

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2017

Company Registration Number
08314293 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2017

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Reference and Administrative Details

Members	<p>Fatema Bari</p> <p>Mohammed Hossain</p> <p>Mohammed Yasin MBE (resigned 31/08/2017)</p> <p>Ruth Jewkes (appointed 01/04/2017)</p> <p>Richard Wallace (appointed 01/04/2017)</p> <p>Peter Hallam (appointed 01/04/2017)</p>
Trustees	<p>Fatema Bari, Chair</p> <p>Mohammed Hossain</p> <p>Mohammed Yasin (resigned 31/08/2017)</p> <p>Richard Wallace (appointed 01/04/2017)</p> <p>Hazel Pulley, CEO & Accounting Officer</p> <p>Stephen Harris (appointed 09/10/2017)</p> <p>Pinky Jain (appointed 07/06/2017)</p> <p>Nazia Ahmed (resigned 31/03/2017)</p> <p>Lisa Andrews (resigned 31/03/2017)</p> <p>Amy Collins (resigned 31/03/2017)</p> <p>Fatima Jama (resigned 31/03/2017 and reappointed 12/10/2017)</p> <p>Mohammed Sajad (resigned 31/03/2017)</p>
Company secretary	Lisa Davies
Senior management team	
• CEO	Hazel Pulley
• Headteacher PCS	David Williams
• Deputy Head PCS	Lorna Townsend
• Head of School TGP	Deborah Holland
Company name	Excelsior Multi Academy Trust
Principal and registered office	<p>c/o Parkfield Community School</p> <p>Parkfield Road</p> <p>Saltley</p> <p>Birmingham</p> <p>B8 3AX</p>
Company registration number	08314293
Independent auditor	<p>Feltons</p> <p>8 Sovereign Court</p> <p>8 Graham Street</p> <p>Birmingham B1 3JR</p>
Bankers	<p>Lloyds Bank Plc</p> <p>114-116 Colmore Row</p> <p>Birmingham B3 3BD</p>
Solicitors	<p>Browne Jacobson LLP</p> <p>Victoria Square House</p> <p>Birmingham B2 4BU</p>

Excelsior Multi Academy Trust (A Company Limited by Guarantee)

Trustees' report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The multi academy operates two primary schools serving catchment areas in Birmingham which are:

- Parkfield Community School
- Turves Green Primary School

They have a combined pupil capacity of 1160 and had a roll of 1136 in the school census on 5th October 2017

Structure, Governance and Management

Constitution

The multi 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 multi academy trust. The Trustees of Excelsior Multi Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Excelsior Multi Academy Trust.

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

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice the multi academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on multi academy business. The insurance provides cover up to £10,000,000 on any one claim.

Method of recruitment and appointment or election of Trustees

Parent Trustees are elected by the parents of registered pupils at the Academy. A Parent Trustee must be a parent of a pupil at the Academy at the time when she/he is elected.

Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee is:

- a person who lives or works in the community served by the Academy; or
- a person who, in the opinion of the Governing Body, is committed to the governance and success of the Academy.

Staff Trustees are elected by employees of the Academy Trust.

The above selection procedures are adhered both for internal and external applications and all positions are advertised to the relevant parties.

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Trustees' report (continued)

Policies and Procedures Adopted for the Induction and Training of Trustees

The Governing Body has a Service Level Agreement with the Trustee Support department of Excelsior Multi Academy Trust to provide training, advice and support to the Governing Body.

Newly elected Trustees attend Induction Training for new Trustees, and in addition select specific training provided by Trustee Support in accordance with their needs

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

The Deputy Head Teacher the Leader for Professional Development in school, and he ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's Training Plan.

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- Value for Money
- Curriculum
- Pay Panel
- Appeals
- Wellbeing

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Academy Trust's Financial Procedures.

Decisions relating to Head Teacher pay and the approval of the year-end accounts are reserved for the board of trustees. Those responsibilities delegated to management include the day to day running of the school.

Arrangements for setting pay and remuneration of key management personnel

Arrangements for setting pay and remuneration for all staff are set out in the policies for Determining Teacher's Pay and accompanying policy for Determining Support Staff Pay. The policy complies with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD 2015). Pay is determined by the Trustee Board and is linked to the nature of the post, level of qualifications, skills and experience required, market conditions and the wider school context. Pay progression is based on the outcome of annual appraisals which are designed to enhance professional practice. Pay decisions are made by the Pay Committee on behalf of the Governing Body comprising 3 Governors.

Trustees' are not remunerated. The Senior Leadership Team are remunerated in line with the above mentioned policy. Movement up the Leadership Pay Spine will occur if 'there has been a sustained high quality of performance, having regard to the performance objectives agreed or set.' The Pay Committee must have regard to any recommendation on pay for the Head Teacher, deputy or Assistant Head Teacher's most recent appraisal documentation. In the case of the Head Teacher the Governing Body will take advice from the chosen External Advisor.

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Trustees' report (continued)

Related parties and other Connected Charities and Organisations

Trustees' related parties and other connected charities and organisations are all documented on their pecuniary interest forms and trustees have been made fully aware of their responsibilities regarding related party transactions. The pecuniary interest forms are reviewed to ensure sound governance and transparency. The Academy publishes its relevant business and pecuniary interests of local governors on its website.

