

**Company Registration No. 09700223 (England and Wales)**

**EVERY CHILD MATTERS ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

# EVERY CHILD MATTERS ACADEMY TRUST

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# EVERY CHILD MATTERS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

P M Howe  
S Norris (Resigned 16 October 2017)  
N J Parr  
K Penty  
I T Rodwell  
I W Ward (Chair)  
G Wilson (Accounting Officer)  
J Glazzard (Appointed 25 October 2017)

### Members

S Norris (Resigned 16 October 2017)  
S F Jackson (Resigned 13 July 2017)  
S James  
C Lee (Appointed 13 July 2017)  
N Parr (Appointed 13 July 2017)

### Senior management team

- Chief Executive Officer/Accounting Officer	G Wilson
- Head of Academy	K Clark
- Head of Academy	J MacKay
- Head of Academy	J Hunt (Resigned 31 August 2017)
- Head of Academy	C Eggington
- Head of Academy	C Lawson
- Deputy Head of Academy	T Smith
- Deputy Head of Academy	G Ellis
- Deputy Head of Academy	R Parker
- Deputy Head of Academy	N Simpson
- Deputy Head of Academy	L Longden
- Deputy Head of Academy	K Richardson
- Business Manager	T Marsh

### Company registration number

09700223 (England and Wales)

### Registered office

High View Primary Learning Centre  
Newsome Avenue  
Wombwell  
Barnsley  
S73 8QS

### Academies operated

Wellgate Primary School  
Kexborough Primary School  
High View Primary Learning Centre  
Wombwell Park Street Primary School  
Hoyland Springwood Primary School

### Location

Barnsley  
Barnsley  
Barnsley  
Barnsley  
Barnsley

### Head of Academy

C Eggington  
J MacKay  
J Hunt (Resigned 31 August 2017)  
C Lawson  
K Clark

# EVERY CHILD MATTERS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**

Hart Shaw LLP  
Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

**Bankers**

Royal Bank of Scotland plc  
2nd Floor  
PO Box 4862  
5 Church Street  
Sheffield  
S2 9EQ

**Solicitors**

Walker Morris  
Kings Court  
12 King Street  
Leeds  
LS1 2HL

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

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

The Every Child Matters Academy Trust (Trust) grew to five schools on the 1<sup>st</sup> February 2017 when Kexborough Primary and Wellgate Primary converted to academies as part of the Trust. As with the original founding schools (High View Primary Learning Centre, Hoyland Springwood Primary School and Wombwell Park Street Primary School), these primary schools operate in Barnsley. The combined pupil capacity of the five schools is 1534 and they had a roll of 1388 in the school census taken in May 2017.

### Structure, Governance and Management

#### Constitution

The 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 Trust.

The Trustees are also the directors of the charitable company for the purposes of company law. The Company is known as Every Child Matters Academy Trust.

Details of the Trustees who served throughout the period, except as noted, are included in the Reference and Administrative Details on page 1.

#### Members' Liability

Each member of the 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 they cease to be a member.

#### Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust.

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Local Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £1,000,000 on any one claim.

#### Method of recruitment and appointment or election of Trustees

All new Trustees are appointed by the members or the sponsor body as it may determine. Full details relating to the appointment and removal of trustees are contained in the Trust's Articles of Association (Articles 57-77).

When appointing new Trustees, the Board of Trustees will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute towards the Trust's development. This Board of Trustees is the overarching 'governing body' of all schools within the Trust.

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Each individual school has a Local Governing Body (LGB) to undertake the operation of the school in line with the agreed Scheme of Delegation. The LGBs constitute as follows:

Type of Governor	High View	Park St.	Springwood	Kexborough	Wellgate
Headteacher	1	1	1	1	1
Parent	4	4	2	4	2
Staff	1	1	1	1	1
Local Authority	1	1	1	1	1
Co-opted	3	4	2	3	6
<b>Total</b>	<b>10</b>	<b>11</b>	<b>7</b>	<b>10</b>	<b>11</b>

Local Governors will have a term of office of 4 years, with the exception of the Headteacher of the school.

Subject to remaining eligible to be a particular type of Trustee or Governor, any Trustee or Governor may be re-appointed or re-elected.

### **Policies and Procedures Adopted for the Induction and Training of Trustees and Local Governors**

The training and induction provided for new Trustees and Governors will depend upon their existing experience. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific training courses offered by the Local Authority and other bodies.

### **Organisational Structure**

The Trust consists of a Board of Trustees that has overall responsibility to ensure the effective and efficient running of the schools. In achieving this, the Board is responsible for setting general policy, adopting an annual plan and budget and approving statutory accounts. It also monitors its schools' performance through the use of budgets and other data and consulting with them in making decisions regarding their strategic direction.

The Trust has committees that report to the Board which comprise; a Resources Committee (incorporating Finance, Audit, Risk, HR and Health and Safety) and a School Improvement Committee. In accordance with the Trust's Scheme of Delegation, each committee has delegated roles and responsibilities. Committees are reviewed on an annual basis and a skills based audit is carried out when appointing new members. The Board may from time to time establish Working Groups to perform specific tasks over a limited timetable.

The Trust's Scheme of Delegation also details the extent of devolved powers to LGBs. These are relative to the strength of the school i.e. an 'earned autonomy' model. The core business of the LGB is to:

- Approve and monitor the school's budget
- Monitor and review the School Improvement Plan
- Monitor and review standards of attainment and progress
- Review and monitor the curriculum and educational provision

In discharging its responsibilities, an LGB usually has two standing committees:

- Financial and General Purposes Committee
- Personnel and Curriculum Committee

The leadership structure of each individual school is tailored to meet the needs of the specific school dependent on its number on roll, action plan, level of SEN and budget.

The CEO is the Trust's appointed Accounting Officer.

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### Arrangements for setting pay and remuneration of key management personnel

The Trust has a pay policy that applies to its staff, including support staff, teachers and senior leaders.

The policy follows the guidance of the School Teachers Pay and Conditions Document and, as such, reviews and amends its policy on an annual basis. When recruiting staff, particularly senior management, the appropriate pay range is determined through research of remuneration packages at a national and local level e.g. through Times Educational Supplement (TES).

