Company Registration No. 09677469 (England and Wales)

SHARPLES SCHOOL A MULTI ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

MHA Moore & Smalley
Trusted Thinking

SHARPLES SCHOOL A MULTI ACADEMY TRUST

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SHARPLES SCHOOL A MULTI ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	C Wild J K Shepley (Resigned 12th July 2018) L A Hart (Resigned 12th July 2018) L S Smith (Resigned 12th July 2018) CR Atkinson (Appointed 12th July 2018) M Cull (Appointed 12th July 2018)
Trustees	Ms L A Hart Ms C Wild (Chair of Governors) Mr J K Shepley Ms L Smith (Resigned 12 July 2018) Ms A Webster (Accounting officer) J Heyes (Appointed 12 July 2018) L Vallance (Appointed 12 July 2018)
Senior management team	
- Headteacher	A Webster
- Deputy Head	L Savage
- Deputy Head	C Molyneux
- Assistant Head	A Perman (Resigned 31st August 2018)
- Assistant Head	M Callaghan (Appointed 1st January 2018)
- Director of Business and Finance	C Ingram
Company secretary	Mrs C Ingram
Company name	Sharples School A Multi Academy Trust
Company registration number	09677469 (England and Wales)
Registered office	Hill Cot Road Astley Bridge Bolton BL1 8SN
Independent auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP
Solicitors	Browne Jacobson LLP 5th Floor Tower 12 18-22 Bridge Street Spinningfields Manchester M3 3BZ

The trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 11 to 16 serving a catchment area in the north of Bolton. It has a pupil capacity of 1050 and had a roll of 743 in the Autumn 2016 school census.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee incorporated in England and Wales and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The charitable company is known as Sharples School A Multi Academy Trust.

The trustees of Sharples School A Multi Academy Trust are also the directors of the charitable company for the purposes of company law. 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 line with normal commercial practice, the Trust has purchased insurance to protect trustees and members from claims arising from negligent acts, errors or omissions whilst on Trust business. The insurance policy provides cover up to £10,000,000 being the aggregate claim amount in any one year.

Method of recruitment and appointment or election of trustees

Trustees are appointed by the members based on good governance and relevant skills.

Policies and procedures adopted for the induction and training of trustees

The Training and induction of trustees and new governors will depend on the level of experience and skills. A skills audit will identify any training needs and the Chair of Trustees will work with the new trustee/governor to identify appropriate and relevant training.

Organisational structure

The Trust Board sets the strategic direction of the Trust and is responsible for the performance of the Trust. All audit and risk matters are delegated to the Leadership, Management and Effectiveness Committee who also consider and recommend for approval to the Board of Trustees, the financial plan and forecasts each year.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees are responsible for the pay and grading of the Headteacher. All other pay related matters have been delegated to the Pay Review Panel.

Related parties and other connected charities and organisations

Governors - any related party transactions with these people are disclosed in the notes to the accounts. There have been no other related party transactions.

Objectives and activities

Objects and aims

The Trust's objects are specifically restricted to the following:

- To advance for the public benefit education in the UK, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- To promote for the benefit of the inhabitants of the area in which the academies are situated the provision of facilities for recreation or other leisure time.
- To grow the MAT to include other primary and/or secondary school partners.

Objectives, strategies and activities

Prioritised Objectives 2018-19:

- To ensure that leaders and Governors have a singularity of vision relating to the school's core values and ambitious prioritised objectives in order to ensure rigorous self-evaluation and incisive improvement planning at all levels.
- To further improve outcomes and progress for all through high quality teaching, learning and assessment which is supported by a broad and balanced curriculum and challenging but supportive CPD for staff and governors.
- To ensure that the school's budget and resources are managed robustly in order to support continued school improvement in a time of financial challenge and educational change.
- To use rigorous monitoring and evaluation incorporating both support and challenge to further strengthen the teaching profile and to ensure that improved practice is reflected in student learning and progress.
- To continue to offer first-class CPD which is responsive to need and provides an unrelenting focus on key skills and targeted teaching with an additional focus on key cohorts.
- To embed the whole-school assessment system as understanding of the grade 9-1 GCSE's improves, to ensure high quality, meaningful assessments that allow incisive teacher feedback to students and parents that supports progress.
- To ensure that all staff work to effectively safeguard students, so they feel safe and happy at all times in school and that there is a clear culture of vigilance.
- To maintain a positive orderly environment, with engaged students displaying respect for one another, for school staff and their learning environment, reflecting our vision.
- To ensure that all groups of students attend well in order to exceed national and in-school targets.
- To embed a positive climate of achievement and improve outcomes and progress for all with additional focus on key cohorts.
- To embed a challenging curriculum which is skill-based in approach across both key stages.
- To enable all students to make informed choices regarding Post 16 destinations.