Objectives and activities

Objects and aims

The strategic goal of Excelsior Multi Academy is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the multi academy trust and the Department for Education.

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The main objectives for the year are:

Pupil outcomes at the end of Key Stages make rapid progress towards or reach at least floor standards in all schools across the MAT

New financial management structures enable improved efficiency with the Trust to directly support our pupil's outcomes.

- Each Local Governing Body designs a strategic plan for Governance.

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Significant activities linked to the trust's charitable activities, and how they further its aims, have been:

Full LGBs with no vacancies

Teacher Coach employed to support quality of teaching and learning.

- Training in place for PS Financials.

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Excelsior Multi Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

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Trustees' report (continued)

Strategic Report

Achievements and Performance – Parkfield Community School

EYFS

EYFS areas of learning (2016-2017)	Em %	%	%	Expected %	Difference to 2015/2016
Listening and attention			71		1
Understanding					
Speaking	17				
Self-confidence and self-awareness					-6
Managing feelings and behaviour					-10
Making relationships					-6
Moving and handling					-8
Health and self-care			24		-4
Reading					
Writing			1		
Number					-5
Shape, space and measures			12		1
People and communities	21	76			
The world					-9
Technology	7				-4
Exploring media and materials					
Being imaginative					
GOOD LEVEL OF DEVELOPMENT (GLD)					-

From the creation of the new EYFS profile (2012/2013) to 2015/2016, the percentage of pupil attaining 'expected' or 'exceeding' increased year on year.

Last year's results showed a decrease in the percentage of pupils attaining expected or exceeded in number of 5% ((84% to 79%). Reading however remained at 83% and writing increased by 1% (78% to 79%).

The percentage who attained GLD remained at 72% in 2016/2017. This is 9% above the Washwood Heath Ward average of 63%, 6% above the Birmingham average of 66% and 1% above the national average of 71%.

For the last three years, the percentage of pupils attaining the expected standard in the Year 1 phonics test has remained fairly consistent (2014/2015 = 93%, 2015/2016 = 93% and 2016/2017 = 92%).

These figures are 15% above the Washwood Heath Ward average of 77%, 12% above the Birmingham average of 80% and 11% above the national average of 81%.

KS1

	Percentage at expected standard or greater depth	Percentage at greater depth
Reading	83%	18%
Writing	75%	7%
Maths	82%	14%

The percentage of pupils attaining expected or greater depth in reading, writing and maths individually all increased from 2015/2016 at Parkfield (+2%, +3% and +1% respectively).

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Trustees' report (continued)

These attainment figures were also higher than the Ward's average, Birmingham's and the national (see the table below).

	Percentage attaining expected or greater depth			
	Parkfield	Washwood Heath Ward	Birmingham	National
Reading	83%	69%	72%	76%
Writing	75%	62%	64%	
Maths	82%	69%	71%	

The percentage of pupils attaining greater depth increased from 2015/2016 at Parkfield (+14%, +7%

individually all

Although the gap to the national average has percentage of pupils attaining greater depth, Parkfield and maths we had 7% fewer pupils attaining greater

comparing the
 as. In reading
 fewer pupils

KS2 - Attainment

	Percentage at expected standard or higher
Reading	63%
Writing	79%
Maths	91%
GPS (Grammar, Punctuation and Spelling)	87%
Reading, writing and maths combined	60%

When compared to last year's attainment, there were (83% to 87% - +4%) and reading, writing and maths comparable to last year with a slight fall of 1% (80% to 79% -1%) and maths (-9%).

+20%), GPS
 Writing was
 from 72% to

The attainment figures were higher than Washwood Heath writing +13%, maths +27%, GPS +13% and reading also attained higher than the Birmingham averages 2% lower and we also attained higher than the national averages in writing (+13%) and maths combined (-1%) and in reading (-9%). See the

reading +7%,
 3%. Parkfield
 here we were
 , writing and

	Percentage at expected standard or higher	Parkfield	National
Reading	63%	65%	72%
Writing	79%		
Maths	91%		
GPS (Grammar, Punctuation and Spelling)	87%		
Reading, writing and maths combined	60%	56%	

The percentage of Parkfield pupils attaining greater depth when compared to 2015/2016, in nearly all areas, showed a significant increase (reading +11%, maths +27% and GPS +19%). For writing this figure remained at 2% and for reading, writing and maths combined, this increased by 1%

The percentage of Parkfield pupils attaining greater depth was higher than the national average in GPS (+9%) and maths (+6%). The gap to national closed in reading from -12% in 2015/2016 to -7% in 2016/2017. The gap however widened in writing (-13% to -15%) and in reading, writing and maths combined (-4% to -7%).

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Trustees' report (continued)

	2015-2016	2016-2017
Reading	-1.9	-2.9
Writing	-1.6	-2.6
Maths	-1.3	+1.4

The progress score in maths improved significantly in 2016-2017 to +1.4 above national average. The progress scores for reading and writing fell when compared to the previous year's scores. All of the progress scores were however still above the 2017 Floor Standard.