With regards to existing staff, the Headteacher of each school, operating within the parameters of the Trust's pay policy, is responsible for the appraisal and setting of relevant pay of staff in their academy. This is subject to ratification by their Pay Committees. The Trust has established a separate Pay Committee made up of the Chair of the Board of Trustees, an external consultant and the CEO for the annual review and pay determination of key management personnel i.e. Heads and the Business Director. The CEO pay is set by a committee made up of two trustees (one being the Chair of the Board of Trustees) and an external consultant.

In gaining some assurance over each school's overall commitment to staff costs, an annual benchmarking exercise is undertaken using the ESFA Report Cards (providing a comparison with similar schools).

### Related Parties and other Connected Charities and Organisations

The Every Child Matters Academy Trust holds 50% of the voting rights of Tykes Teaching School Alliance Limited, a company limited by guarantee (company registered number: 10227087). Hoyland Common Primary School holds the remaining 50% of the voting rights. The Chair of High View's Governing Body and the CEO of Every Child Matters Academy Trust are directors of Tykes Teaching School Alliance Limited.

### Objectives and Activities

#### Objects and Aims

The principal object and activity of the Trust is to advance for the public benefit, education in the United Kingdom, in particular by establishing, maintaining, managing and developing schools, offering a broad range of curriculum for pupils of different abilities.

The aims of each Academy during the period ended 31 August 2017 are summarised below:

- to ensure that every child, including those of vulnerable groups, enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to develop the quality of learning, teaching and assessment;
- to continue to develop a broad and balanced curriculum, including extra-curricular activities;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- develop the ethos of each school and the Trust as a whole;
- to comply with all appropriate statutory and curriculum requirements;
- to provide value for money for the funds expended; and
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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At the Trust, we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Trust is a community in which children, staff and parents should be part of a welcoming and caring environment.

### Objectives, Strategies and Activities

Key priorities for the period include:

- effectively integrating the new schools into the Trust;
- skills audit of the Board of Trustees to ensure appropriate governance in place;
- robust quality assurance processes which are transparent and inform all subsequent actions;
- secure use of data and tracking to measure progress and inform actions and intervention;
- constant review of CPD and training opportunities for staff;
- s structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are clear; and
- structures to support the organisation and integration of all internal and external resources and support available for both children and staff.

This is supported and monitored through:

- Regular, systematic monitoring of the performance of each school by the Trust's central team;
- A programme of professional development opportunities for leaders, teachers and support staff; and
- A regular programme of meetings to moderate teachers' assessment within and between schools.

### Public Benefit

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

### Strategic Report

#### Achievements and Performance

The progress measures of pupils undertaking their SATS in 2017 confirms all schools within the Trust being above national floor standard.



# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Attainment Data						
<i>(Test data for Reading, Maths &amp; Grammar Punctuation and Spelling. Teacher Assessment for Writing)</i>						
KS2		% of Children Achieving Expected Standard				
		High View	Park St	Springwood	Kex	Wellgate
	Cohort Size	60	34	19	29	53
	Reading	85%	74%	37%	48%	64%
	Writing	83%	82%	68%	75%	74%
	Maths	88%	94%	58%	76%	68%
	GPS	88%	91%	58%	55%	76%
	Combined	75%	68%	32%	45%	57%

Progress Data				
KS2		Progress		
		Reading	Writing	Maths
	High View	1.8	0.8	1.4
	Park Street	-2.4	-0.2	0.8
	Springwood	-1.6	-0.8	-1.8
	Kex	-4.1	-0.4	-1.1
	Wellgate	-1.6	0.7	1.5

### Key Performance Indicators

The Trust has developed a robust school improvement model and internal monitoring process to evaluate and record progress. This is reported at both school and Trust level. A number of financial indicators used in the future will assist the trustees in managing the Trust's financial affairs to ensure efficient operation, liquidity and effective use of resources.

With five schools in the Trust, budget benchmarking exercises provide trustees with data for discussion and review. This information also assists the Board and individual LGBs to compare budgets against a number of non-financial indicators.

The Trust, as well as individual schools, have set targets in relation to its financial reserves ensuring the Trust meets its Reserves policy and will be able to manage any long term funding reductions and unforeseen events. The reserves will be carefully managed to ensure that the maximum amount of current year funding is spent for the benefit of pupils in that year.

As funding is largely based on pupil numbers as at the October census pupil count this is also a key performance indicator. The number of pupils will continue to grow as more schools join the Trust.

Staff costs as a percentage of total resources expended is monitored as staffing is considered to be the key asset deployed by each school. For the 12 month period to 31 August 2017, this was 71% against a target of 70% - 73%.

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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 Going Concern policy, within the Statement of Accounting Policies.

### Financial Review

Most of the Academies Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

Any ESFA funding received for fixed assets is shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

The schools also receive High Needs and Early Years funding from the Local Authority. The High Needs funding supports pupils who are eligible for additional support based on their Special Educational Needs. The Early Years funding is based on the hours taken by pupils in Nursery. These grants are treated as restricted income.

During the period ended 31 August 2017, total expenditure of £6,618,459 (2016 - £4,415,268) was covered by total incoming resources of £6,704,678 (2016 - £5,033,137). The excess of income over expenditure was £86,219 for the period ended 31 August 2017 (2016: £617,869). All figures exclude fixed asset reserves and pension liability reserves.

Key financial policies adopted or reviewed during the period include the Trust's Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board of Trustees, CEO/Executive Head, senior leaders and other staff, as well as delegated authority for spending.

### Reserves Policy

The Trustees will review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The policy of the Board is to ensure that its schools plan to spend the majority of its revenue income each year on children in its care but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of its schools whilst ensuring that excessive funds are not accumulated without a business case for doing so. The level of reserves required will be reviewed each year by the Board taking into account:

- the future plans of each Academy;
- the uncertainty over future income streams;
- unexpected emergencies such as urgent maintenance;
- sums set aside for planned replacement of capital items such as ICT infrastructure
- other key risks identified during the risk review;
- forecast changes in pupil numbers; and
- provision for unforeseen liabilities.

The Trust's level of free reserves (total funds less the amount held in fixed assets and restricted funds) held at 31 August 2017 was is £682,835 (2016 - £432,564). The level of reserves held are in line with the reserves policy.

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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The restricted pension fund reserve is in deficit to the value of £5,023,000 (2016 - £2,674,000) as at 31 August 2017. The level of deficit has increased predominantly as a result of the further two schools joining the Trust. Trustees will continue to monitor this situation closely.

