

Registered number: 07365748

TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**TUDOR GRANGE ACADEMIES TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members	Dr W P Rock Mr W J R George Mrs A J Newman Prof J M Winterbottom Mr R G Cooper (appointed 31 August 2016)
Trustees MAT Board	Dr W P Rock, Chairman, Tudor Grange Samworth Academy Mr R Edwards, Chairman, Tudor Grange Academy Solihull Mr W J R George Revd J Hughes (resigned 30 June 2016) Mrs A J Newman, Chair, Tudor Grange Primary Academy, Haselor Mr G Pearce, Chair, Tudor Grange Primary Academy, St. James Prof J M Winterbottom, Chair, Tudor Grange Academy Redditch
Company registered number	07365748
Company name	Tudor Grange Academies Trust
Principal and Registered office	Tudor Grange Academies Trust Dingle Lane Solihull West Midlands B91 3PD
Accounting Officer	Mrs C Maclean
Key management personnel	Mrs C Maclean, Executive Principal Mrs V Stone-Fewings, Executive Principal, Primaries Mr D Turner, Principal, Tudor Grange Academy Solihull Mrs S Roach, Principal, Tudor Grange Academy Worcester Mrs J Bolter, Principal, Tudor Grange Academy Redditch Mr I Harrison, Principal, Tudor Grange Samworth Academy Mrs S Deakin, Principal, Tudor Grange Primary Academy St. James Mrs P Neale, Principal, Tudor Grange Primary Academy Haselor Mr C Key, Executive Finance Officer Mr S Groutage, Associate Principal, Education and IT Mr J Mealings, Executive Head of Catering
Independent external auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank PLC 2nd Floor 125 Colmore Row Birmingham B3 3SF

**TUDOR GRANGE ACADEMIES TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees present their annual report together with the financial statements and auditors' report of the Company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 primary academies in Solihull and Warwickshire, 3 secondary academies in Solihull and Worcestershire and 1 all-through academy in Leicestershire, which joined the trust on 1 January 2016. The Trust's academies have a combined pupil capacity of 5,015 and had a roll of 4,094 in the school census in Summer 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Multi Academies Trust (MAT) is a company limited by guarantee and an exempt charity. The Company's Memorandum and Articles of Association are the primary governing documents of the Multi Academies Trust.

The Trustees of Tudor Grange Academies Trust are also the directors of the Company for the purposes of company law. The Company is known as Tudor Grange Academies Trust (the Academies Trust).

Details of the Trustees who served throughout the year, 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 £1, for the debts and liabilities contracted before they cease to be a member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academies 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 Academies 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 Academies Trust. The limit of this indemnity is £5,000,000.

Principal Activity

The principal activity is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing primary and secondary schools and offering a broad and balanced curriculum.

The principal activity of the Academies Trust is to provide free education for pupils of different abilities between the ages of 3 – 18.

TRUSTEES

The MAT Board membership

The MAT Board shall comprise at a minimum: four Trustees; the total number of Trustees (including the Executive Principal and Executive Finance Officer) who are employees of the Academies Trust shall not exceed one third of the total number of Trustees. The Chair and Vice Chair shall be appointed by the Trustees each September from among the Trustees, provided this is someone other than an employee of the Academies Trust. The MAT Board Secretary shall be appointed by the Trustees. The quorum for each MAT Board shall be one-third of those eligible to vote. The MAT Board shall meet as often as is necessary to fulfil its responsibilities and not less than three times in every school year. Minutes of meetings will be recorded by Secretary to the MAT Board in sufficient time for inclusion on the agenda and among the supporting papers for the next meeting of the

**TUDOR GRANGE ACADEMIES TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

MAT Board. Decisions may be taken only by Trustees of the MAT Board. Each question shall be determined by a majority of the votes of the Trustees present and voting on the question. Every Trustee shall have one vote. Where necessary, the Chair will have a second or casting vote.

The Local Governing Body (the LGB)

The MAT Board has established for each Academy a Local Governing Body (the LGB). Each LGB's role is to provide advice to the MAT Board in relation to the functioning of the relevant Academy.

Each LGB shall comprise at a minimum: two parents of a pupil at the relevant Academy (to be elected by the parents of registered pupils of the relevant Academy), up to two employees at the respective Academy. The establishment, terms of reference, constitution and membership of each LGB shall be reviewed annually by the MAT Board. The Chair is appointed by the MAT Board each September from among the members of the LGB, provided this is someone other than the Principal at the relevant Academy. The LGB Clerk shall be appointed by the LGB. The quorum for each LGB shall be one third of those eligible to vote. The LGB shall meet as is necessary to fulfil its responsibilities and not less than twice per term. Minutes of meetings will be recorded and forwarded to the Clerk to the MAT Board in sufficient time for inclusion on the agenda and among the supporting papers for the next meeting of the MAT Board. Decisions may be taken only by members of the LGB. Where necessary, the LGB Chair will have a second or casting vote.

The following areas are within the remit of the LGB: To consider and advise the MATB on standards and other matters relating to the Academy's curriculum, including statutory requirements and curriculum policy; to ensure effective arrangements for Child Protection and Safeguarding; to ensure budgets are managed in agreement with the Trust's Scheme of Delegation and policies; to oversee the recruitment, selection and appointment of all staff below the Principal level, support the Academy's Principal and the local Senior Leadership Team in maintaining and improving standards and performance, thus improving outcomes for learners; and to ensure compliance with Health and Safety legislation and regulations.

Policies and Procedures adopted for the Induction and Training of Local Governors

The training and induction provided for new Local Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils, access to the Trust's Governance Handbook, access to appropriate on-line sources of advice for Governors. All Trustees are also provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual but at a minimum includes a formal letter of appointment, site tour, meeting the Executive team and access to the Trust's governance Handbook. Advantage is taken of specific courses offered by the Local Authority and other bodies. In the last year the Academies Trust has offered tailored courses for Trustees and Local Governors covering the role of the Governor and understanding of student data. These courses continue to be developed.

The following decisions are reserved to the MAT Board: to consider any proposals for changes to the status or constitution of the Academies Trust and its governance structure; to appoint or remove the Chairman and/or Vice Chairman; to appoint the Principal and Clerk to the Board; to approve the Annual Budget.