Achievements and Performance – Turves Green Primary School

EYFS

EYFS areas of learning (2016-2017)	Emerging %	Expected %	Exceeding %	Exceeding + Expected %	Difference to 2015/2016
Listening and attention	27	61	10	71	+7
Understanding	27	63	8	71	+7
Speaking	27	69	3	72	+9
Managing feelings and behaviour	27	69	2	71	+10
Making relationships	23	75	0	75	+12
Moving and handling	18	80	0	80	+9
Health and self-care	20	79	0	79	+11
Reading	26	73	0	73	+10
Writing	27	58	14	72	+9
Number	31	62	6	68	+9
Shape, space and measures	27	68	3	71	+7
People and communities	28	69	1	70	+9
The world	33	63	2	65	+8
Technology	33	63	2	65	+11
Exploring media and materials	24	74	1	75	+10
Being imaginative	31	67	1	68	+12
Being imaginative	33	65	0	65	+12
GOOD LEVEL OF DEVELOPMENT (GLD)			72%		+14%

Last year's results showed an increase in all aspects in the percentage of pupils attaining expected or exceeded. In number this increased by 7% (64% to 71%), in reading there was a 9% increase (63% to 72%) and in writing there was an increase of 9% (60% to 68%).

The percentage who attained GLD in 2016/2017 increased significantly from the 2015/2016 figure of 58% to 72% (+14%). This is 2% above the Northfield Ward average of 70%, 6% above the Birmingham average of 66% and 1% above the national average of 71%.

Overall, for the last three years, the percentage of pupils attaining the expected standard in the Year 1 phonics test has shown a slight increase (2014/2015 = 79%, 2015/2016 = 78% and 2016/2017 = 82%).

These figures for 2016/2017 are 4% above the Northfield Ward average of 78%, 2% above the Birmingham average of 80% and 1% above the national average of 81%.

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Trustees' report (continued)

	SATs	
	Percentage at expected standard or greater depth	Percentage at greater depth
Reading	81%	14%
Writing	68%	2%
Maths	72%	21%

The percentage of pupils attaining expected or greater depth in reading, writing and maths individually all increased from 2015/2016 at Turves Green (+9%, +13% and +9% respectively).

As the table below shows, for reading, a higher percentage of pupils attained at least expected than the ward's, Birmingham's and the national average. For writing, this figure was above the ward's and Birmingham's average and was equal to national average. For maths this figure was slightly below the ward and national average, but was greater than Birmingham's average.

	Percentage attaining expected or greater depth			
	Turves Green	Northfield Ward	Birmingham	National
Reading	81%	75%	72%	76%
Writing	68%	67%	64%	68%
Maths	72%	76%	71%	75%

KS2 - Attainment

	KS2	
	Percentage at expected standard or higher	Percentage at greater depth
Reading	67%	20%
Writing	76%	7%
Maths	78%	18%
GPS (Grammar, Punctuation and Spelling)	75%	36%
Reading, writing and maths combined	58%	4%

When compared to last year's attainment, there were increases in reading (54% to 67%), writing (73% to 76%), maths (71% to 78%) and reading, writing and maths combined (43% to 58%). GPS attainment however fell from 80% to 75%.

The attainment figures were higher than the Northfield Ward averages in writing (+5%), maths (+7%) and GPS (+1%). For reading, these figures were equal. These figures were also greater than the Birmingham averages in all areas apart from GPS, which was -2%. When compared to the national averages, attainment was higher or equal in writing (0%) and maths (+3%), but was slightly lower in reading (-5%), GPS (-2%) and reading, writing and maths combined (-3%)

	Percentage attaining expected or greater depth			
	Turves Green	Northfield Ward	Birmingham	National
Reading	67%	67%	65%	72%
Writing	76%	71%	72%	76%
Maths	78%	71%	72%	75%
GPS (Grammar, Punctuation and Spelling)	75%	74%	77%	77%
Reading, writing and maths combined	58%	57%	56%	61%

Trustees' report (continued)

The percentage of Turves Green pupils attaining greater depth when compared to 2015/2016, in nearly all areas, showed a significant increase (reading +13%, maths +9% and GPS +7%). For writing this figure fell by 2% to 7% and for reading, writing and maths combined, this remained at 4%

The percentage of Turves Green pupils attaining greater depth was higher than the national average in GPS (+5%). The gap to national closed in reading from -12% in 2015/2016 to -5% in 2016/2017. The gap however widened in writing (-6% to -11%) and in reading, writing and maths combined (-1% to -5%).

	2015-2016	2016-2017
Reading	-2.8	-1.0
Writing	0.2	-1.2
Maths	-0.1	1.1

The progress score in reading improved significantly in 2016-2017 to -1.0 and likewise in maths to 1.1. The progress scores for writing however fell when compared to the previous year's scores. All of the progress scores were however still above the 2017 Floor Standard.

Key Performance Indicators

Key Stage/exam results – please see above.

- The pupil numbers at the school are excellent with the school being full with long waiting lists in almost every year group.

The pupil numbers at the school are excellent with the school being full with long waiting lists in almost every year group.

- The attendance for the last academic year was 96.6% which is above both the LA and National average.

Ofsted May 2016 – Judgement Outstanding – Parkfield Community School:

- This is a school that makes a difference to the education and lives of its pupils and their families. It fully delivers on its aim that 'Together we can make a huge difference'.
- The headteacher and school leaders provide exceptional leadership, set high expectations and pursue further improvements relentlessly. As a result, pupils flourish socially and academically and make outstanding progress.

The school serves the community in which it resides and provides support and guidance to families so that they can be fully involved in their child's education.