### Investment Policy

Trustees are firmly committed to ensuring that all funds under their control are administered in a risk averse investment strategy. As such, trustees do not consider the investment of surplus funds as a primary activity but rather a requirement for the effective management of the various funds entrusted to the Board. Given this, all cash balances shall be held in interest bearing deposit accounts and drawn into current accounts as and when needed to meet operational expenditure.

### Principal Risks and Uncertainties

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

#### Financial

The Trust has considerable reliance on continued Government funding through the ESFA. In the last period over 86% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

#### Growth of the Trust

Whilst two further schools have joined the Trust, increasing the number of schools in the Trust remains imperative in ensuring its longer term sustainability and preventing it being taken over by a larger Multi Academy Trust.

#### Failures in governance and/or management

The risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

#### Reputational

The continuing success of each school is dependent on continuing to attract pupils in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, trustees and governors ensure that pupils' success and achievement are closely monitored and reviewed.

#### Safeguarding and child protection

The trustees and governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

#### Staffing

The success of each Academy is reliant on the quality of its staff and so the trustees and governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

### Plans for Future Periods

The Trust will strive to meet its key objectives and deliver outstanding opportunities for its pupils. There will be strong focus on governance, leadership, succession planning and accountability.

# EVERY CHILD MATTERS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### *Strategic Aims:*

1. Ensure governance structures are robust, effective and appropriate in the context of public accountability:
  - Review effectiveness of governance at all levels
  - Retain / recruit skilled trustees at Board level
  - Ensure clearly understood accountability frameworks
  
2. Accelerate the pace of school improvement to ensure that all the Trust's schools deliver the best outcomes for pupils:
  - Ensure that attainment and progress for all pupils is above national average
  - Ensure that best practice is shared amongst schools and that every teacher aspires to be outstanding
  - Encourage collaboration between schools
  - Agree and implement robust school improvement strategies
  
3. To grow the Trust through recognition of being a credible sponsor:
  - Agree future leadership structure
  - Increase school improvement capacity
  
4. Expand provision for the recruitment and retention of a quality workforce and support succession planning:
  - Identify talented teachers and support them to become Specialist Leaders in Education (SLEs)
  - Provide quality CPD and increase participation in accredited qualifications e.g. NPQML
  - Increase the number of opportunities for middle leaders to work across the Trust
  - Exploit the opportunities afforded by High View Primary Learning Centre being a Teaching School.
  
5. Maintain and improve the Trust's buildings to ensure that it offers outstanding facilities through engaging the services of professionals to submit CIF bids on behalf of the Trust based on individual school property data surveys.

### **Funds Held as Custodian Trustee On Behalf Of Others**

The Trust and its trustees do not act as the custodian trustees of any other charity.

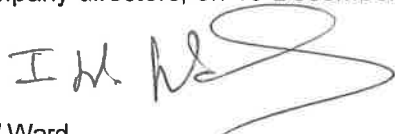
### **Auditor**

In so far as the Trustees are aware:

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

The auditor, Hart Shaw LLP, is willing to continue in office and a resolution to reappoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 13 December 2017 and signed on the board's behalf by:



I W Ward

**Chair of the Board of Trustees**

# EVERY CHILD MATTERS ACADEMY TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Every Child Matters 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 Every Child Matters 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
P M Howe	4	5
S Norris (Resigned 16 October 2017)	5	5
N J Parr	5	5
K Penty	3	5
I T Rodwell	5	5
I W Ward (Chair)	4	5
G Wilson (Accounting Officer)	5	5
J Glazzard (Appointed 25 October 2017)	0	0

The Trust has been in existence for over 18 months and in accordance with the revised Governance Handbook (January 2017), an initial review of its governance arrangements has been undertaken. This has been measured against the handbook's six key features of effective governance (strategic leadership, accountability, people, structures, compliance and evaluation).

The assessment of the Board's governance included:

- The adequacy of the Board's composition in terms of skills, effectiveness, leadership and impact.
- The board's performance against the three core functions of governance:
  - ensuring clarity of vision, ethos and strategic direction
  - holding executive leaders to account for the educational performance of the organisation and its pupils, and the performance management of staff
  - overseeing the financial performance of the organisation and making sure its money is well spent.

The Board's structure has remained unchanged with three members and seven trustees. A skills audit using the Governance Competency framework was undertaken in February. This confirmed the composition of the Board, including the establishing of a Resources Committee and School Improvement Committee, was appropriate in the administering of the core functions. Evidence includes:

- Developing the strategic direction of the Trust reflected in the growth of the Trust to five schools and two others in the process of converting as part of the Trust.
- In order that its time is spent most productively, the Board, together with the CEO, has continually refined the quantity and quality of data trustees receive. The level of detail now provided allows for better understanding and the opportunity for challenge and support by all trustees irrespective of their specialism.

# EVERY CHILD MATTERS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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The Trust has faced two key challenges over the last 12 months:

- the growth of the Trust and ensuring it has a central team with the capacity to support its schools as needed. This remains an ongoing issue given the rapid growth of the Trust;
- a change in Trustees resulting from the DfE introducing a directive that Local Authority representation (now including retired employees) on a Board, should not be more than 19.99%. This has required the resignation of two trustees and recruitment of replacements in July. The two replacements, a Professor in Education and a trustee of another Trust, are to join the Board in the autumn term. Although this change is not expected to weaken the Board, a further review of governance will be undertaken in the spring term.

Whilst no external review of the Trust's governance has been undertaken, the Chair of Trustees is a National Leader of Governance trained by the National College for Teaching and Leadership. He is deployed in the external review of the effectiveness of other schools' governance and, as such, the Trust takes some assurance regarding its own governance.