The MAT Board is responsible for establishing clarity of vision and ethos; establishing strategic objectives; overseeing financial performance; adopting an annual plan and medium term budget; approving the statutory accounts; monitoring the Academies Trust by the use of budgets and other data and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The MAT has established a Finance Governor enabling the MAT Board to conduct reviews over financial performance with the Accounting Officer and Academy Principals independent to the Executive Finance Officer. This allows the MAT Board to establish their own view as to the rigour with which the financial processes referred to in this report are being conducted and upon the overall financial position of the Trust.

The MAT Board has devolved responsibility for day to day management of each Academy to each Principal and Leadership Group (LG). Each Principal is responsible for the appointment of staff, though appointment panels for teaching posts usually include a Local Governor.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The Audit Committee (the AC)

The purpose of the AC is to review the risks to internal financial control at the Academies Trust and to agree a programme of work that will address these risks, to inform the statement of internal control and, so far as is possible, to provide assurance to the external auditors.

The remit of the AC is to advise the MAT Board on the adequacy and effectiveness of its systems of internal control and arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money); review the statement of internal control and make appropriate recommendations to the MAT Board; advise on the appointment, reappointment, dismissal and remuneration of auditors; ensure effective coordination of the work of the external auditor and internal auditor; consider the reports of the auditors and, when appropriate, advise the MAT Board of material controls issues; monitor the implementation of agreed audit recommendations; ensure that any allegations of fraud or irregularity are appropriately investigated and control weaknesses addressed; meet with the external auditor and internal auditor at least once per year; report its findings annually.

The AC will consist of four members from Local Governing Bodies (LGBs) within the MAT Board. Additionally, up to two external co opted members may also be appointed. At least one of the members should have relevant financial experience. The Chair of an LGB shall not be a member of the AC. The Chair of the AC shall be appointed by the MAT Board at the start of the academic year or as required. The Chair of the AC will not be a member of any other sub committee. The AC will be quorate if two members are present and more than 50% of those members present are members of LGBs. The AC will normally meet at least once per term and not less than twice per year. Each question shall be determined by a majority of the votes of the Members present and voting on the question. Every Member shall have one vote. Where necessary, the Chair will have a second or casting vote.

Organisational Structure

The Academies Trust is constituted as a Multi Academies Trust which has a Multi Academies Trust Board of Directors (the MAT Board) and at each Academy within the MAT, a Local Governing Body (the LGB). There are now three secondary schools, one all-through school and two primary schools within the Academies Trust. All schools within the Academies Trust which have been inspected in the past 18 months have achieved 'Good' or better for overall effectiveness, with the exception of Tudor Grange Samworth Academy which was brought into the Trust on 1 January 2016 whilst it was in 'special measures'. A recovery plan is in place to address the weaknesses highlighted, and to bring the Academy out of this category. The Academy received a number of follow up visits from inspectors during the year, and was making good progress.

The founding school, Tudor Grange Academy Solihull, has maintained outstanding results as the Academies Trust has grown and secured an 'outstanding judgment' in all categories during inspection in June 2015.

The academies are as follows:

Name	Date converted	Type
Tudor Grange Academy Solihull (TGA Solihull)	1 October 2010	Secondary
Tudor Grange Primary Academy St. James' (TGPA St. James')	1 January 2013	Primary
Tudor Grange Primary Academy Haselor (TGPA Haselor)	1 January 2014	Primary
Tudor Grange Academy Redditch (TGA Redditch)	1 April 2014	Secondary
Tudor Grange Academy Worcester (TGA Worcester)	1 September 2009	Secondary
Tudor Grange Samworth Academy (TG Samworth Academy)	1 January 2016	All-Through

On 1 January 2016 Tudor Grange Samworth Academy joined the Trust. All the above academies have joined the Academies Trust's current Master Funding Agreement, operating under individual Supplementary Funding Agreements.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

The MAT Board

The MAT Board meets as often as is necessary and not less than three times in every Academy year. The MAT Board establishes a governance structure to achieve sufficient yet balanced oversight of leadership across the Academies Trust and determines membership, terms of reference and procedures of the LGB at each Academy. It closely monitors the activities of each LGB through minutes of their meetings. The MAT Board may from time to time establish Working Groups to perform specific tasks over a limited timetable.

Academy management

Secondary and All-Through Academies:

The management structure consists of three levels: the LGB, the Leadership Team and the College Teams. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels. The Leadership Team comprises a Principal, Associate Principals, College Leaders and senior staff. The Leadership Team is responsible for the day to day operation of each Secondary and All-through Academy, implementing the policies laid down by the Trustees and reporting back to them. Each Secondary Academy, and the Secondary Phase of the All-through Academy, are divided into Colleges, each led by a College Leader. These Colleges are responsible for the delivery of different curriculum areas and the pastoral welfare of students within the College.

Primary Academies:

Both Primary Academies, and the Primary Phase of the All-through Academy share a similar management structure of a Principal (called Head of School in the All-through Academy) supported by other staff within the school who have leadership responsibilities as well as their teaching commitments. The Principal is responsible for the day to day operation of their Academy, implementing the policies laid down by the Trustees and reporting back to them. Both Primary Academies have an identified SENCO and teachers responsible for the leadership and development of the following themes where applicable: early years provision, literacy, numeracy, special educational needs and disabilities and safeguarding.

Central Team:

The Academies Trust supports each academy through the Central Team, established by the Executive Principal under delegated powers. The Central Team has two functions: academy improvement, and support services. The Central Team has wide ranging responsibilities across all academies for assuring and ensuring educational improvement; it also monitors and supports the work of the Academies to ensure value for money and consistent practice, especially in areas such as procurement, IT, finance, facilities and catering.

The Executive Principal is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with performance in the year. Trustees review performance appraisals for all key management personnel. The Trustees benchmark against pay levels in independent data and other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusted accordingly to performance achieved and the level of responsibility assigned.

Connected Organisations, including Related Party Relationships

Redditch Borough Council has use of the Tudor Grange Academy Redditch's leisure facilities and there is a shared use agreement between it and the Academy.