All groups of pupils achieve well across the school as a result of the highly effective teaching, care, guidance and support they receive. Pupils who are disadvantaged, those who have special educational needs or disability and the most able make rapid and sustained progress.

- The curriculum is wide ranging, varied and engaging. Pupils' learning and development are enriched by sports, arts, engineering and drama activities, as well as numerous trips and visiting authors.
- Pupils who speak English as an additional language do better than pupils who speak English as their first language nationally in reading, writing and mathematics in key stage 1 and key stage 2. The provision for pupils' spiritual, moral, social and cultural development is a strength and permeates the school's work. This is an inclusive school that celebrates diversity. As a result, pupils demonstrate respect for an individual's age, disability, gender or gender reassignment, sexuality, race, religion or belief.
- Outstanding provision in the early years enables children to make excellent progress in all areas of learning, including literacy, numeracy, speaking and listening, and personal, social and emotional, and language development. Children are exceptionally well prepared for Year 1.
- The governing body provides strong direction. Governor's challenge and support leaders in equal measure in order to continually improve the school.

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Trustees' report (continued)

- Pupils' conduct and attitudes to learning are exceptional. They are motivated and keen to learn and do well.

Direct costs as a percentage of total costs were 66.8% (2016 : 68.2%)

- Support costs as a percentage of total costs were 33.2% (2016 : 31.8%)
- Total payroll costs as a percentage of recurring income were 80.7% (2016 : 80.4%)

Going concern

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

Financial Review

The financial results of Excelsior Multi Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Multi Academy's Financial Handbook.

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

In addition, the deficit on the restricted pension fund of £3,754,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

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Trustees' report (continued)

Investment Policy

Some surplus funds are invested in an Aldermore Bank deposit account.

These investments are carried out in accordance with the Treasury Management Policy and the powers vested in the Governing Body.

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Plan for Future Periods

Parkfield Community School

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Personal Development, Behaviour and Welfare – Pupil's wellbeing is supported through the celebration of diversity, quality, respect and citizenship:

- To widen the impact of No Outsiders.
- To improve further pupil wellbeing.
- To improve attendance and punctuality.
- To reorganise and ensure high quality collective worship.

Outcomes for Children & Learners – Achievement is raised for all pupil groups:

- To raise the profile and creativity of English
- To raise the achievement of pupils in reading and writing.
- To raise the achievement of higher attaining pupils in reading and writing.
- To further embed the fluency of basic number facts.
- To develop further handwriting in EYFS.

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Trustees' report (continued)

Turves Green Primary

Effectiveness of Leadership & Management – Leadership and behaviours are enhanced:

- To understand how leaders at all levels contribute to improving schools.
- To develop leadership behaviours.
- To review middle leadership roles and responsibilities.
- To launch the new curriculum with all stakeholders.
- To establish the new curriculum whole school.
- To develop a growth mindset culture.

Quality of Teaching, Learning & Assessment – Outstanding teaching is maintained and professional development is personalised:

- To raise the percentage of outstanding teaching. To remove all inadequate teaching
- To introduce a revised marking and feedback policy.
- To facilitate the experience and expertise of UPS teachers.
- To enhance mathematical knowledge.
To embed a mastery pedagogy.
- To establish Talk 4 Writing...

Personal Development, Behaviour and Welfare – Pupil's wellbeing is supported through the celebration of diversity, quality, respect and citizenship:

Outcomes for Children & Learners – Achievement is raised for all pupil groups:

- To improve further the accuracy of teacher assessment.
- To raise KS1 pupils outcomes in phonics.
- To raise the outcomes for pupils with SEND.
- To raise the profile of PE through enhanced teaching and improved outcomes.

Auditor

Insofar as the Trustees are aware:

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Trustees' report, incorporating
the company directors, on

ic report, was approved by order of the board of trustees, as
..... 2017 and signed on the board's behalf by:

Fatema Bari - Chair of Trustees

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Governance statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Excelsior Multi Academy Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Excelsior 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 prior to conversion to MAT and 3 times (after MAT completion) during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Name		
Nazia Ahmed	5	6
Lisa Andrews	4	5
Fatema Bari (Chair)	5	5
Amy Collins	7	8
Mohammed Hossain	7	7
Fatima Jama	3	5
Hazel Pulley (Accounting Officer)	6	6
Mohammed Sajad	4	7
Mohammed Yasin MBE (retired 31/8/17)	9	9
Richard Wallace	3	3
Stephen Harris	0	1
Pinky Jain	0	1

A review of governance was undertaken during the year in which the governors' skillsets were examined and the strategic risk register was reviewed. As a result of this review, the governors' strategic plan was continued for the next 3 year covering the points raised.

Subsequent to this the following actions were taken:

- Local Governing Bodies for each school were formulated.
- Each Local Governing Body will start their own strategic plan

The trust intends to conduct its next self-evaluation/external review in July 2018

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Governance statement (continued)

Review of value for money

As accounting officer the Chief Executive Officer 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 resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by:

Utilising staff across the MAT – We have utilised knowledge and experience held within the MAT to help cover roles and help with CPD. This is obviously far more cost-effective than getting the staff in from an external source.

Agency staff – We have agreed preferred suppliers for agency staff to cap the rate that we pay and also eliminate placement fees being incurred.