The resources committee is a sub-committee of the main board of trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
P M Howe	2	3
N J Parr	3	3
I T Rodwell	2	3
I W Ward (Chair)	1	3
G Wilson (Accounting Officer)	3	3

### Review of value for money

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

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

- Continued use of the DfE's Financial Health and Efficiency initiative to identify where financial efficiency can be improved.
  - Improving educational results e.g. the employing of an intervention teacher to work on a 1:1 or small group basis with children requiring additional support; recruitment of an additional teacher to work alongside an existing teacher in raising the attainment of a poor cohort.
  - Investing in Continual Professional Development, much of it in house or through High View's Tykes Teaching School status to improve the quality of teaching.
  - Strong internal and external controls in operation throughout the Trust:
  - Internal - governance structure, Scheme of Delegation, Financial Procedures Manual, financial related policies.
  - External – external auditors, Hart Shaw, continue to produce annual accounts and undertake statutory audits.
  - The growth of the Trust from three to five schools in February has enabled the driving of economies of scale and providing better value for money in terms of suitability, efficiency, time and cost.
  - Improving the capacity to handle risk through the continual monitoring and updating of a robust risk management program in line with developments in the educational sector. This is enabling the Trust to anticipate and make provisions for significant changes in the coming years e.g. introduction of the General Data Protection Regulation (GDPR) and the introduction of the National Funding Formula for Schools.
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# EVERY CHILD MATTERS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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- Identifying SLAs / contracts suitable for formal tendering to drive down cost e.g. photocopiers
- Improving income through the deployment of the Trust's Specialist Leaders in Education and National Leader of Education (NLE).

#### **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 Every Child Matters Academy Trust for the period 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 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 resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Hart Shaw LLP as internal auditor.

The internal auditor'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 purchasing/procurement systems including ensuring that authorisation and value for money policies are adhered to;
- testing of payroll systems;
- testing of the receipt of income systems;
- testing of bank controls and reconciliation procedures;
- testing of VAT reporting;
- testing of procedures for the recording of financials and reporting to governors.

Hart Shaw LLP have carried out a full internal audit on all systems and reported to the board of trustees through the resources committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

Hart Shaw LLP have delivered their schedule of work as planned. Hart Shaw LLP scheduled recommendations to improve the systems and controls in place, all of which have been implemented, or are in the process of being implemented.

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# EVERY CHILD MATTERS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Review of effectiveness

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

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

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

Approved by order of the board of trustees on 13 December 2017 and signed on its behalf by:



I W Ward  
Chair



G Wilson  
Accounting Officer



# EVERY CHILD MATTERS ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

*FOR THE YEAR ENDED 31 AUGUST 2017*

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

I confirm that I and the academy trust'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 2016.

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



G Wilson  
**Accounting Officer**

13 December 2017

# EVERY CHILD MATTERS ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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The trustees (who also act as governors for Every Child Matters Academy Trust and are also the directors of Every Child Matters 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 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 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 2016 to 2017;
- 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 13 December 2017 and signed on its behalf by:

  
I W Ward  
Chair

# EVERY CHILD MATTERS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERY CHILD MATTERS ACADEMY TRUST

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### Opinion

We have audited the accounts of Every Child Matters Academy Trust for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2016 to 2017.

### 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.

# EVERY CHILD MATTERS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERY CHILD MATTERS ACADEMY TRUST (CONTINUED)

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

# EVERY CHILD MATTERS ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVERY CHILD MATTERS ACADEMY TRUST (CONTINUED)

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### **Auditor's responsibilities for the audit of the financial statements**

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.

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. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Martin McDonagh (Senior Statutory Auditor)**  
for and on behalf of Hart Shaw LLP

13 December 2017

**Chartered Accountants**  
**Statutory Auditor**

Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

# EVERY CHILD MATTERS ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EVERY CHILD MATTERS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

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In accordance with the terms of our engagement letter 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 Every Child Matters Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Every Child Matters 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 Every Child Matters 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 Every Child Matters Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Every Child Matters Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Every Child Matters Academy Trust's funding agreement with the Secretary of State for Education dated 28 April 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 our conclusion includes:

- the review for any transactions requiring prior approval from the Secretary of State and ensuring approval has been received where required;
- confirming that the academy trust has not sought borrowings that contravene section 3.4 of the Handbook;
- reviewing for connected party transactions and ensuring the academy has complied with section 3.2 of the Handbook;
- reviewing committee meeting minutes for indications of irregular transactions; and
- carrying out systems and controls testing and considering the effectiveness of such controls.

# EVERY CHILD MATTERS ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO EVERY CHILD MATTERS ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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### Conclusion

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



**Hart Shaw LLP**  
Reporting Accountant

Europa Link  
Sheffield Business Park  
Sheffield  
S9 1XU

Dated: 13 December 2017

# EVERY CHILD MATTERS ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
<b>Income and endowments from:</b>						
Donations and capital grants	2	13,089	-	46,718	59,807	71,997
Donations - transfer from local authority on conversion	26	220,018	(1,757,000)	9,195,648	7,658,666	6,312,146
Charitable activities:						
- Funding for educational operations	3	196,323	6,145,608	-	6,341,931	4,543,569
Other trading activities	4	127,459	-	-	127,459	83,203
Investments	5	2,181	-	-	2,181	1,389
<b>Total income and endowments</b>		<b>559,070</b>	<b>4,388,608</b>	<b>9,242,366</b>	<b>14,190,044</b>	<b>11,012,304</b>
<b>Expenditure on:</b>						
Raising funds	7	-	11,353	-	11,353	10,229
Charitable activities:						
- Educational operations	8	244,701	6,571,405	286,240	7,102,346	4,579,193
<b>Total expenditure</b>	<b>7</b>	<b>244,701</b>	<b>6,582,758</b>	<b>286,240</b>	<b>7,113,699</b>	<b>4,589,422</b>
<b>Net income/(expenditure)</b>		<b>314,369</b>	<b>(2,194,150)</b>	<b>8,956,126</b>	<b>7,076,345</b>	<b>6,422,882</b>
Transfers between funds		(64,098)	48,362	15,736	-	-
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension schemes	20	-	(383,000)	-	(383,000)	(1,002,000)
<b>Net movement in funds</b>		<b>250,271</b>	<b>(2,528,788)</b>	<b>8,971,862</b>	<b>6,693,345</b>	<b>5,420,882</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		432,564	(2,494,212)	7,482,530	5,420,882	-
Total funds carried forward		682,835	(5,023,000)	16,454,392	12,114,227	5,420,882