There are no related parties which either control or significantly influence the decisions and operations of Tudor Grange Academies Trust.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object and activity of the Academies Trust is the operation of Tudor Grange Academies Trust in order to provide education for pupils of different abilities between the ages of 3 and 18, 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 year ended 31 August 2016 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to fulfil the role of a Teaching School;
- to improve the effectiveness of the Academies Trust by keeping the curriculum and organisational structure under continual review and to develop greater coherence, clarity in school systems;
- to provide value for money for the funds expended;
- to maintain close links with industry and commerce; and
- to conduct the Academies Trust's business in accordance with the highest standards of integrity, probity and openness.

Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academies Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Objectives, Strategies and Activities

Over the past five years the Academies Trust has developed a clear vision for the schools in its care. There is a distinct character within each school:

- the student is at the heart of all decision making; teaching and learning is our core business;
- every child deserves an exceptional educational experience, tailored to meet their individual needs;
- we strive for continuous improvement, blending the best of traditional with innovation; and
- we are known for our exceptionally high expectations.

The Academies Trust's main strategy is to raise standards of achievement through an unrelenting focus on continuous improvement in all aspects of the organisation. The core purpose of the Academies Trust is teaching and learning; its people and resources are constantly measured by their contribution to the overall quality of teaching and learning and therefore the standards achieved by students.

Currently, the Principals of each of the Academies attend half day Executive meetings on a monthly cycle, these are hosted by each of the Academies in rotation. The Executive Principal chairs the meetings and the Executive Principal, Primaries, Executive Data Manager, Executive Finance Officer and head of IT and Estates are also in attendance.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Key activities which support the main strategic purpose of the Academies Trust are:

- 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;
- a structure which allows all staff and students to understand their role within the organisation and also to ensure that lines of accountability are also clear; and
- structures to support the organisation and integration of all internal and external resources and support available for both students and staff.

Key Priorities for 2016/2017 Development Plan:

- Priority 1 - to raise levels of achievement at KS4 and 5;
- Priority 2 - to raise levels of achievement in early years, KS1 and KS2 ;
- Priority 3 - to develop a curriculum at KS1, KS2 and KS3 that fosters independence, improves levels of engagement and impacts on GCSE achievement by improving continuity of provision for students and addressing needs early and ensure readiness for the challenge of new specification GCSEs;
- Priority 4 - continued development of systems for tracking and monitoring pupil attainment, including the development of a system that enables access to live data, including at Trust level, to support more dynamic intervention; and
- Further Priorities - review of numeracy, literacy and ICT capability; review of staffing levels in the light of budgetary pressure; further development of the intranet to support administration and communication and development and embedding of key financial and administrative procedures arising from conversion.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Multi Academies Trust's aims and objectives and in planning its future activities.

The Academies Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As an Academies Trust we have a duty to continue to support other schools. During the year we have worked with Samworth Enterprise Academy by providing support for leadership and management and the development of teaching and learning in a range of subject areas.

STRATEGIC REPORT

Achievements and Performance

The Academies Trust operates a robust quality assurance calendar which monitors the quality of teaching and learning in all the schools and includes book trawls, monitoring the progress of students against milestones throughout the year. All schools undertake a rigorous review of attainment using RAISEONLINE and FFTlive to measure the progress of students, paying particular regard to their achievement on entry and levels of progress secured.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Tables below summarise key performance indicators by Academy:

PRIMARIES	TGPA ST. JAMES 2016 (2015)	TGPA HASELOR 2016 (2015)	TGPA SAMWORTH 2016 (2015)
Numbers on roll	192 (156)	61 (88)	386 (386)
Capacity	210 (210)	105 (105)	480 (480)
KS1 results			
Number of eligible students	NA (NA)	2	56
% reaching expected in reading	NA (NA)	100% (80%)	68%
% reaching expected in writing	NA (NA)	100% (80%)	68%
% reaching expected in maths	NA (NA)	100% (85%)	64%
KS2 results			
Number of eligible students	21	14	54
% reaching expected in reading	71% (89%)	79% (95%)	54%
% reaching expected in writing	76% (96%)	93% (95%)	69%
% reaching expected in maths	71% (85%)	79% (89%)	37%
% reaching expected in reading, writing and maths	62% (81%)	71% (88%)	24%
Progress score reading	0.97 (+/- 2.74)	0.33 (+/- 3.28)	-6.59 (+/-1.83)
Progress score writing	0.24 (+/- 2.77)	1.9 (+/- 3.31)	-1.25 (+/- 1.77)
Progress score maths	0.66 (+/-2.34)	-0.52 (+/- 2.79)	-5.00 (+/- 1.51)
Attendance (whole school) %	96.7%	96.2%	94.6%

The primary academy TGPA St. James' has again seen significant improvements in outcomes this year and has also seen a continuation of high numbers of students wishing to attend the Academy, transforming the financial position of the Academy. TGPA St. James' nursery and early years provision continues to thrive and recruitment and retention remains strong in the school indicating that the change that has been achieved is now sustainable.

The primary academy TGPA Haselor has seen continued stability in outcomes this year with a very small cohort in year 6. Numbers of students wishing to attend the school are showing signs of beginning to increase again this year. Provision continues to be good and we will support the school in continuous improvement to ensure progress which is outstanding over the coming year.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

SECONDARIES	TGA SOLIHULL 2016 (2015)	TGA WORCESTER 2016 (2015)	TGA REDDITCH 2016 (2015)	TGA SAMWORTH 2016 (2015)
Numbers on roll	1,482 (1,485)	988 (1,002)	581 (591)	404
Capacity	1,500 (1,500)	1,020 (1,020)	1,100 (1,100)	600
GCSE Results				
Number in cohort	240	165	189	74
Attainment 8	6.13	4.7	4.6	3.5
Progress 8	0.59	-0.29	-0.07	-1.11
% gaining a good pass in English and maths	90%	60%	52%	32%
% achieving EBacc	51% (55%)	30% (16%)	13% (11%)	8%
% A* - A passes	34% (33%)	16% (11%)	11% (12%)	5%
% gaining 5 GCSEs (including English and maths)	88% (90%)	50% (53%)	45% (56%)	27%
A2 results				
% A – B passes	57% (28%)	47% (48%)	34% (39%)	NA
% A – E passes	98% (98%)	100% (94%)	95% (98%)	NA
Post-16 BTEC passes				
% BTEC passes	NA	100% (100%)	94% (100%)	NA
% at Dist/Dist*	NA	57% (54%)	83% (100%)	NA
Attendance (whole school) %	96%	94%	93%	90%

The academy TGA Solihull continues to sustain a level of level excellence matched by very few schools. The work of the TGAS Teaching School continues to support an alliance of schools outside the Academies Trust in sustaining school improvement, ensuring the impact of the Academies Trust is growing and engaged in a wide network to sustain and develop research.