- Pension lump sum – Parkfield Community School paid the West Midlands Pension Fund lump sum three yearly in advance to take advantage of the reductions offered, which were far superior to the return gained in savings accounts.
- Caretaker split shift – Parkfield Community School moved the caretaker role to a split shift for opening and closing to prevent this requiring two members of staff.

Photocopier contract – Parkfield Community School managed to engage in a new long-term lease deal for its photocopiers which should save the school several thousand pounds over the course of its 3 years.

Audit of service based resources – From joining the MAT on 01/04/17 Turves Green Primary School had a total audit of services that it subscribed to in order to make cost-savings i.e. peripatetic music, musical play therapist, speech therapy.

The Purpose of the System of Internal Control

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

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Multi 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 Multi Academy Trust's significant risks that has been in place for the year to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The Multi 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;

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Governance statement (continued)

- 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.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed Nigel Smith, the external auditor, to perform additional checks

His role includes giving advice on financial matters and performing a range of checks on the Multi Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Purchasing - Purchase orders and invoices are being raised and authorised in an accurate and timely manner.
- Bank - The Academy's bank is regularly reconciled and accurately reflected on the accounting system.
- Staffing - Staff expenditure is in-line with projection and any variances investigated and explained.

On an annual basis, the Chief Financial Officer reports to the board of trustees, through the Value for Money committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As accounting officer, Hazel Pulley (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 internal reviewer

- the work of the external auditor;
- the work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Value for Money committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on ...18/12..... 2017 and signed on its behalf by:

Fatema Bari
Chair of Trustees

Hazel
Accounting Officer

**Excelsior Multi Academy Trust
(A Company Limited by Guarantee)**

Statement on regularity, propriety and compliance

As accounting officer of Excelsior Multi Academy Trust I have considered my responsibility to notify the multi academy trust board of trustees and the Education and Skills 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 2016.

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 2016.

i

Hazel Pulley – Accounting Officer

2017

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Statement of Trustees' Responsibilities

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

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

i

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

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

i

Approved by order of the members of the board of trustees on
signed on its behalf by:

2017 and

Fatema Bari – Chair of Trustees

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of
Excelsior Multi Academy Trust

Opinion

We have audited the financial statements of Excelsior Multi Academy Trust for the period ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements

give a true and fair view of the state of Excelsior Multi Academy Trust's affairs as at 31 August 2017, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Excelsior Multi Academy Trust
(continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material 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 matter prescribed by the Companies Act 2006

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

the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of Excelsior Multi Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Independent Auditor's Report on the Financial Statements to the Members of Excelsior Multi Academy Trust
(continued)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 17), the trustees (who are also the directors of Excelsior Multi Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Excelsior Multi Academy Trust's internal control.

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

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

**Excelsior Multi Academy Trust
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of Excelsior Multi
Academy Trust
(continued)**

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 18 October 2012 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 the Excelsior 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.

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

The accounting officer is responsible, under the requirements of Excelsior Multi Academy Trust's funding agreement with the Secretary of State for Education dated 21 December 2012 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.

Approach

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and Excelsior Multi Academy Trust's funding agreement
- Review and evaluation of Excelsior Multi Academy Trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

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

Conclusion

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



David W Farnsworth FCA (Reporting Accountant)
For and on behalf of Feltons, Statutory Auditor
8 Sovereign Court
8 Graham Street
Birmingham B1 3JR

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2017
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Income from :							
Donations and capital grants		1,446	-		20,564	22,010	244,200
Transfer from local authority on conversion		134,434	(1,217,000)		5,004,915	3,922,349	
Funding for the academy trust's educational operations		219,948				4,904,767	3,917,887
Other trading activities		150				150	
Investments		2,425				2,425	2,176
Total							4,164,263
Expenditure on							
Charitable activities:							
Academy trust's educational operations	7	189,931	56,000	4,615,943	203,566	5,065,440	4,253,768
Total		189,931	56,000	4,615,943	203,566	5,065,440	4,253,768
Net income/(expenditure) before transfers		168,472	(1,273,000)	68,876	4,821,913	3,786,261	(89,505)
Transfers between funds							
Net income/(expenditure) after transfers		42,117	(1,273,000)	68,876	4,948,268	3,786,261	(89,505)
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	16, 24					(601,000)	(928,000)
Net movement in funds							
Reconciliation of funds							
Total funds brought forward							
Total funds carried forward		785,485	(3,754,000)	80,212	8,702,713	5,814,410	2,629,149

All of the Academy's activities were derived from acquisitions during the comparative year

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Company number : 08314293
Balance sheet as at 31 August 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets			8,721,520		3,542,345
Current assets					
Debtors				139,205	
Cash at bank and in hand				1,085,556	
		1,421,877		1,224,761	
Liabilities					
Creditors: amounts falling due within one year					
Net current assets			846,890		966,804
Net assets excluding pension liability					
Defined benefit pension scheme liability					
Total net assets					2,629,149
Funds of the academy trust					
Restricted funds					
Fixed asset fund		8,702,713		3,754,445	
General fund		80,212		11,336	
Pension reserve				(1,880,000)	
Total restricted funds			5,028,925		1,885,781
Unrestricted income funds	16		785,485		743,368
Total funds			5,814,410		2,629,149

The financial statements on pages 24 to 47 were
2017 and are signed on their behalf by:

Fatema Bari - Chair of Trustees

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	20	266,398	(58,422)
Cash transferred on conversion to academy trust		134,434	
Cash flows from investing activities	21	(354,837)	140,792
		45,995	82,370
Cash and cash equivalents at 1 September 2016		1,085,556	1,003,186
Cash and cash equivalents at 31 August 2017	22	<u>1,131,551</u>	<u>1,085,556</u>

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

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

Excelsior 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 year of at least one year from the date of authorisation for issue of the financial statements and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi 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 multi 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 year is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year 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.