Progress towards achievement of these objectives is monitored through our School Improvement Plan which is presented to the LGB termly.

Each half term we have meetings with our External Advisor and discuss progress to targets

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Key performance indicators

In Key Stage 3 the school has introduced a new model of assessment in line with the post-levels agenda. The new scheme of assessment across both key stages enables students to be tracked from Year 7 onwards using the 1-9 grading system. Internal tracking has evidenced that the 'five year flightpath' which focuses on building the skills and attributes necessary for success has raised aspirations for students.

In Key Stage 4 results are above target on all key performance indicators. The Progress 8 score of +0.44 is the third highest in Bolton, it is categorised as 'above average' which means it is in the top 30% of schools nationally. Outcomes for the Basics measure were above target which indicate that the maths and English teams continue to cope admirably with the increased demands of the new GCSE's.

Attendance continues to be an area of strength for the academy with there being a significant gap between school figures and national benchmarks. Aspirational targets in this area remain in place as the academy seeks to embed this position. Exclusion data continues to be low and reflective of the consistent behaviour expectations and pastoral support systems which are well established across the school. Post-16 destinations for 2018 indicate that all but 0.6% of pupils have remained in education or employment with training.

Recruitment is witnessing a positive trend both in first choice applications to enter Year 7 and in-year transfers. The current Year 7 is 240 compared to 211(2016). In addition to increased intake we are continuing to see a steady flow of in-year admissions into Sharples School and this trend is forecast for the next four years.

Going concern

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

Financial review

Total income for the year was £5,085,196 which included capital grants of £299,687. Total expenditure in the year was £5,392,911 which includes roof works. At the start of the year the school had CIF funding of £366,237 for roof works which was spent during the year. The net decrease in funds for the year before actuarial gains on the Local Government Pension Scheme was £307,715.

On conversion in 2016, the School inherited a deficit of £826,000 in respect of the Local Government Pension Scheme. This has increased to £1,042,000 as at 31 August 2018.

Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding local government pension liabilities would be met from the Department of Education.

Reserves policy

Trustees have approved a reserves policy to maintain positive revenue reserves on year before any pension deficit. As at 31 August 2018 revenue reserves totalled £492,864.

As part of the budget setting process trustees review the level of revenue reserves. This review will consider the nature of income and expenditure streams, the need to match income with commitments, and the need to set aside funds for future replacement programmes.

Fixed asset restricted reserves amounted to £8,328,909, made up of £7,999,441 of fixed assets, £233,352 of cash for the Leisure Centre and £96,116 of unspent CIF funds for safeguarding.

Investment policy

The Trust's current investment policy is to maximise income from a low risk strategy.

Principal risks and uncertainties

The trustees have established a policy for assessing risks which the Trust faces and have reviewed the process of assessing and managing these major risks which was carried out by senior managers. Risks are assessed by the Trust and supported by a detailed risk register. The risk register is reviewed by the Senior Leadership Team before being presented to the Leadership, Management and Effectiveness Committee and Board of Trustees. Steps are taken to mitigate risks. Some significant financial risks are covered via insurance policies. Other risks are minimised through the design of systems and procedures as preventative measures.

The main risks facing the Trust are failure to achieve and exceed new national benchmarks, failure to maintain financial viability, failure to recruit appropriately qualified staff and uncertainties regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long.

Controls are put in place to minimise these risks and the likelihood of each risk is graded and a RAG score assigned as to the status of progress in managing this risk effectively.

To mitigate against these risks the Trust has put the following controls in place:

- Robust monitoring systems in place to monitor performance and attendance. Intervention systems across the school to eradicate potential gaps.
- Strong finances and financial management systems including Monthly Management account reporting.
- Monitor KPIs to ensure costs controlled and within benchmark.
- Work on staff well-being to support retention, timely recruitment schedule place and collaboration with ITT providers to ensure access to new recruits to the profession.
- Robust financial processes underpinned by the Academies financial handbook.