# EVERY CHILD MATTERS ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative information ended 31 August 2016	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Income and endowments from:</b>					
Donations and capital grants	2	4,208	-	67,789	71,997
Donations - transfer from local authority on conversion	26	400,768	(1,647,000)	7,558,378	6,312,146
Charitable activities:					
- Funding for educational operations	3	102,920	4,440,649	-	4,543,569
Other trading activities	4	83,203	-	-	83,203
Investments	5	1,389	-	-	1,389
<b>Total income and endowments</b>		<u>592,488</u>	<u>2,793,649</u>	<u>7,626,167</u>	<u>11,012,304</u>
<b>Expenditure on:</b>					
Raising funds	7	10,229	-	-	10,229
Charitable activities:					
- Educational operations	8	149,695	4,280,344	149,154	4,579,193
<b>Total expenditure</b>	7	<u>159,924</u>	<u>4,280,344</u>	<u>149,154</u>	<u>4,589,422</u>
<b>Net income/(expenditure)</b>		432,564	(1,486,695)	7,477,013	6,422,882
Transfers between funds		-	(5,517)	5,517	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	20	-	(1,002,000)	-	(1,002,000)
<b>Net movement in funds</b>		432,564	(2,494,212)	7,482,530	5,420,882
<b>Reconciliation of funds</b>					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>432,564</u>	<u>(2,494,212)</u>	<u>7,482,530</u>	<u>5,420,882</u>


# EVERY CHILD MATTERS ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12		16,432,732		7,460,701
<b>Current assets</b>					
Stocks	14	9,282		5,616	
Debtors	15	214,049		162,973	
Cash at bank and in hand		951,735		859,598	
			1,175,066		1,028,187
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(470,571)		(394,006)	
<b>Net current assets</b>			704,495		634,181
<b>Net assets excluding pension liability</b>			17,137,227		8,094,882
Defined benefit pension liability	20		(5,023,000)		(2,674,000)
<b>Net assets</b>			12,114,227		5,420,882
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			16,454,392		7,482,530
- Restricted income funds			-		179,788
- Pension reserve			(5,023,000)		(2,674,000)
<b>Total restricted funds</b>			11,431,392		4,988,318
<b>Unrestricted income funds</b>	18		682,835		432,564
<b>Total funds</b>			12,114,227		5,420,882

The accounts set out on pages 22 to 48 were approved by the board of trustees and authorised for issue on 13 December 2017 and are signed on its behalf by:

  
 I W Ward  
 Chair

Company Number 09700223

# EVERY CHILD MATTERS ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

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		2017		2016	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	21		(114,157)		413,942
Cash funds transferred on conversion			220,018		400,768
			<u>105,861</u>		<u>814,710</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		2,181		1,389	
Capital grants from DfE and ESFA		36,196		42,789	
Capital funding from sponsors and others		10,522		25,000	
Payments to acquire tangible fixed assets		(62,623)		(24,290)	
			<u>(13,724)</u>		<u>44,888</u>
<b>Change in cash and cash equivalents in the reporting period</b>			<u>92,137</u>		<u>859,598</u>
Cash and cash equivalents at 1 September 2016			<u>859,598</u>		-
<b>Cash and cash equivalents at 31 August 2017</b>			<u><u>951,735</u></u>		<u><u>859,598</u></u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Every Child Matters 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 Conversion to an academy trust

The conversion from a state maintained school to an 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 the state maintained school to the 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. Further details of the transaction are set out in note 26.

##### 1.4 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 receivable

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.

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

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.

#### Donations

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

#### Other income

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

### 1.5 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.

### 1.6 Tangible fixed assets and depreciation

Assets costing £500 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.

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

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

Leasehold land	Over the lease term of 125 years
Computer equipment	25% straight line
Fixtures, fittings & equipment	20% straight line

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

#### 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 or services it must provide.

#### 1.8 Leasing and hire purchase commitments

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.

##### 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 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.11 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.

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### 1.12 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 prospective unit credit method. As stated in note 20, 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 are recognised in the period to which they relate.

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

#### 1.13 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 and include grants from the Education and Skills Funding Agency.

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.14 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 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	36,196	36,196	42,789
Other donations	13,089	10,522	23,611	29,208
	<u>13,089</u>	<u>46,718</u>	<u>59,807</u>	<u>71,997</u>

### 3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,780,548	4,780,548	3,263,081
Other DfE / ESFA grants	-	729,434	729,434	647,043
	<u>-</u>	<u>5,509,982</u>	<u>5,509,982</u>	<u>3,910,124</u>
<b>Other government grants</b>				
Local authority grants	-	635,626	635,626	530,525
	<u>-</u>	<u>635,626</u>	<u>635,626</u>	<u>530,525</u>
<b>Other funds</b>				
Other incoming resources	196,323	-	196,323	102,920
	<u>196,323</u>	<u>-</u>	<u>196,323</u>	<u>102,920</u>
<b>Total funding</b>	<u>196,323</u>	<u>6,145,608</u>	<u>6,341,931</u>	<u>4,543,569</u>



# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	574	-	574	1,185
Fundraising	29,426	-	29,426	15,798
Cover for teachers	39,927	-	39,927	23,060
Facilities support for other educational establishments	16,853	-	16,853	8,435
Other income	40,679	-	40,679	34,725
	<u>127,459</u>	<u>-</u>	<u>127,459</u>	<u>83,203</u>

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	<u>2,181</u>	<u>-</u>	<u>2,181</u>	<u>1,389</u>

### 6 Central Services

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

- human resources;
- financial services;
- legal services; and
- educational support services.

The academy trust charges for these services based on a flat percentage of income (4%).