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.

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

Income (continued)

Other income

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the multi academy trust's accounting policies.

Conversion to Multi Academy Trust

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

The assets and liabilities transferred on conversion from Turves Green Primary School to Excelsior Multi Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Details of the nature and valuation of fixed assets including the allocation between Land & Buildings and Other Fixed Assets, pension and other assets and liabilities transferred are set out in note 26.

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

All resources expended are inclusive of irrecoverable VAT.

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

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.

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

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 20% straight line
Computer hardware	- 33% straight line
Motor vehicle	- 25% reducing balance

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

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

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

Leased assets

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

Taxation

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi 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 24, 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 year to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the multi 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 year 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.

**Excelsior Multi Academy Trust
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2017 (continued)

1. Statement of accounting policies (continued)

Fund accounting

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the multi 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 or Department for Education.

Critical accounting estimates and areas of judgement

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

The multi 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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Excelsior Multi Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2017 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Capital grants			20,564	20,564	241,011
Other donations	1,446			1,446	3,189
	1,446		20,564	22,010	244,200
2016 total	3,189		241,011	244,200	

3. Transfer from local authority on conversion

	Unrestricted funds £	Restricted pension funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017 £
Fixed assets				5,004,915	5,004,915
Surplus on LA funds	134,434				134,434
LGPS pension deficit		(1,217,000)			(1,217,000)
	134,434	(1,217,000)		5,004,915	3,922,349

4. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
DfE/ESFA grants					
General Annual Grant (GAG)		3,721,130		3,721,130	3,080,780
Start up grants		80,000		80,000	
Other DfE/ESFA grants		532,467		532,467	435,272
		4,333,597		4,333,597	3,516,052
Other government grants					
Local authority grants		331,722		331,722	292,810
Special educational projects		19,500		19,500	
		351,222		351,222	292,810
Other income from the academy trust's educational operations	219,948			219,948	109,025
	219,948	351,222		571,170	401,835
	219,948	4,684,819		4,904,767	3,917,887
2016 total	109,025	3,808,862		3,917,887	

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Notes to the financial statements for the year ended 31 August 2017 (continued)

5. Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities			150	
			150	
2016 total				

6. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	2,425		2,425	
2016 total			2,176	

7. Expenditure

	Staff costs £	Non-staff costs £	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Academy's educational operations						
Direct costs	3,093,381			227,171	3,382,809	2,900,267
Allocated support costs	886,616			367,276	1,682,631	1,353,501
	3,979,997	490,996		594,447	5,065,440	4,253,768
2016 total	3,348,808					

Net income/(expenditure) for the period includes

		2016 £
Operating leases	- other	15,237
Depreciation		159,683
Fees payable to auditor	- audit	7,300

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Notes to the financial statements for the year ended 31 August 2017 (continued)

8. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017 £	Total 2016 £
Educational operations					
Direct costs	93,685		3,289,124	3,382,809	2,900,267
Support costs	96,246	56,000	1,530,385	1,682,631	1,353,501
	189,931	56,000	4,819,509	5,065,440	4,253,768
2016 total	114,390	56,000	4,083,378	4,253,768	
Analysis of support costs					
Support staff		56,000	830,616	886,616	773,546
Depreciation			141,309	141,309	70,585
Technology costs			2,467	2,467	19,682
Premises costs			296,609	296,609	262,605
Other support costs	96,246		251,834	348,080	219,783
Governance costs			7,550	7,550	7,300
Total support costs	96,246	56,000	1,530,385	1,682,631	1,353,501
2016 total	84,566	56,000	1,212,935	1,353,501	

9. Staff

a) Staff costs

Staff costs during the year were:

	Total 2017 £	Total 2016 £
Wages and salaries	2,868,809	2,538,048
Social security costs	263,824	189,761
Operating costs of defined benefit pension schemes	620,503	416,250
	3,753,136	3,144,059
Supply staff costs	222,321	196,748
Staff restructuring costs	4,540	8,001
	3,979,997	3,348,808

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Notes to the financial statements for the year ended 31 August 2017 (continued)

9. Staff (continued)

a) Staff costs (continued)

	Total 2017 £	Total 2016 £
Staff restructuring costs comprise		
Redundancy payments	4,540	
Severance payments	4,	8,001
		8,001

b) Staff numbers

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

	2017 Numb	
Teachers		
Administration and support		
Management		
	175	138

c) Higher paid staff

	2017 Number	2016 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000		
£70,001 - £80,000		
£110,001 - £120,000		
£120,001 - £130,000		

d) Key management personnel

The key management personnel of the multi 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 multi academy trust was £322,027 (2016 : £631,857).