Fundraising

The Trust has undertaken two types of fundraising during 2017/8. Firstly funds have been raised to support local and national charities. Traditional approaches to fundraising have been used, including non uniform days and cakes sales. All funds are collected by the Finance Department and paid to the relevant charity via BACs.

Secondly, funds have been raised by the Academy and PTA to improve the quality of education for all students. Fundraising initiatives undertaken included fundraising events at the local supermarket and funds have been used to enhance the learning of the pupils. Money raised goes towards purchasing additional resources beyond the revenue department budget.

All fundraising activities are monitored by the Senior Leadership Team and are undertaken in accordance with regulations. The Trust has taken all measures to manage any risks and safeguard pupils and the general public with a no pressure approach. The Academy does not work with professional fundraisers or commercial participators and has received no complaints in relation to its fundraising activities

Plans for future periods

As the Multi Academy Trust currently is made up of one single academy, it is the key strategic aim and objective of the Trust to grow the number of schools joining the Trust. In particular, to engage and work closely with feeder primaries in order to develop strong partnerships and benefit from the economies of scale and shared skills, resources and experience. The Trust is also considering approaches from other secondary schools in Bolton.

The Trust has set the following strategic priorities over the next three years:

- Further improve the outcomes for pupils including their attainment
- Ensure all staff engaged in training to ensure delivery of quality teaching and learning
- Expand the number of academies in the Trust through collaboration, co-operation and through building its reputation for delivering high quality provision.

Auditor

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

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on .....6.12.18..... and signed on its behalf by:

C Wild

.....

Ms C Wild
Chair of Governors

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Sharples School A 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 Headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sharples School A Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Ms L A Hart	3	3
Ms C Wild (Chair of Governors)	3	3
Mr J K Shepley	2	3
Ms L Smith (Resigned 12 July 2018)	3	3
Ms A Webster (Accounting officer)	3	3
J Heyes (Appointed 12 July 2018)	0	0
L Vallance (Appointed 12 July 2018)	0	0

In 2018, two new members were appointed who will evaluate the work of the Trustees in December 2018. Trustees in turn will evaluate the work of the Local Board. The Trustees and the Local Board are looking to validate their work by utilising the Local Authority Governor Services. As the increase in numbers have made funding very tight this year, it will be 2019 before external evaluation takes place.

The Trustees are responsible for the pay and grading of senior personnel besides the Headteacher, Deputy Headteachers, Assistant Headteachers.

The Leadership, Management and Effectiveness Committee (LME) is a sub-committee of the main board of directors. Its purpose is to assist with the decision making of the Board by enabling more detailed considerations to be given so the best means of fulfilling the Board's responsibility of ensuring the sound management of all the academy's finances and resources, including proper planning, monitoring and probity. It also incorporates the role of an audit committee.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Ms L A Hart	3	3
Ms C Wild (Chair of Governors)	3	3
Mr J K Shepley	3	3
Ms A Webster (Accounting officer)	3	3
Other		
Mrs L Higginbottom	1	3

Review of value for money

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

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

- Wherever possible using purchasing consortia to ensure that the Trust consistently benefits from lowest possible prices and best value on goods and services.
- Managing the level of staff costs to ensure funds available to invest in maintaining building and other capital investments in the year including the remodelling of the canteen and bespoke IT suite.
- Reviewing staff structures and associated benchmarking data, to provide more streamline support services in order to maintain curriculum spend and growing cost base.
- Target resources to provide additional learning support to improve learner outcomes in year including opening facilities after school, weekends and evening as part of an intervention strategy.
- Rewards to students to encourage an increase in attendance rates which is directly linked to success outcomes.

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 on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Sharples School A Multi Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the 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 MHA Moore and Smalley to carry out a programme of internal checks.