TGA Worcester is now sustaining very strong outcomes for more able pupils and higher than national proportions of students achieving the EBACC, however, provision for the most vulnerable students in the school and those on alternative provision needs to be addressed to improve overall P8 outcomes. Performance at post 16 for TGA Worcester indicates a maturing sixth form provision with excellent progress made by the students who were the first ever cohort in the Academy when it opened in 2009.

TGA Redditch's progress 8 outcome indicates performance in line with national averages and this is a significant improvement in performance for a cohort for whom we were not predicting these outcomes when the school first came in to the Trust.

Whilst TG Samworth Academy outcomes remain unacceptably low, there are strong indicators of progress being made by children currently in the school and especially those in years 7, 8 and 9. HMI inspections have evidenced that the Trust and the school's leaders are taking effective action to ensure that the school is taken out of special measures.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Key Performance Indicators

The main financial performance indicators are as follows: as the bulk of funding is based on pupil numbers, NOR is a key performance indicator and this is tabulated above by Academy; total staffing costs as a percentage of total income which for 2016 for the Academies Trust was 81.6% (2015: 77.8%); and the level of cash held and projected to be held on a rolling 12 months basis.

Going Concern

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

FINANCIAL REVIEW

Financial Review

Most of the Academies Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academies Trust also receives grants for fixed assets from the DfE and are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academies Trust's accounting policies.

The SOFA reports total incoming resources for the year of £42,031,419 (2015: £33,123,694) of which £21,846,063 was restricted funding received from the DfE and EFA, and total resources expended for the year of £26,115,376 (2015: £21,381,372).

As detailed at note 26 to the Financial Statements, one Academy transferred into the Trust during the year contributing £17,716,196 tangible fixed assets and £514,111 of other assets. The Academy also transferred to the Trust £2,016,000 deficit relating to the Local Government Pension Scheme (LGPS).

Total funds at 31 August 2016 were £44,171,063 (2015: £31,830,020) of which £54,380,841 were restricted fixed asset funds, £335,267 were unrestricted funds and £10,903,000 were LGPS deficits.

Total funds at 31 August 2016, excluding funds related to fixed assets and LGPS were £693,222 (2015: £662,045) These funds are detailed by Academy at note 20.

Total cash balances at 31 August 2016 were £2,043,896 (2015: £2,045,570).

At 31 August 2015 the net book value of fixed assets was £54,192,730 (2015: £36,000,975) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academies Trust.

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

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Financial and Risk Management Objectives and Policies

The Academies Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academies Trust. The register and plan are formally reviewed annually.

The Trustees have assessed the major risks to which the Academies Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Risks to revenue funding from a falling roll are small, however, the freeze on the Government's overall education budget, and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally at least every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full MAT Board meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academies Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The MAT Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academies Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

Reserves Policy

The Trustees review the reserve levels of the Academies 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 Trustees take into consideration the future plans of each Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trust held fund balances at 31 August 2016 of £44,171,063 (2015: £31,830,020) comprising restricted fixed assets reserves of £54,522,841 (2015: £36,000,975), general restricted reserves of £464,153 (2015: £516,237), pension deficit of £10,903,000 (2015: £4,833,000) and available unrestricted reserves of £357,267 (2015: £145,808).

The Trust has no recourse to other revenue/income streams of any significance and maintaining a level of reserves is essential. The reserves at 31 August 2016 are shown above being in aggregate £821,420. The Trustees have not set a target level of reserves in aggregate or for each academy because the policy is to ensure funding received is spent on the pupils that are currently within the academies and the Academy Trust has to work within the limits set by the Master Funding Agreement. The Trustees nevertheless want to see Academies maintaining a reasonable level of reserves to enable each to cope with unexpected expenditure or income shortfalls. Academies prepare financial plans for at least the next three years alongside the annual budget. The Trustees will continue to monitor the level of reserves.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no direct impact on the free reserves of the Academy Trust.

Investment Policy

Due to the nature of the funding, the Academies Trust may at times hold cash balances surplus to its short term requirements. The Academies Trust's current policy is to only invest surplus funds in risk free and short term (1 to 3 months) accessible deposit accounts. No other form of investment is authorised.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

Any change in Policy requires the approval of Trustees.

Principal Risks And Uncertainties

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

Financial the Academies Trust has considerable reliance on continued Government funding through the EFA. In the last year 94.3% (2015: 93.7%) of the Academies 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.

Failures in governance and/or management the risk in this area arises from potential failure to effectively manage the Academies 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 Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees and Local Governors ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection the Trustees and Local 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 Local Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds the Academies Trust has appointed Internal Auditors to carry out checks on financial systems and records as required by the Academies Trust's Financial Procedures Manual. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academies Trust continues to strengthen its risk management processes, in particular by increasing staff awareness of health and safety risks through Health and Safety Committees, reporting to the Local Governing Bodies. A risk register is maintained, reviewed and updated on a regular basis.

PLANS FOR FUTURE PERIODS

Each Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure all students are secure in their next steps on leaving the Academy with regard to employment or continuing in training or formal education.

Each Academy continuously strives to be at the forefront of innovation in education and we are perpetually revising our curriculum offer to suit the needs of our students. A key focus will be the development of post 16 education in order to secure similar outcomes to KS4.