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Notes to the financial statements for the year ended 31 August 2017 (continued)

10. Central services

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

11. 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 multi 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

Ms H Pulley (principal and trustee)	
Remuneration	£125,000 - £130,000 (2016 : £115,000 - £120,000)
Employer's pension contributions paid	£20,000 - £25,000 (2016 : £15,000 - £20,000)
Ms A Collins (staff trustee - resigned 31/03/17)	
Remuneration	£20,000 - £25,000 (2016 : £30,000 - £35,000)
Employer's pension contributions paid	£nil - £5,000 (2016 : £5,000 - £10,000)
Ms L Andrews (staff trustee - resigned 31/03/17)	
Remuneration	£5,000 - £10,000 (2016 : £5,000 - £10,000)
Employer's pension contributions paid	£nil - £5,000 (2016 : £nil - £5,000)

During the year ended 31 August 2017, travel and subsistence expenses totalling £nil (2016 : £486) were reimbursed or paid directly to 0 (2016 : 1) trustees. Other related party transactions involving the trustees are set out in note 25.

12. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

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Notes to the financial statements for the year ended 31 August 2017 (continued)

13. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Motor vehicle £	Total £
Cost or valuation					
At 1 September 2016	3,645,608	96,154	226,729	36,910	4,005,401
Transfer on conversion	4,989,720	7,335	7,860		5,004,915
Additions	231,983	43,170	71,673	31,000	377,826
At 31 August 2017	8,867,311	146,659	306,262	67,910	9,388,142
Depreciation					
At 1 September 2016	256,899	43,078	139,145	23,934	463,056
Charge for the year	118,048	21,804	59,824	3,890	203,566
At 31 August 2017	374,947	64,882	198,969	27,824	666,622
Net book values					
At 31 August 2017	8,492,364	81,777	107,293	40,086	8,721,520
At 31 August 2016	3,388,709	53,076	87,584	12,976	3,542,345

The leasehold property relating to Parkfield Community School was valued by CBRE Limited and the fittings and equipment and computer hardware were valued on the date of conversion by the trustees. The basis on which the valuations were made was depreciated replacement cost.

The leasehold property relating to Turves Green Primary School was valued by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued on the date of conversion by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2017 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Motor vehicles £	Total £
Valuation in 2013	3,370,000	19,406	70,323	36,910	3,496,639
Valuation in 2017	4,989,720	7,335	7,860		5,004,915
Cost	507,591	119,918	228,079	31,000	886,588
	8,867,311	146,659	306,262	67,910	9,388,142

The trust's acquisitions relating to land and buildings include the taking up of a leasehold on 1 April 2017 over a term of 125 years.

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Notes to the financial statements for the year ended 31 August 2017 (continued)

14. Debtors

	Total 2017 £	Total 2016 £
Debtors from operations	22,022	10,073
VAT recoverable	70,077	31,518
Prepayments and accrued income	198,227	97,614
	290,326	139,205

15. Creditors

	Total 2017 £	Total 2016 £
Amounts falling due within one year		
Creditors from operations	268,984	140,138
Other taxation and social security	53,326	57,182
Accruals and deferred income	140,512	60,637
Other creditors	112,165	
	574,987	257,957
Deferred income		
Deferred income at 1 September 2016	54,052	48,690
Resources deferred in the year	70,231	54,052
Amounts released from previous years	<u>(54,052)</u>	
Deferred income at 31 August 2017	70,231	54,052

At the balance sheet date the multi academy trust was holding funds received in advance for Universal Infant Free School meals.

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Notes to the financial statements for the year ended 31 August 2017 (continued)

16. Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	11,336	3,721,130	(3,652,254)		80,212
Other DfE/ESFA grants		532,467	(532,467)		
Start up grant		80,000	(80,000)		
Other grants		351,222	(351,222)		
	11,336	4,684,819	(4,615,943)		
Restricted fixed asset funds					
Transfer on conversion	3,153,108	5,004,915	(114,791)		
DfE/ESFA capital grants	260,534	20,564	(32,855)		
Capital expenditure from GAG/Unrestricted funds	340,803		(55,920)	126,355	
	3,754,445	5,025,479	(203,566)	126,355	
Pension reserve	(1,880,000)	(1,217,000)	(56,000)	(601,000)	(3,754,000)
Total restricted funds	1,885,781	8,493,298	(4,875,509)	(474,645)	5,028,925
Unrestricted funds					
Other income	743,368	358,403	(189,931)	(126,355)	785,485
Total unrestricted funds	743,368	358,403	(189,931)	(126,355)	785,485
Total funds	2,629,149	8,851,701	(5,065,440)	(601,000)	5,814,410

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State for Education, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Excelsior Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

16. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows

	Total 2017 £	Total 2016 £
Parkfield Community School	650,048	754,704
Turves Green Primary School	139,621	
Excelsior Multi Academy Trust	76,028	-
Total before fixed assets and pension reserve	865,697	754,704
Restricted fixed asset fund	8,702,713	3,754,445
Pension reserve		(1,880,000)
Total funds	5,814,410	2,629,149

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total 2017 £	Total 2016 £
Parkfield Community School	2,589,087	798,102	74,021	601,560	4,062,770	4,094,085
Turves Green Primary School	504,294	88,514	38,044	168,252	799,104	
Academy trust	3,093,381	886,616	112,065	769,812	4,861,874	4,094,085
2016 total	2,575,262	773,546	101,280	643,997	4,094,085	

17 Analysis of net assets between funds

Fund balances at 31 August 2017
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	8,721,520	8,721,520
Current assets	785,485	-	617,999	18,393	1,421,877
Current liabilities	-	-	(537,787)	(37,200)	
	785,485	-	80,212	8,702,713	9,568,410
Pension scheme liability	-	-	-	-	
Total net assets			80,212		

Excelsior Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

18. Capital commitments

There were no capital commitments as at 31 August 2017 (2016 : £nil).