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

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

At least twice a year, MHA Moore and Smalley reports to the board of trustees through the LME Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. No material control issues were identified and all recommendations for minor improvements to systems and controls are being addressed.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the LME 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 6.12.18 and signed on its behalf by:

C. Wild

Ms C Wild
Chair of Governors

A. Webster

Ms A Webster
Accounting officer

SHARPLES SCHOOL A MULTI ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Sharples School A Multi Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

A. Webster

Ms A Webster
Accounting Officer

6.12.18

SHARPLES SCHOOL A MULTI ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of Sharples School A Multi Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on ...6.12.18..... and signed on its behalf by:

C Wild

Ms C Wild
Chair of Governors

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHARPLES SCHOOL A MULTI ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Sharples School A Multi Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Christine Wilson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

17/12/18

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHARPLES SCHOOL A MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 1 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sharples School A Multi Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Sharples School A Multi Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Sharples School A Multi Academy Trust's funding agreement with the Secretary of State for Education dated 27 May 2016 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the Trust together with enquiry, analytical review and substantive testing of the transactions.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO SHARPLES SCHOOL A MULTI ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore & Smalley

Reporting Accountant
MHA Moore and Smalley

17/12/18

SHARPLES SCHOOL A MULTI ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 as restated £
Income and endowments from:						
Donations and capital grants	3	5,100	4,149	290,438	299,687	577,432
Charitable activities:						
- Funding for educational operations	4	135,719	4,500,832	-	4,636,551	4,682,866
Other trading activities	6	147,742	-	-	147,742	122,199
Investments	5	1,216	-	-	1,216	563
Total income and endowments		289,777	4,504,981	290,438	5,085,196	5,383,060
Expenditure on:						
Charitable activities:						
- Educational operations	8	293,293	4,934,693	164,925	5,392,911	4,939,303
Total expenditure	7	293,293	4,934,693	164,925	5,392,911	4,939,303
Net income/(expenditure)		(3,516)	(429,712)	125,513	(307,715)	443,757
Transfers between funds		19,342	344,154	(363,496)	-	-
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	20	-	346,000	-	346,000	207,000
Net movement in funds		15,826	260,442	(237,983)	38,285	650,757
Reconciliation of funds						
Total funds brought forward		182,627	(1,008,031)	8,566,892	7,741,488	7,090,731
Total funds carried forward	18	198,453	(747,589)	8,328,909	7,779,773	7,741,488

SHARPLES SCHOOL A MULTI ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2018 £	2017 as restated £	2017 as restated £
Fixed assets					
Intangible assets	12		7,500		-
Tangible assets	13		7,991,941		7,826,604
			7,999,441		7,826,604
Current assets					
Debtors	14	265,434		786,699	
Cash at bank and in hand		1,385,909		1,340,101	
		1,651,343		2,126,800	
Current liabilities					
Creditors: amounts falling due within one year	15	(753,414)		(858,919)	
Net current assets			897,929		1,267,881
Total assets less current liabilities			8,897,370		9,094,485
Creditors: amounts falling due after more than one year	16		(75,597)		(80,997)
Net assets excluding pension liability			8,821,773		9,013,488
Defined benefit pension scheme liability	20		(1,042,000)		(1,272,000)
Net assets			7,779,773		7,741,488
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			8,328,909		8,566,892
- Restricted income funds			294,411		263,969
- Pension reserve			(1,042,000)		(1,272,000)
Total restricted funds			7,581,320		7,558,861
Unrestricted income funds	18		198,453		182,627
Total funds			7,779,773		7,741,488

The accounts on pages 18 to 42 were approved by the trustees and authorised for issue on 6.12.18 and are signed on their behalf by:

C Wild

.....

Ms C Wild
Chair of Governors

Company Number 09677469

SHARPLES SCHOOL A MULTI ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2018 £	2017 as restated £	2017 as restated £
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21		(46,319)		664,837
Cash flows from investing activities					
Dividends, interest and rents from investments		1,216		563	
Capital grants from DfE Group		290,438		570,998	
Purchase of intangible fixed assets		(7,500)		-	
Purchase of tangible fixed assets		(192,027)		(506,270)	
Net cash provided by investing activities			92,127		65,291
Cash flows from financing activities					
Repayment of other loan		-		86,397	
Net cash (used in)/provided by financing activities			-		86,397
Net increase in cash and cash equivalents in the reporting period			45,808		816,525
Cash and cash equivalents at beginning of the year			1,340,101		523,576
Cash and cash equivalents at end of the year			1,385,909		1,340,101

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Sharples School A Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

1 **Accounting policies** **(Continued)**

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.5 Intangible fixed assets and amortisation

Intangible assets costing £1,000 more are capitalised and recognised when ,future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software 3 years

1 **Accounting policies** **(Continued)**

1.6 Tangible fixed assets and depreciation

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 that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land & buildings	50 years building / 125 years land
Assets under construction	nil
Computer equipment	3 years
Fixtures, fittings & equipment	3 years

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.