The amounts charged during the year were as follows:

	Total 2017 £	Total 2016 £
High View Primary Learning Centre	73,000	70,000
Wombwell Park Street Primary School	44,000	40,000
Hoyland Springwood Primary School	22,000	22,000
Kexborough Primary School	18,000	-
Wellgate Primary School	30,000	-
	<u>187,000</u>	<u>132,000</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	3,873,935	263,077	320,674	4,457,686	2,895,684
- Allocated support costs	1,178,526	851,640	614,494	2,644,660	1,683,509
Expenditure on raising funds	-	-	11,353	11,353	10,229
	<u>5,052,461</u>	<u>1,114,717</u>	<u>946,521</u>	<u>7,113,699</u>	<u>4,589,422</u>

### Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for audit services	21,360	11,860
Operating lease rentals	3,058	3,222
Depreciation of tangible fixed assets	286,240	149,154
Net interest on defined benefit pension liability	83,000	55,000
	<u>393,658</u>	<u>329,236</u>

### 8 Charitable activities

	2017 £	2016 £
Direct costs - educational operations	4,457,686	2,895,684
Support costs - educational operations	2,644,660	1,683,509
	<u>7,102,346</u>	<u>4,579,193</u>

	2017 £	2016 £
<b>Analysis of support costs</b>		
Support staff costs	1,177,628	662,214
Depreciation and amortisation	23,163	13,249
Premises costs	762,072	602,206
Other support costs	623,041	367,093
Governance costs	58,756	38,747
	<u>2,644,660</u>	<u>1,683,509</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 9 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 chief executive officer only receives remuneration in respect of services they provide undertaking the role of chief executive officer under their contract of employment, and not in respect of their services as a trustee. The value of trustees' remuneration and other benefits was as follows: G Wilson (Chief Executive Officer) Remuneration £95,000 - £100,000 (2016 - £90,000 - £95,000). Employer's pension contributions £15,000 - £20,000 (2016 - £10,000 - £15,000).

### 10 Staff costs

	2017 £	2016 £
Wages and salaries	3,783,226	2,505,708
Social security costs	285,285	167,957
Operating costs of defined benefit pension schemes	829,373	448,079
	<u>4,897,884</u>	<u>3,121,744</u>
Staff costs	4,897,884	3,121,744
Supply staff costs	121,523	74,401
Staff restructuring costs	-	15,482
Staff development and other staff costs	33,054	29,131
	<u>5,052,461</u>	<u>3,240,758</u>
Total staff expenditure	<u>5,052,461</u>	<u>3,240,758</u>

### Staff numbers

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

	2017 Number	2016 Number
Teachers	63	42
Administration and support	187	116
Management	12	8
	<u>262</u>	<u>166</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2017 Number	2016 Number
Teachers	56	35
Administration and support	107	75
Management	11	8
	<u>174</u>	<u>118</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 10 Staff costs

(Continued)

##### Higher paid staff

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

	2017 Number	2016 Number
£90,001 - £100,000	1	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 £739,011 (2016: £465,374).

#### 11 Trustees and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £1,000,000 on any one claim. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the combined insurance policy.

#### 12 Tangible fixed assets

	Leasehold property	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2016	7,513,000	73,505	23,350	7,609,855
Transfer on conversion	9,145,416	25,918	24,314	9,195,648
Additions	-	17,498	45,125	62,623
At 31 August 2017	16,658,416	116,921	92,789	16,868,126
<b>Depreciation</b>				
At 1 September 2016	134,777	13,249	1,128	149,154
Charge for the year	253,728	23,163	9,349	286,240
At 31 August 2017	388,505	36,412	10,477	435,394
<b>Net book value</b>				
At 31 August 2017	16,269,911	80,509	82,312	16,432,732
At 31 August 2016	7,378,223	60,256	22,222	7,460,701

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 13 Fixed asset investments

Every Child Matters Academy Trust holds 50% of the voting rights of Tykes Teaching School Alliance Limited, a company limited by guarantee which incorporated on 11 June 2016. Another Academy Trust holds the remaining 50% of the voting rights. This has been accounted for as an associate undertaking within these financial statements. As this is the first financial year, no financial statements are yet available. The cost of the investment was £nil.

14 Stocks	2017 £	2016 £
Stock	9,282	5,616
	<u>9,282</u>	<u>5,616</u>
15 Debtors	2017 £	2016 £
VAT recoverable	34,872	50,336
Other debtors	256	7,104
Prepayments and accrued income	178,921	105,533
	<u>214,049</u>	<u>162,973</u>
16 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	74,292	84,848
Other taxation and social security	85,519	56,748
Other creditors	86,060	70,875
Accruals and deferred income	224,700	181,535
	<u>470,571</u>	<u>394,006</u>
17 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	143,507	75,025
	<u>143,507</u>	<u>75,025</u>
Deferred income at 1 September 2016	75,025	-
Released from previous years	(75,025)	-
Amounts deferred in the year	143,507	75,025
	<u>143,507</u>	<u>75,025</u>
<b>Deferred income at 31 August 2017</b>	<u>143,507</u>	<u>75,025</u>

At the balance sheet date the academy trust was holding funds received in advance for Universal Infant Free School Meals, Rates Relief and 17/18 school trips.

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
<b>Restricted general funds</b>					
General Annual Grant	179,788	4,780,548	(5,008,698)	48,362	-
Other DfE / ESFA grants	-	729,434	(729,434)	-	-
Other government grants	-	635,626	(635,626)	-	-
	<u>179,788</u>	<u>6,145,608</u>	<u>(6,373,758)</u>	<u>48,362</u>	<u>-</u>
Funds excluding pensions	179,788	6,145,608	(6,373,758)	48,362	-
Pension reserve	(2,674,000)	(1,757,000)	(209,000)	(383,000)	(5,023,000)
	<u>(2,494,212)</u>	<u>4,388,608</u>	<u>(6,582,758)</u>	<u>(334,638)</u>	<u>(5,023,000)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	7,413,203	9,195,648	(271,687)	-	16,337,164
DfE / ESFA capital grants	40,378	36,196	(7,067)	-	69,507
Capital expenditure from GAG	5,198	-	(2,098)	15,736	18,836
Private sector capital sponsorship	23,751	10,522	(5,388)	-	28,885
	<u>7,482,530</u>	<u>9,242,366</u>	<u>(286,240)</u>	<u>15,736</u>	<u>16,454,392</u>
<b>Total restricted funds</b>	<u>4,988,318</u>	<u>13,630,974</u>	<u>(6,868,998)</u>	<u>(318,902)</u>	<u>11,431,392</u>
<b>Unrestricted funds</b>					
General funds	<u>432,564</u>	<u>559,070</u>	<u>(244,701)</u>	<u>(64,098)</u>	<u>682,835</u>
<b>Total funds</b>	<u>5,420,882</u>	<u>14,190,044</u>	<u>(7,113,699)</u>	<u>(383,000)</u>	<u>12,114,227</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 18 Funds

(Continued)

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

#### **General Annual Grant**

The General Annual Grant (GAG) funds have been spent in line with the terms of the Master Funding Agreement. Under this funding agreement, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

#### **Other DfE/ESFA grants**

This includes the pupil premium funding which is additional funding for the academy to support its disadvantaged pupils and close the attainment gap between them and their peers. This also includes the Universal Infant Free School Meals funding which is for the provision of free schools meals to all infant pupils.