19. Commitments under operating leases

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

	Total 2017 £	Other Total 2016 £
Amounts due within one year	3,586	15,237
Amounts due between one and five years	2,736	1,858
	6,322	17,095

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

	Total 2017 £	Total 2016 £
Net income/(expenditure) for reporting year (as per the SoFA)	3,786,261	(89,505)
Adjusted for :		
Depreciation (note 13)	203,566	159,683
Capital grants from DfE and other capital income	(20,564)	(241,011)
Cash transferred on conversion to multi academy trust	(134,434)	
Assets transferred on conversion to multi academy trust	(5,004,915)	
Interest receivable (note 6)	(2,425)	(2,176)
Defined benefit pension scheme obligation inherited	1,217,000	203,000
Defined benefit pension scheme cost less contributions payable	4,000	22,000
Defined benefit pension scheme finance cost/(income) (note 24)	52,000	(169,000)
Decrease / (increase) in debtors	(151,121)	45,653
Increase / (decrease) in creditors	317,030	12,934
Net cash provided by / (used in) operating activities	266,398	(58,422)

21. Cash flows from investing activities

	Total 2017 £	Total 2016 £
Interest received	2,425	2,176
Purchase of tangible fixed assets	(377,826)	(102,395)
Capital grants from DfE/ESFA	20,564	241,011
Net cash provided by / (used in) investing activities	(354,837)	140,792

Excelsior Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

22. Analysis of cash and cash equivalents

	At 31 August 2017 £	At 31 August 2016 £
Cash at bank and in hand	1,131,551	1,085,556
	1,131,551	1,085,556

23. Members' liability

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

24. Pension and similar obligations

The multi academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

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

**Excelsior Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

24. Pension and similar obligations (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £258,513 (2016 : £225,741).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Excelsior Multi Academy Trust
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Notes to the financial statements for the year ended 31 August 2017 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £357,706 (2016 : £178,761), of which employer's contributions totalled £305,747 (2016 : £134,509) and employees' contributions totalled £51,959 (2016 : £44,252). The agreed contribution rates for future years are 16.4% - 23.1% for employers and 5.5% - 6.8% 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.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 29 years.

Principal actuarial assumptions

	At 31 August 2017	At 31 August 2016
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%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	5,317	5,173	5,429	5,487
Projected service cost	434	422	446	448
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	5,317	5,465	5,209	5,153
Projected service cost	434	446	422	420

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

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

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Notes to the financial statements for the year ended 31 August 2017 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	989,000	987,000
Government bonds	114,000	116,000
Other bonds	60,000	143,000
Property	114,000	133,000
Cash/liquidity	78,000	107,000
Other	208,000	180,000
Total market value of assets	1,563,000	1,666,000

The actual return on scheme assets was £313,000 (2016 : £255,000)

	2017 £	2016 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	304,000	162,000
Net interest cost	52,000	33,000
Administration expenses	1,000	1,000
Total amount recognised in the SOFA	357,000	196,000

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

	2017 £	2016 £
At 1 September 2016	3,546,000	2,124,000
Conversion of academy trusts	1,217,000	
Current service cost	304,000	162,000
Interest cost	92,000	86,000
Changes in financial assumptions	200,000	1,130,000
Change in demographic assumptions	(53,000)	
Experience loss/(gain) on defined benefit obligations	(39,000)	
Benefits paid net of transfers in	(2,000)	
Contributions by participants	52,000	44,000
At 31 August 2017	5,317,000	3,546,000

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Notes to the financial statements for the year ended 31 August 2017 (continued)

24. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017	2016
	£	£
At 1 September 2016	1,666,000	1,228,000
Interest income	40,000	53,000
Return on assets less interest	273,000	202,000
Other actuarial gains/(losses)	(766,000)	
Administration expenses	(1,000)	(1,000)
Employer contributions	301,000	140,000
Contributions by participants	52,000	44,000
Benefits paid net of transfers in	(2,000)	
At 31 August 2017	1,563,000	1,666,000

25. Related party transactions

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

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

26. Conversion to an academy trust

On 1 April 2017 Turves Green Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Excelsior Multi Academy Trust from Birmingham City Local Authority for £nil consideration.

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

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Notes to the financial statements for the year ended 31 August 2017 (continued)

26. Conversion to an academy trust (continued)

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

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets					
Leasehold land and buildings			-	4,989,720	4,989,720
Other tangible fixed assets			-	15,195	15,195
Budget surplus on LA funds	134,434				134,434
LGPS pension deficit		(1,217,000)			(1,217,000)
Total net assets	134,434	(1,217,000)		5,004,915	3,922,349

The above net assets include £134,434 transferred as cash.

The transfer agreement with Birmingham City Council requires the company to run the academy known as Turves Green Primary School on the present site; transfers all, undertakings, rights, assets whether tangible or intangible to the Multi Academy Trust; and sets out the responsibilities of the academy with regards to the employees of the former local authority controlled school.