1.7 Liabilities

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

1.8 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

1 **Accounting policies** **(Continued)**

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.

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the [Department for Education Group].

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an a actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on the value the Local Authority was holding it in their accounts at the transfer date in 2016. Following the receipt of the ESFA's valuation of land and buildings a prior year adjustment has been made to reduce the land and buildings value in the accounts to agree with the ESFA's valuation. See Note 26.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	290,438	290,438	570,998
Other donations	5,100	4,149	9,249	6,434
	5,100	294,587	299,687	577,432

The income from donations and capital grants was £299,687 (2017: £577,432) of which £5,100 was unrestricted (2017: £6,434), £4,149 was restricted (2017: £-) and £290,438 was restricted fixed assets (2017: £570,998).

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,951,479	3,951,479	4,115,956
Other DfE / ESFA grants	-	310,767	310,767	252,478
	-	4,262,246	4,262,246	4,368,434
Other government grants				
Local authority grants	-	177,536	177,536	179,520
Other funds				
Other incoming resources	135,719	61,050	196,769	134,912
Total funding	135,719	4,500,832	4,636,551	4,682,866

The income from funding for educational operations was £4,636,551 (2017: £4,682,866) of which £135,719 was unrestricted (2017: £59,500) and £4,500,832 was restricted (2017: £4,623,366).

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,216	-	1,216	563

The income from funding for investment income was £1,216 (2017: £563) of which £1,216 was unrestricted (2017: £563).

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	142,342	-	142,342	118,274
Other income	5,400	-	5,400	3,925
	147,742	-	147,742	122,199

The income from other trading activities was £147,742 (2017: £122,199) of which £147,742 was unrestricted (2017: £122,199).

7 Expenditure

	Staff costs	Non Pay Expenditure Premises	Other	Total 2018	Total 2017
	£	£	£	£	£
Academy's educational operations					
- Direct costs	3,106,339	14,132	316,513	3,436,984	3,355,019
- Allocated support costs	635,478	1,031,895	288,554	1,955,927	1,584,284
	3,741,817	1,046,027	605,067	5,392,911	4,939,303

Net income/(expenditure) for the year includes:	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	8,550	8,300
- Other services	3,780	4,394
Operating lease rentals	18,183	17,862
Depreciation of tangible fixed assets	164,925	143,768
Net interest on defined benefit pension liability	25,000	30,000

8 Charitable activities

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Direct costs				
Educational operations	145,429	3,291,555	3,436,984	3,355,019
Support costs				
Educational operations	147,864	1,808,063	1,955,927	1,584,284
	293,293	5,099,618	5,392,911	4,939,303

The expenditure on educational operations was £5,392,911 (2017: £4,939,303) of which £293,293 was unrestricted (2017: £243,793), £4,934,693 was restricted (2017: £4,551,742) and £164,925 was restricted fixed assets (2017: £143,768).

	2018	2017
	£	£
Analysis of support costs		
Support staff costs	635,478	525,189
Depreciation	150,793	140,411
Premises costs	851,362	589,945
Other support costs	282,300	269,203
Governance costs	35,994	59,536
	1,955,927	1,584,284

9 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	2,800,380	2,619,935
Social security costs	264,980	248,951
Pension costs	649,370	586,131
Staff costs	3,714,730	3,455,017
Agency staff costs	27,087	181,301
Staff restructuring costs	-	1,616
Total staff expenditure	3,741,817	3,637,934

Staff restructuring costs comprise:

Redundancy payments	-	1,616

Staff numbers

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

	2018 Number	2017 Number
Teachers	49	45
Administration and support	49	48
Management	7	6
	105	99

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	-

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £ 437,387 (2017: £428,754).

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

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

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as Governors.