As each Academy continues to go from strength to strength, each is better able to exploit partnerships with local schools.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

DISABLED EMPLOYEE POLICY

We monitor the physical features of our premises to consider whether they might place anyone with a disability at a substantial disadvantage. Where necessary, we will take reasonable steps to improve access.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016**

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the MAT Board, as company directors, on ~~13/12/16~~ 13/12/16..... and signed on the board's behalf by:



**Dr W P Rock
Chair of Trustees**

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Tudor Grange Academies 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 MAT Boar has delegated the day-to-day responsibility to the Principal, 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 Tudor Grange Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the MAT Boar 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 MAT Boar has formally met 14 times during the year. The number of LGB meetings by Academy was as follows: Solihull x7, Worcester x7, Redditch x7, Haselor x8 and St. James x7. Attendance during the year at meetings of the MAT Board was as follows:

Trustee	Meetings attended	Out of a possible
Dr W P Rock, Chairman, Tudor Grange Samworth Academy	14	14
Mr R Edwards, Chairman, Tudor Grange Academy Solihull	11	14
Mr W J R George	12	14
Revd J Hughes	6	11
Mrs A J Newman, Chair, Tudor Grange Primary Academy, Haselor	13	14
Mr G Pearce, Chair, Tudor Grange Primary Academy, St. James	13	14
Prof J M Winterbottom, Chair, Tudor Grange Academy Redditch	12	14

The Audit Committee is a sub committee of the main MAT Board. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr R Cooper, Chairman (resigned 31 August 2016)	2	2
Mr H Foxall	2	2
Mr K Slater (resigned 14 July 2016)	0	2
Mr R Pearson	2	2
Mr R Campbell-Kelly	1	2
Mr C Key	2	2

REVIEW OF VALUE FOR MONEY

We have conducted a review during the year for each academy as to how much investment capacity is generated by the trust compared with each academy's investment in the Trust (we refer below to this investment in the Trust as 'top slice'). We have conducted the same review for added value. The tables below set out the results of this review.

GOVERNANCE STATEMENT (continued)

Investment capacity generated for each £1 of academy top slice

Below is a summary of the investment capacity generated by the Trust not just from top slice in 2015/16 but also from income generated by the central team and from capital grants available only because the Trust is of sufficient size to qualify for the formulaic-based capital grants (School Condition Allocation – SCA). For each £1 of top slice paid by each academy, investment capacity generated by the Trust was £2.84.

Investment capacity generated	£k
Academy Top Slice	1,028
Income generated	205
Capital grants	1,688
Investment Capacity	2,921
Capacity : Top Slice £	<i>£2.84</i>

Added value generated for each £1 of academy top slice

The table below shows that for each £1 of top slice paid by each academy, the return to each academy is, on average, at least £1.95. The return has been generated from capital grants and procurement savings. The latter has been quantified by reviewing the level of costs funded by both the Trust and by academies in 2015/16 and comparing these costs with what each academy might have been expected to spend for the equivalent service as if each was a standalone academy during the year.

Aggregate Added Value	£k
Academy Top Slice	1,028
Capital Investment	1,503
Central Procurement savings	498
Aggregate of capital investment and procurement savings	2,001
Average return per £1 top slice (net of staff investment)	<i>£1.95</i>

The added value excludes any perceived value which central team members might bring to academies. We believe the above shows strong added value overall for the investment made by each academy as nearly 3 times as much investment capacity is generated per £1 invested and nearly twice the level of added value is generated per £1 invested.

We feel the reasons for these results can be attributed to:

- Income generated by the central team from grants and consulting
- Formulaic capital grants received by virtue of the trust qualifying under defined size thresholds
- Central procurement contracts negotiated at rates not attainable by single academies, the principle procurement areas being: IT, professional services and food.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

We continue to look into other areas for cost savings, including educational resources, waste, support staff recruitment and energy.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academies 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 Tudor Grange Academies Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The MAT Board has reviewed the key risks to which the Academies Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The MAT Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academies Trust's significant risks that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the MAT Board.

THE RISK AND CONTROL FRAMEWORK

The Academies 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 MAT Board;
- regular reviews by the MAT Board 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 appointed internal auditor, W3, reviewed the following areas during the year:

- evidence of value for money being sought on educational supplies
- management of capital projects
- due diligence into a new Academy's effectiveness of governance

Recommendations are presented to the Audit Committee for action. W3 particularly noted the introduction of the Trust's own Governor's Handbook to be a positive step.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academies Trust's financial systems. On a regular basis, the internal auditor reports to the MAT Board on the operation of the systems of control and on the discharge of the MAT Board's financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academies Trust who have responsibility for the

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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 MAT Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the MAT Board on 13/12/16 and signed on their behalf, by:



**Dr W P Rock
Chair of Trustees**



**Mrs C Maclean, Executive Principal
Executive Principal
Accounting Officer**

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Tudor Grange Academies Trust I have considered my responsibility to notify the Academies Trust MAT Board and the Education Funding Agency of material irregularity, impropriety and non compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academies Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academies Trust MAT Board are able to identify any material, irregular or improper use of funds by the Academies Trust, or material non compliance with the terms and conditions of funding under the Academies Trust's funding agreement and the Academies Financial Handbook.

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 MAT Board and EFA.



**Mrs C Maclean
Executive Principal
Accounting Officer**

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Tudor Grange Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the 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 Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the MAT Board and signed on its behalf by:



**Dr W P Rock
Chair of Trustees**

Date: 13th December 2016

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TUDOR GRANGE ACADEMIES TRUST

We have audited the financial statements of Tudor Grange Academies Trust for the year ended 31 August 2016 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable Multi Academies Trust's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable Multi Academies Trust's Trustees 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 Multi Academies Trust and its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the charitable Multi Academies Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Multi Academies Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable Multi Academies Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF TUDOR
GRANGE ACADEMIES TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

1-3 College Yard

Worcester

WR1 2LB

Date: 15th December 2016.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TUDOR
GRANGE ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Tudor Grange Academies Trust during the year 1 September 2015 to 31 August 2016 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 Tudor Grange Academies Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Tudor Grange Academies Trust and EFA 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 Tudor Grange Academies Trust and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TUDOR GRANGE ACADEMIES TRUST'S ACCOUNTING OFFICER
AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Tudor Grange Academies Trust's funding agreement with the Secretary of State for Education dated 17 March 2014, and the Academies Financial Handbook extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. 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 Multi Academies Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO TUDOR
GRANGE ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: *15th December 2016.*