#### **Other government grants**

Other government grants consist of high needs funding and early years funding.

The high needs funding is to provide support and facilities for pupils with high needs.

The early years funding is to support the provision of the early years facility.

#### **Restricted fixed asset funds**

Restricted fixed asset funds are used solely for capital purchases in line with the strategic objectives of the academy.

#### **Pension reserve**

The restricted pension fund is in deficit to the value of £5,023,000 as at 31 August 2017 (2016: £2,674,000). The majority of this has been inherited upon conversion to Academy status. The Trustees will continue to monitor this situation closely.

During the year, an amount of £15,736 has been transferred from the restricted general funds to the restricted fixed asset fund, as permitted by the Academies Accounts Direction 2016 to 2017.

A transfer of £64,098 has been made from the unrestricted funds to the restricted general funds for the excess of in year expenditure over income.

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 23 July 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
<b>Restricted general funds</b>					
General Annual Grant	-	3,280,775	(3,095,470)	(5,517)	179,788
Other DfE / ESFA grants	-	629,349	(629,349)	-	-
Other government grants	-	530,525	(530,525)	-	-
Funds excluding pensions	-	4,440,649	(4,255,344)	(5,517)	179,788
Pension reserve	-	(1,647,000)	(25,000)	(1,002,000)	(2,674,000)
	-	2,793,649	(4,280,344)	(1,007,517)	(2,494,212)
<b>Restricted fixed asset funds</b>					
Transferred on conversion	-	7,558,378	(145,175)	-	7,413,203
DfE / ESFA capital grants	-	42,789	(2,411)	-	40,378
Capital expenditure from GAG	-	-	(319)	5,517	5,198
Private sector capital sponsorship	-	25,000	(1,249)	-	23,751
	-	7,626,167	(149,154)	5,517	7,482,530
<b>Total restricted funds</b>	-	10,419,816	(4,429,498)	(1,002,000)	4,988,318
<b>Unrestricted funds</b>					
General funds	-	592,488	(159,924)	-	432,564
<b>Total funds</b>	-	11,012,304	(4,589,422)	(1,002,000)	5,420,882



# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total £
High View Primary Learning Centre	176,986
Wombwell Park Street Primary School	(27,640)
Hoyland Springwood Primary School	52,008
Kexborough Primary School	170,444
Wellgate Primary School	74,266
Central services	236,771
	<hr/>
Total before fixed assets fund and pension reserve	682,835
Restricted fixed asset fund	16,454,392
Pension reserve	(5,023,000)
	<hr/>
Total funds	12,114,227
	<hr/> <hr/>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2017
	£	£	£	£	£
High View Primary Learning Centre	1,404,768	395,663	27,636	682,363	2,510,430
Wombwell Park Street Primary School	865,740	237,041	3,033	426,173	1,531,987
Hoyland Springwood Primary School	538,357	249,599	12,266	182,225	982,447
Kexborough Primary School	367,078	85,840	7,495	129,193	589,606
Wellgate Primary School	631,605	151,562	7,575	197,370	988,112
Central services	66,387	58,821	-	99,669	224,877
	<u>3,873,935</u>	<u>1,178,526</u>	<u>58,005</u>	<u>1,716,993</u>	<u>6,827,459</u>

#### Funds analysis by academy - previous year

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016
	£
High View Primary Learning Centre	227,115
Wombwell Park Street Primary School	45,893
Hoyland Springwood Primary School	92,713
Central services	246,631
Total before fixed assets fund and pension reserve	<u>612,352</u>
Restricted fixed asset fund	7,482,530
Pension reserve	(2,674,000)
Total funds	<u><u>5,420,882</u></u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2016
	£	£	£	£	£
High View Primary Learning Centre	1,212,067	308,313	31,124	612,978	2,164,482
Wombwell Park Street Primary School	814,378	131,793	29,738	336,004	1,311,913
Hoyland Springwood Primary School	500,009	191,837	13,576	152,766	858,188
Central services	52,090	30,271	-	23,324	105,685
	<u>2,578,544</u>	<u>662,214</u>	<u>74,438</u>	<u>1,125,072</u>	<u>4,440,268</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds	Restricted funds:		Total 2017
	£	General	Fixed asset	£
		£	£	
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	16,432,732	16,432,732
Current assets	692,512	460,894	21,660	1,175,066
Creditors falling due within one year	(9,677)	(460,894)	-	(470,571)
Defined benefit pension liability	-	(5,023,000)	-	(5,023,000)
	<u>682,835</u>	<u>(5,023,000)</u>	<u>16,454,392</u>	<u>12,114,227</u>

	Unrestricted Funds	Restricted funds:		Total 2016
	£	General	Fixed asset	£
		£	£	
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	7,460,701	7,460,701
Current assets	441,091	565,267	21,829	1,028,187
Creditors falling due within one year	(8,527)	(385,479)	-	(394,006)
Defined benefit pension liability	-	(2,674,000)	-	(2,674,000)
	<u>432,564</u>	<u>(2,494,212)</u>	<u>7,482,530</u>	<u>5,420,882</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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### 20 Pensions 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 Mercer Limited. 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 2016, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £84,551 (2016 - £50,489) were payable to the schemes at 31 August 2017 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years 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 2016 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)
- 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 most recent valuation of the TPS was as at March 2016, whereupon the employer contribution rate was reassessed. The revised employer contribution rate will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £327,303 (2016 - £218,597).

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

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.

#### 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 11.8% - 15.8% for employers and 5.5% - 12.5% for employees.

The Academy Trust has entered into an agreement with the Trustees to make additional contributions in addition to normal funding levels. These amount to £4,917 for High View Primary Learning Centre, £2,325 for Wombwell Park Street Primary School, £1,900 for Hoyland Springwood Primary School, £1,875 for Kexborough Primary School and £3,450 for Wellgate Primary School to be paid monthly during the period September 2017 to March 2018. The Academy Trust will continue to make additional contributions after March 2018 at a revised rate.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 26) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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.