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

R Quesnel (Headteacher)- resigned 30 April 2017:
Remuneration £nil (2017: £55,000 - £60,000 8 months)
Employer's pension contributions £nil (2017: £5,000 - £10,000 8 months)

A Webster (Acting Head) - appointed 1 May 2017:
Remuneration £75,000 - £80,000 12 months (2017: £25,000 - £30,000 4 months)
Employer's pension contributions £10,000 - £15,000 12 months (2017: £nil - £5,000 4 months)

During the year ended 31 August 2018 no travel and subsistence expenses were reimbursed or paid directly to the Governors (2017: £nil)

11 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 trust 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.

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2017	-
Additions	7,500
At 31 August 2018	7,500
Carrying amount	
At 31 August 2018	7,500
At 31 August 2017	-

13 Tangible fixed assets

	Leasehold land & buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2017	7,897,542	-	37,200	35,630	7,970,372
Additions	95,491	44,137	23,976	166,658	330,262
At 31 August 2018	7,993,033	44,137	61,176	202,288	8,300,634
Depreciation					
At 1 September 2017	130,279	-	3,357	10,132	143,768
Charge for the year	138,661	-	14,132	12,132	164,925
At 31 August 2018	268,940	-	17,489	22,264	308,693
Net book value					
At 31 August 2018	7,724,093	44,137	43,687	180,024	7,991,941
At 31 August 2017	7,767,263	-	33,843	25,498	7,826,604

The net book value of land and buildings comprises:

	2018	2017
	£	£
Long leaseholds (over 50 years)	7,724,093	7,767,263

14 Debtors

	2018	2017
	£	£
Trade debtors	35,866	13,323
VAT recoverable	43,917	244,359
Other debtors	1,353	1,140
Prepayments and accrued income	184,298	527,877
	265,434	786,699

15 Creditors: amounts falling due within one year	2018 £	2017 £
Other loans	10,800	5,400
Trade creditors	120,387	249,977
Other taxation and social security	23,584	27,861
Other creditors	303,209	255,407
Accruals and deferred income	295,434	320,274
	753,414	858,919

16 Creditors: amounts falling due after more than one year	2018 £	2017 £
Other loans	75,597	80,997
Analysis of loans		
Wholly repayable within five years	86,397	86,397
Less: included in current liabilities	(10,800)	(5,400)
Amounts included above	75,597	80,997
Instalments not due within five years	32,399	37,799
Loan maturity		
Debt due in one year or less	10,800	5,400
Due in more than one year but not more than two years	10,800	10,800
Due in more than two years but not more than five years	32,398	32,398
Due in more than five years	32,399	37,799
	86,397	86,397

Other loans include a ESFA Salix loan. The loan will be repaid over eight years and repayments commenced in September 2018. No interest is charged on the loan.

17 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	82,418	52,157
Deferred income at 1 September 2017	52,157	100,000
Released from previous years	(52,157)	(73,193)
Resources deferred in the year	82,418	25,350
Deferred income at 31 August 2018	82,418	52,157

At the balance sheet date the academy trust was holding funds received in advance of the related expenditure of:

- £14,434 (2017: £26,808) for supporting the running costs of the Leisure Facilities from Bolton Council.
- £nil (2017: £15,144) for Rates Relief received from the ESFA
- £7,875(2017: £10,205) for Special Educational Needs received from Bolton Council
- £46,559 (2017: £nil) Eramus+ grant funding for 2018/19
- £1,500 (2017: £nil) from Swims away Ltd for September swim classes.
- £12,050 (2017: £nil) for educational trips and visits in 2018/19.

18 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	238,407	3,951,479	(4,274,332)	363,498	279,052
Other DfE / ESFA grants	-	310,767	(310,767)	-	-
Other government grants	-	177,536	(165,154)	(12,382)	-
Other restricted funds	25,562	65,199	(68,440)	(6,962)	15,359
Pension reserve	(1,272,000)	-	(116,000)	346,000	(1,042,000)
	(1,008,031)	4,504,981	(4,934,693)	690,154	(747,589)
Restricted fixed asset funds					
Transfer on conversion	7,732,563	-	(145,393)	-	7,587,170
DfE group capital grants	762,974	290,438	(7,945)	(393,564)	651,903
Capital expenditure from GAG	71,355	-	(11,587)	30,068	89,836
	8,566,892	290,438	(164,925)	(363,496)	8,328,909
Total restricted funds	7,558,861	4,795,419	(5,099,618)	326,658	7,581,320
Unrestricted funds					
General funds	102,627	289,777	(293,293)	99,342	198,453
Designated funds	80,000	-	-	(80,000)	-
	182,627	289,777	(293,293)	19,342	198,453
Total funds	7,741,488	5,085,196	(5,392,911)	346,000	7,779,773

18 Funds **(Continued)**

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

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

General Annual Grant must be used for the normal running expenses of the Academy and any amounts carried forward at the end of a financial year must be used in accordance with the terms of the Funding Agreement.