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations & capital grants:						
Surplus on joining	2	440,978	(1,941,376)	17,716,196	16,215,798	13,473,074
Other donations and capital grants	2	6,361	-	2,340,962	2,347,323	1,040,179
Charitable activities	3	996,157	21,999,938	-	22,996,095	18,094,939
Other trading activities	4	469,711	-	-	469,711	513,498
Investments	5	2,492	-	-	2,492	2,004
TOTAL INCOME		1,915,699	20,058,562	20,057,158	42,031,419	33,123,694
EXPENDITURE ON:						
Charitable activities		1,704,241	22,605,646	1,805,489	26,115,376	21,381,377
TOTAL EXPENDITURE	6	1,704,241	22,605,646	1,805,489	26,115,376	21,381,377
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial losses on defined benefit pension schemes	27	-	(3,575,000)	-	(3,575,000)	(358,000)
NET MOVEMENT IN FUNDS		211,458	(6,122,084)	18,251,669	12,341,043	11,384,317
RECONCILIATION OF FUNDS:						
Total funds brought forward		145,808	(4,316,763)	36,000,975	31,830,020	20,445,703
TOTAL FUNDS CARRIED FORWARD		357,266	(10,438,847)	54,252,644	44,171,063	31,830,020

The notes on pages 28 to 54 form part of these financial statements.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07365748**

**BALANCE SHEET
AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	14		54,192,730		36,000,975
CURRENT ASSETS					
Stocks	15	25,518		37,455	
Debtors	16	1,831,509		704,984	
Cash at bank and in hand		2,043,896		2,045,570	
			<u>3,900,923</u>	<u>2,788,009</u>	
CREDITORS: amounts falling due within one year	17	(2,904,806)		(1,985,792)	
NET CURRENT ASSETS			<u>996,117</u>		<u>802,217</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>55,188,847</u>		<u>36,803,192</u>
CREDITORS: amounts falling due after more than one year	18		<u>(114,784)</u>		<u>(140,172)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>55,074,063</u>		<u>36,663,020</u>
Defined benefit pension scheme liability	27		<u>(10,903,000)</u>		<u>(4,833,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>44,171,063</u></u>		<u><u>31,830,020</u></u>
FUNDS OF THE MULTI ACADEMIES TRUST					
Restricted income funds:					
General funds	20	464,153		516,237	
Fixed asset funds	20	54,252,644		36,000,975	
			<u>54,716,797</u>	<u>36,517,212</u>	
Restricted income funds excluding pension liability			<u>54,716,797</u>	<u>36,517,212</u>	
Pension reserve			<u>(10,903,000)</u>	<u>(4,833,000)</u>	
Total restricted income funds			<u>43,813,797</u>		<u>31,684,212</u>
Unrestricted income funds	20		<u>357,266</u>		<u>145,808</u>
TOTAL FUNDS			<u><u>44,171,063</u></u>		<u><u>31,830,020</u></u>

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET (continued)
AS AT 31 AUGUST 2016**

The financial statements were approved by the Trustees, and authorised for issue, on
13/12/16 and are signed on their behalf, by:



**Dr W P Rock
Chair of Trustees**

The notes on pages 28 to 54 form part of these financial statements.

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	22	<u>(332,787)</u>	<u>842,185</u>
Cash flows from investing activities:			
Interest received		2,492	2,004
Purchase of tangible fixed assets		(2,281,048)	(1,371,662)
Capital grants from DfE/EFA		2,609,669	1,027,800
Net cash provided by/(used in) investing activities		<u>331,113</u>	<u>(341,858)</u>
Change in cash and cash equivalents in the year		(1,674)	500,327
Cash and cash equivalents brought forward		<u>2,045,570</u>	<u>1,545,243</u>
Cash and cash equivalents carried forward	23	<u><u>2,043,896</u></u>	<u><u>2,045,570</u></u>

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Tudor Grange Academies Trust constitutes a public benefit entity as defined by FRS 102.

In accordance with the Academies Accounts Direction 2015 to 2016 capital grants are now recognised in Income from Donations and Capital Grants instead of Charitable Activities. Capital grants recognised in 2015 have been reclassified.

First time adoption of FRS 102

These financial statements are the first financial statements of Tudor Grange Academies Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Tudor Grange Academies Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 31.

1.2 GOING CONCERN

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

**TUDOR GRANGE ACADEMIES TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.3 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Multi Academies Trust at the discretion of the Trustees.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

1.4 INCOME

All income is recognised once the Multi Academies Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

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 on raising funds includes all expenditure incurred by the Multi Academies Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities are costs incurred on the Multi Academies Trust's educational operations, including support costs and costs relating to the governance of the Multi Academies Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

On conversion the Multi Academies Trust was granted a 125 year lease from the Local Authority for the land and buildings. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33% 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 AND PROVISIONS

Liabilities and provisions 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 Multi Academies Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1. ACCOUNTING POLICIES (continued)

1.8 TAXATION

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

1.9 PENSIONS

Retirement benefits to employees of the Multi Academies 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 Multi Academies 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 Multi Academies 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 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. ACCOUNTING POLICIES (continued)

1.10 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Multi Academies Trust obtains use of fixed assets as lessee. The classification of such leases as operating or finance lease requires the Multi Academies Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.11 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.12 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

1.13 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Multi Academies Trust; this is normally upon notification of the interest paid or payable by the Bank.

1.14 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1. ACCOUNTING POLICIES (continued)

1.15 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.16 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.17 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use a percentage of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 30.

1.18 ACQUISITION OF TUDOR GRANGE SAMWORTH ACADEMY

On 1 January 2016 Tudor Grange Samworth Academy joined the Tudor Grange Academies Trust. All the operations and assets and liabilities were transferred to Tudor Grange Academies Trust from the Tudor Grange Samworth Academy for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of financial activities as income from donations and capital grants.

See note 26 for further details.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Surplus on joining	440,978	(1,941,376)	17,716,196	16,215,798	13,473,074
Donations	6,361	-	-	6,361	12,379
Capital Grants	-	-	2,340,962	2,340,962	1,027,800
Subtotal	6,361	-	2,340,962	2,347,323	1,040,179
	447,339	(1,941,376)	20,057,158	18,563,121	14,513,253

In 2015, of the total income from donations and capital grants, £267,987 deficit was to unrestricted funds, £1,335,127 deficit was to restricted funds and £16,116,367 was to restricted fixed asset funds.

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant	-	19,808,422	19,808,422	16,054,897
Start up Grants	-	27,148	27,148	18,575
Other DfE/EFA grants	-	1,580,241	1,580,241	904,435
SCITT/Trainee teacher income	-	326,991	326,991	322,325
	-	21,742,802	21,742,802	17,300,232
Other Government grants				
High Needs	-	257,136	257,136	94,466
	-	257,136	257,136	94,466
Other funding				
Internal catering income	855,622	-	855,622	676,088
Nursery income	129,252	-	129,252	-
Sales to students	8,693	-	8,693	13,925
Other	2,590	-	2,590	10,228
	996,157	-	996,157	700,241
	996,157	21,999,938	22,996,095	18,094,939

In 2015, of the total income from charitable activities, £710,729 was to unrestricted funds and £17,384,210 was to restricted funds.