<b>Total contributions made</b>	<b>2017</b>	<b>2016</b>
	£	£
Employer's contributions	366,000	241,000
Employees' contributions	86,000	57,000
Total contributions	<u>452,000</u>	<u>298,000</u>
<b>Principal actuarial assumptions</b>	<b>2017</b>	<b>2016</b>
	%	%
Rate of increases in salaries	3.45	3.58
Rate of increase for pensions in payment	2.20	1.90
Discount rate	2.40	2.10
Inflation assumption (CPI)	<u>2.20</u>	<u>1.80</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions 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:

	2017 Years	2016 Years
Retiring today		
- Males	22.9	23.0
- Females	25.7	25.7
Retiring in 20 years		
- Males	25.1	25.4
- Females	28.0	28.5

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017	2016
Discount rate + 0.1%	(161,000)	(87,000)
Mortality assumption + 1 year	122,000	66,000
CPI rate + 0.1%	166,000	89,000

#### The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	1,108,000	671,000
Government bonds	250,000	173,000
Other bonds	123,000	71,000
Cash	36,000	19,000
Property	165,000	126,000
Other assets	136,000	88,000
Total market value of assets	1,818,000	1,148,000

Actual return on scheme assets - gain/(loss)	216,000	178,000
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#### Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	487,000	207,000
Interest income	(39,000)	(30,000)
Interest cost	122,000	85,000
Administrative expenses	5,000	4,000
Total operating charge	575,000	266,000

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations	(Continued)	
Changes in the present value of defined benefit obligations	2017	2016
	£	£
Obligations at 1 September 2016	3,822,000	-
Obligations acquired on conversion	2,363,000	2,362,000
Current service cost	487,000	207,000
Interest cost	122,000	85,000
Employee contributions	86,000	57,000
Actuarial (gain)/loss	(43,000)	1,149,000
Benefits paid	4,000	(38,000)
	<u>6,841,000</u>	<u>3,822,000</u>
At 31 August 2017	<u>6,841,000</u>	<u>3,822,000</u>
Changes in the fair value of the academy trust's share of scheme assets	2017	2016
	£	£
Assets at 1 September 2016	1,148,000	-
Assets acquired on conversion	606,000	715,000
Interest income	39,000	30,000
Actuarial loss/(gain)	(426,000)	147,000
Employer contributions	366,000	241,000
Employee contributions	86,000	57,000
Benefits paid	4,000	(38,000)
Administrative expenses	(5,000)	(4,000)
	<u>1,818,000</u>	<u>1,148,000</u>
At 31 August 2017	<u>1,818,000</u>	<u>1,148,000</u>
21 Reconciliation of net income to net cash flows from operating activities	2017	2016
	£	£
Net income for the reporting period	7,076,345	6,422,882
Adjusted for:		
Net surplus on conversion to academy	(7,658,666)	(6,312,146)
Capital grants from DfE/ESFA and other capital income	(46,718)	(67,789)
Investment income receivable	(2,181)	(1,389)
Defined benefit pension costs less contributions payable	126,000	(30,000)
Defined benefit pension net finance cost	83,000	55,000
Depreciation of tangible fixed assets	286,240	149,154
(Increase) in stocks	(3,666)	(5,616)
(Increase) in debtors	(51,076)	(162,973)
Increase in creditors	76,565	366,819
	<u>(114,157)</u>	<u>413,942</u>
<b>Net cash used in operating activities</b>	<u>(114,157)</u>	<u>413,942</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 22 Capital commitments

	2017	2016
	£	£
Expenditure contracted for but not provided in the accounts	-	7,108

### 23 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017	2017	2016	2016
	PFI	Operating	PFI	Operating
	£	Leases	£	Leases
	£	£	£	£
Amounts due within one year	268,121	910	252,729	3,058
Amounts due in two and five years	1,072,484	-	1,010,918	910
Amounts due after five years	2,636,523	-	2,737,903	-
	<u>3,977,128</u>	<u>910</u>	<u>4,001,550</u>	<u>3,968</u>

#### PFI Arrangements

The Academy premises for High View Primary Learning Centre and Wombwell Park Street Primary School are subject to PFI contracts. The contracts cover the cost of managing the facilities including utility costs, repairs & maintenance, caretaking, grounds maintenance and cleaning. The contracts expire in June 2032.

### 24 Related party transactions

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

Tykes Teaching School Alliance Limited is an associate undertaking of Every Child Matters Academy Trust, with both G Wilson and I W Ward being active directors. During the period, Every Child Matters Academy Trust received £20,029 (2016 - £16,850) for training and support services provided to other educational establishments through the Tykes Teaching School Alliance Limited.

One of the employees of Every Child Matters Academy Trust works solely for Tykes Teaching School Alliance Limited, and as a result the full salary, along with any connected expenses, is reimbursed each month. The total amount received by Every Child Matters Academy Trust for such reimbursements in the period is £60,118 (2016 - £49,693).

No amounts were outstanding at the year end from Tykes Teaching School Alliance Limited (2016 - £4,986 was owed).

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2016.



# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 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 Conversion to an academy

On 1 February 2017, Wellgate Primary School and Kexborough Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Every Child Matters Academy Trust from the Barnsley Metropolitan Borough Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values 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.

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

	2017 £
<b>Net assets transferred:</b>	
Leasehold land and buildings	9,145,416
Other tangible fixed assets	50,232
Cash	220,018
LGPS pension surplus/(deficit)	(1,757,000)
	<u>7,658,666</u>

Wellgate Primary School	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2017 £
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	4,882,248	4,882,248
LA budget funds	58,946	-		58,946
LGPS pension funds	-	(1,087,000)	-	(1,087,000)
Other funds	11,458	-		11,458
	<u>70,404</u>	<u>(1,087,000)</u>	<u>4,882,248</u>	<u>3,865,652</u>

# EVERY CHILD MATTERS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

26 Conversion to an academy (Continued)

Kexborough Primary School	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed asset Funds £	Total 2017 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	4,313,400	4,313,400
LA budget funds	143,095	-	-	143,095
School private fund	-	-	-	-
LGPS pension funds	-	(670,000)	-	(670,000)
Other funds	6,519	-	-	6,519
	<u>149,614</u>	<u>(670,000)</u>	<u>4,313,400</u>	<u>3,793,014</u>

Every Child Matters Academy Trust inherited the leasehold land and buildings of the above two schools under a 125 year lease from Barnsley Metropolitan Borough Council.