Other DfE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LA funding for Special Educational Needs.

Other restricted funds include contributions received for educational visits and non public donations and the related expenditure.

The pension reserve represents the value of the Academy's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £826,000 and had risen to £1,042,000 at 31 August 2018.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other capital grants during the year. Depreciation is charged against the fund.

Unrestricted general funds primarily relate to income from lettings and teaching.

Unrestricted other funds represent funds with no formal restrictions.

18 **Funds** **(Continued)**

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	-	4,115,956	(4,032,100)	154,551	238,407
Other DfE / ESFA grants	-	252,478	(238,600)	(13,878)	-
Other government grants	36,484	179,520	(142,811)	(73,193)	-
Other restricted funds	-	75,412	(72,231)	22,381	25,562
Pension reserve	(1,413,000)	-	(66,000)	207,000	(1,272,000)
	(1,376,516)	4,623,366	(4,551,742)	296,861	(1,008,031)
Restricted fixed asset funds					
Transfer on conversion	7,873,709	-	(138,989)	(2,157)	7,732,563
DfE group capital grants	397,399	570,998	(663)	(204,760)	762,974
Capital expenditure from GAG	93,600	-	(4,116)	(18,129)	71,355
	8,364,708	570,998	(143,768)	(225,046)	8,566,892
Total restricted funds	6,988,192	5,194,364	(4,695,510)	71,815	7,558,861
Unrestricted funds					
General funds	102,539	188,696	(243,793)	55,185	102,627
Designated funds	-	-	-	80,000	80,000
	102,539	188,696	(243,793)	135,185	182,627
Total funds	7,090,731	5,383,060	(4,939,303)	207,000	7,741,488

18 Funds (Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	8,067,435	(8,306,432)	518,049	279,052
Other DfE / ESFA grants	-	563,245	(549,367)	(13,878)	-
Other government grants	36,484	357,056	(307,965)	(85,575)	-
Other restricted funds	-	140,611	(140,671)	15,419	15,359
Pension reserve	(1,413,000)	-	(182,000)	553,000	(1,042,000)
	(1,376,516)	9,128,347	(9,486,435)	987,015	(747,589)
Restricted fixed asset funds					
Transfer on conversion	7,873,709	-	(284,382)	(2,157)	7,587,170
DfE group capital grants	397,399	861,436	(8,608)	(598,324)	651,903
Capital expenditure from GAG	93,600	-	(15,703)	11,939	89,836
	8,364,708	861,436	(308,693)	(588,542)	8,328,909
Total restricted funds	6,988,192	9,989,783	(9,795,128)	398,473	7,581,320
Unrestricted funds					
General funds	102,539	478,473	(537,086)	154,527	198,453
Total funds	7,090,731	10,468,256	(10,332,214)	553,000	7,779,773

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Restricted funds: Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	7,500	7,500
Tangible fixed assets	-	-	7,991,941	7,991,941
Current assets	198,453	1,123,422	329,468	1,651,343
Creditors falling due within one year	-	(753,414)	-	(753,414)
Creditors falling due after one year	-	(75,597)	-	(75,597)
Defined benefit pension liability	-	(1,042,000)	-	(1,042,000)
Total net assets	198,453	(747,589)	8,328,909	7,779,773

19 Analysis of net assets between funds (Continued)

	Unrestricted Funds	Restricted funds: General	Restricted funds: Fixed asset	Total Funds
	£	£	£	£
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	7,826,604	7,826,604
Current assets	1,122,543	263,969	740,288	2,126,800
Creditors falling due within one year	(858,919)	-	-	(858,919)
Creditors falling due after one year	(80,997)	-	-	(80,997)
Defined benefit pension liability	-	(1,272,000)	-	(1,272,000)
Total net assets	182,627	(1,008,031)	8,566,892	7,741,488

20 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £50,144 (2017: £43,162) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' 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.