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4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	158,930	-	158,930	163,090
Fees received	12,357	-	12,357	11,014
Other	298,424	-	298,424	339,394
	<u>469,711</u>	<u>-</u>	<u>469,711</u>	<u>513,498</u>

In 2015, the total income from other trading activities of £513,498 was to unrestricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	2,492	-	2,492	2,004
	<u>2,492</u>	<u>-</u>	<u>2,492</u>	<u>2,004</u>

In 2015, the total investment income of £2,004 was to unrestricted funds.

6. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	15,947,081	-	1,587,525	17,534,606	13,939,725
Support costs	3,195,400	2,953,149	2,432,221	8,580,770	7,441,652
	<u>19,142,481</u>	<u>2,953,149</u>	<u>4,019,746</u>	<u>26,115,376</u>	<u>21,381,377</u>

In 2016, of the total expenditure, £1,704,240 (2015: £1,404,554) was to unrestricted funds and £24,309,886 (2015: £20,001,823) was to restricted funds.

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7. DIRECT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	146,120	51,500
Educational supplies	876,853	816,035
Examination fees	326,725	256,316
Staff development	80,041	80,453
Supply teachers	482,416	372,705
SCITT costs	49,075	62,852
Uniform costs	83,446	98,553
Wages and salaries	12,361,225	9,908,196
National insurance	1,025,920	768,928
Pension cost	2,077,520	1,495,428
Other costs	25,265	28,759
	<u>17,534,606</u>	<u>13,939,725</u>

8. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	134,880	27,500
Recruitment and support	143,134	93,639
Maintenance of premises and equipment	346,900	333,557
Cleaning	204,270	142,464
Rent and rates	120,657	117,144
Energy costs	441,132	420,658
Insurance	163,948	117,718
Security and transport	124,217	42,642
Catering	776,764	636,694
Technology costs	567,251	487,610
Office overheads	209,401	153,560
Legal and professional	300,777	137,949
Bank charges	12,938	13,588
Governance	33,612	44,035
Wages and salaries	2,580,410	1,749,875
National insurance	155,139	74,093
Pension cost	459,851	176,450
Depreciation and impairment	1,805,489	2,672,476
	<u>8,580,770</u>	<u>7,441,652</u>

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9. NET INCOME / (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	1,805,489	2,672,476
Auditors' remuneration	25,275	21,750
Auditors' non audit costs	8,420	5,325
Operating lease rentals	77,146	65,649
	=====	=====

**TUDOR GRANGE ACADEMIES TRUST
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10. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	14,740,504	11,586,578
Social security costs	1,181,059	843,021
Operating costs of defined benefit pension schemes	2,537,371	1,671,878
	<u>18,458,934</u>	<u>14,101,477</u>
Supply teacher costs	482,416	372,705
Staff restructuring costs	201,131	71,493
	<u>19,142,481</u>	<u>14,545,675</u>

Staff restructuring costs comprise:

	2016 £	2015 £
Redundancy payments	90,763	-
Severance payments	107,488	71,493
Other restructuring costs	2,880	-
	<u>201,131</u>	<u>71,493</u>

The average number of persons employed by the Multi Academies Trust during the year was as follows:

	2016 No.	2015 No.
Administrative and Support	159	149
Teachers	303	232
Management	22	7
	<u>484</u>	<u>388</u>

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	7	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	5	4
In the band £90,001 - £100,000	1	0
In the band £100,001 - £110,000	0	1
In the band £120,001 - £130,000	0	1
In the band £130,001 - £140,000	1	0

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £67,670 (2015: £Nil). Individually, the payments were: £258, £258, £478, £617, £979, £2,880, £9,600, £15,000, £15,100 and £22,500.

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10. STAFF COSTS (continued)

Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the key management personnel as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Multi Academies Trust was £923,524 (2015: £749,566).

11. CENTRAL SERVICES

The Multi Academies Trust has provided the following central services to its academies during the year:

- Human resources
- Financial services
- Legal services
- Educational support services
- Other as arising

The Multi Academies Trust charges for these services on the following basis:

The Academies Trust charged for these services on a fair basis as agreed between the Executive Principal and Academy Principals, being 5.5% of GAG for Secondary/High schools and 4% of GAG for Primary schools.

The actual amounts charged during the year were as follows:

	2016	2015
	£	£
TGPA Haselor	15,720	14,040
TG Samworth Academy	178,969	-
TGA Redditch	188,004	233,664
TGA Solihull	334,560	327,516
TGPA St James	30,720	26,688
TGA Worcester	277,920	285,000
	<u>1,025,893</u>	<u>886,908</u>
Total		

12. TRUSTEES' REMUNERATION AND EXPENSES

The Executive Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits was as follows: C Maclean: remuneration £135,000-£140,000 (2015: £125,000-£130,000), employer's pension contributions £20,000-£25,000 (2015: £15,000-£20,000) and C Key: remuneration as a Trustee £NIL (2015: £25,000-£30,000), employer's pension contributions as a Trustee £NIL (2015: £0- £5,000).

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year, no Trustees received any reimbursement of expenses (2015: £301).

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13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was not separately identifiable (2015: £5,123).

14. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST					
At 1 September 2015	35,974,621	-	517,442	1,482,513	37,974,576
Additions	1,843,986	-	65,975	371,087	2,281,048
Transfers on joining	18,915,516	34,747	1,214,037	1,108,942	21,273,242
	<u>56,734,123</u>	<u>34,747</u>	<u>1,797,454</u>	<u>2,962,542</u>	<u>61,528,866</u>
DEPRECIATION					
At 1 September 2015	1,322,441	-	171,932	479,228	1,973,601
Charge for the year	995,149	1,338	315,676	493,326	1,805,489
Transfers on joining	1,602,792	28,327	970,068	955,859	3,557,046
	<u>3,920,382</u>	<u>29,665</u>	<u>1,457,676</u>	<u>1,928,413</u>	<u>7,336,136</u>
NET BOOK VALUE					
At 31 August 2016	<u>52,813,741</u>	<u>5,082</u>	<u>339,778</u>	<u>1,034,129</u>	<u>54,192,730</u>
At 31 August 2015	<u>34,652,180</u>	<u>-</u>	<u>345,510</u>	<u>1,003,285</u>	<u>36,000,975</u>

The Multi Academies Trust transactions relating to land and buildings included the acquisition of the freehold on Tudor Grange Samworth Academy which was donated to the Multi Academies Trust at a value of £18,915,516.

