments from the academy trust as follows:

- Professor M Walters (trustee) £7,500 (2016: £10,500); and
- R Lockwood (trustee) £nil (2016: £3,637).

Education Central Multi Academy Trust

Financial Statements for the Year Ended 31 August 2017

Notes to the Financial Statements for the period ended 31 August 2017 (Continued)

27 Related Party Transactions (continued)

There were no amounts outstanding to these parties at the end of the financial year (2016: £nil).

The City of Wolverhampton Academy Trust is an academy trust that has also been sponsored by the University of Wolverhampton. During the year the academy trust recharged staff costs to The City of Wolverhampton Academy Trust of £7,700 (2016: £nil). There was no amount outstanding from this party at the end of the financial year (2016: £nil).

Health Futures UTC is sponsored by the University of Wolverhampton. During the year the academy trust incurred expenses on behalf of Health Futures UTC of £1,854 which were recharged in full (2016: £nil). At the end of the financial year £1,854 (2016: £nil) was due from Health Futures UTC.

Where the academy trust made purchases from related parties these were at arms' length.

In entering into the transaction the trust has complied with the requirements of ESFA's Academies Financial Handbook 2017.

28 Agency arrangements

The academy trust distributed 16-19 bursary funds to students as an agent of the ESFA. In the accounting period the trust received £50,776 (2016: £1,974,813) and disbursed £36,995 (2016: £1,974,813) from the fund. Included within other creditors is an amount of £13,781 (2016: £nil) at the end of the accounting period which were funds still due to students.