20 Pension and similar obligations (Continued)

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
- 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%

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 the TPS in the period amounted to £317,178 (2017: £305,496).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and % 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.

Total contributions made	**2018**	**2017**
	£	**£**
Employer's contributions	233,000	284,000
Employees' contributions	48,000	43,000
Total contributions	281,000	327,000

Principal actuarial assumptions	**2018**	**2017**
	%	**%**
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

20 Pension and similar obligations (Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	26.2	26.2

The following is an analysis of the sensitivity of results of the calculations to changes in the actuarial assumptions used, including the projected income and expenditure figures for the following year:

- 0.5% decrease in real discount rate - approx. 14% increase to employer liability (£351,000)
- 0.5% decrease in the salary increase rate - approx. 4% increase to employer liability (£100,000)
- 0.5% decrease in the pension increase rate - approx. 9% increase to employer liability (£242,000)

The academy trust's share of the assets in the scheme	2018 Fair value £	2017 Fair value £
Equities	1,226,040	1,048,280
Bonds	288,480	229,760
Cash	162,270	71,800
Property	126,210	86,160
Total market value of assets	1,803,000	1,436,000

The actual return on scheme assets was £86,000 (2017: £159,000).

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	323,000	320,000
Past service cost	1,000	-
Interest income	(47,000)	(23,000)
Interest cost	72,000	53,000
Total operating charge	349,000	350,000

20 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations

	2018	2017
	£	£
At 1 September 2017	2,708,000	2,363,000
Current service cost	323,000	320,000
Interest cost	72,000	53,000
Employee contributions	48,000	43,000
Actuarial gain	(307,000)	(71,000)
Past service cost	1,000	-
At 31 August 2018	2,845,000	2,708,000

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

	2018	2017
	£	£
At 1 September 2017	1,436,000	950,000
Interest income	47,000	23,000
Actuarial gain	39,000	136,000
Employer contributions	233,000	284,000
Employee contributions	48,000	43,000
At 31 August 2018	1,803,000	1,436,000

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

	2018	2017
	£	£
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(307,715)	443,757
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(290,438)	(570,998)
Investment income receivable	(1,216)	(563)
Defined benefit pension costs less contributions payable	91,000	36,000
Defined benefit pension net finance cost	25,000	30,000
Depreciation of tangible fixed assets	164,925	143,768
Decrease in debtors	521,265	519,941
(Decrease)/increase in creditors	(249,140)	62,932
Net cash (used in)/provided by operating activities	(46,319)	664,837

22 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	18,741	18,183
Amounts due in two and five years	68,357	31,377
Amounts due after five years	6,000	9,000
	93,098	58,560

The academy also leases part of its property to another school. At 31 August 2018 the total future minimum lease receipts under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	-	-
Amounts due in two and five years	150,000	150,000
Amounts due after five years	-	-
	150,000	150,000

23 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	2,000,000	406,913

The school has committed to build a new block which it is anticipated will cost in the region of £2m. This is being funded by Bolton Metropolitan Borough Council.

24 Related party transactions

No related party transactions took place in the period of account other than payments to certain trustees' as disclosed in note 10.

25 Members' liability

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

26 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for funds and net income or expenditure, as follows.

Reconciliation of funds	Notes	1 September 2016 £	31 August 2017 £
Funds as previously reported		14,523,977	15,038,937
Adjustments arising:			
Valuation of land and buildings on conversion	(a)	(7,433,246)	(7,433,246)
Depreciation of land and buildings	(b)	-	135,797
Funds as restated		7,090,731	7,741,488

Reconciliation of net income for the previous financial period	Notes	2017 £
Net income as previously reported		307,960
Adjustments arising:		
Depreciation of land and buildings	(b)	135,797
Net income as restated		443,757

Notes to restatement

(a) Valuation of land and buildings on conversion

Following the valuations received from the ESFA, which was carried out on 31 August 2016, the academy trust amended the prior year accounts to incorporate these valuations. The prior year valuations were previously based on the estimations received from the local authority.

(b) Depreciation on land & buildings

As the ESFA valuation was dated 31 August 2016, any depreciation previously provided in the prior year accounts was reversed and recalculated.