15. STOCKS

	2016 £	2015 £
Goods for resale	<u>25,518</u>	<u>37,455</u>

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16. DEBTORS

	2016 £	2015 £
Trade debtors	130,954	165,643
VAT recoverable	228,448	389,170
Other debtors	97,549	-
Prepayments and accrued income	1,374,558	150,171
	<u>1,831,509</u>	<u>704,984</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	1,246,997	873,433
Other taxation and social security	297,365	252,118
Other creditors	421,878	370,854
Accruals and deferred income	938,566	489,387
	<u>2,904,806</u>	<u>1,985,792</u>

	2016 £	2015 £
DEFERRED INCOME		
Deferred income at 1 September 2015	70,214	80,108
Resources deferred during the year	51,449	70,214
Amounts released from previous years	(70,214)	(80,108)
Deferred income at 31 August 2016	<u>51,449</u>	<u>70,214</u>

At the balance sheet date the Multi Academies Trust was holding funds received in advance for Universal Infants Free School Meals and RBS skills and opportunities funding relating to the 2016/17 financial year.

Included within other creditors due within one year are two interest free Salix loans of £20,388 (2015: £20,388). The balance represents amounts due to be paid within one year on two Salix Loans from the EFA. These are 8 year interest free loans repayable in 16 equal, six-monthly instalments. The loans funded boiler refurbishment at TGA Solihull and TGA Redditch.

18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 £
EFA loans	<u>114,784</u>	<u>140,172</u>

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**18. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Included within EFA loans due in more than one year are interest free loans of £114,874 (2015: £140,172) which are secured on future GAG income due to be received by the Trust.

The balance represents amounts outstanding on two Salix Loans from the EFA. These are 8 year interest free loans repayable in 16 equal, six-monthly instalments. The loans funded boiler refurbishment at TGA Solihull and TGA Redditch.

19. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets measured at fair value through income and expenditure	2,043,896	2,045,570
Financial assets measured at amortised cost	1,857,027	742,439
	3,900,923	2,788,009
Financial liabilities measured at amortised cost	3,006,001	2,125,964

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors, VAT recoverable, prepayments and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other taxation and social security, other creditors, accruals and deferred income, and EFA loans.

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FOR THE YEAR ENDED 31 AUGUST 2016**

20. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS					
General Fund	145,808	1,915,699	(1,704,241)	-	357,266
RESTRICTED FUNDS					
	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
General Annual Grant (GAG)	430,499	19,808,422	(19,968,340)	-	270,581
Higher Needs funding (SEN)	-	257,136	(257,136)	-	-
Pupil Premium (PP)	-	933,215	(933,215)	-	-
Teaching School (including SCITT)	85,738	326,991	(219,157)	-	193,572
Other grants	-	748,798	(748,798)	-	-
Pension reserve	(4,833,000)	(2,016,000)	(479,000)	(3,575,000)	(10,903,000)
	<u>(4,316,763)</u>	<u>20,058,562</u>	<u>(22,605,646)</u>	<u>(3,575,000)</u>	<u>(10,438,847)</u>
RESTRICTED FIXED ASSET FUNDS					
	Brought Forward £	Income £	Expenditure £	Gains/ (Losses) £	Carried Forward £
Fixed assets transferred on conversion	33,432,267	17,716,196	(701,114)	-	50,447,349
Fixed assets purchased from GAG and other restricted funds	981,061	-	(875,355)	-	105,706
Devolved Formula Capital (DFC)	138,995	-	(67,594)	-	71,401
Condition Improvement and other equivalent funds (CIF)	477,641	-	(38,730)	-	438,911
School Condition Allocation (SCA)	971,011	2,340,962	(122,696)	-	3,189,277
	<u>36,000,975</u>	<u>20,057,158</u>	<u>(1,805,489)</u>	<u>-</u>	<u>54,252,644</u>
Total restricted funds	<u>31,684,212</u>	<u>40,115,720</u>	<u>(24,411,135)</u>	<u>(3,575,000)</u>	<u>43,813,797</u>
Total of funds	<u>31,830,020</u>	<u>42,031,419</u>	<u>(26,115,376)</u>	<u>(3,575,000)</u>	<u>44,171,063</u>

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

Restricted Funds:

General Annual Grant (GAG) - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Higher Needs (SEN) - Funding received from the Local Authority to fund further support for students with additional needs.

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20. STATEMENT OF FUNDS (continued)

Pupil Premium (PP) - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

Teaching School (including SCITT) - Income which is used to fund trainee teachers that are learning in house, rather than through university.

Other grants - Income which has been received for specific reasons.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Fixed Asset Funds:

Fixed assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Fixed assets purchased from GAG - This represents capital assets that have been purchased out of restricted GAG funding.

Devolved Formula Capital (DFC) - This represents funding from the EFA to cover the maintenance and purchase of the MAT's assets.

Conditional Improvement and other equivalent funding (CIF) - This represents funding from the EFA to cover the purchase of capital assets for the schools within the MAT, relating to energy improvement in 2015. This fund includes previous equivalent funds.

School Condition Allocation (SCA) - This represents funding from the EFA to cover the purchase of capital assets for the schools within the MAT.

Transfers between funds:

The transfer between the restricted fund and restricted fixed asset fund represents the transfer of capital expenditure from the General Annual Grant (GAG) during the year.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Multi Academies Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
TGPA Haselor	(40,138)	(3,335)
TG Samworth Academy	400,034	-
TGA Redditch	230,786	475,241
TGA Solihull	35,419	202,974
TGPA St James	230,202	117,048
TGA Trust	135,711	(38,950)
TGA Worcester	(170,595)	(90,933)
Total before fixed asset fund and pension reserve	<u>821,419</u>	<u>662,045</u>
Restricted fixed asset fund	54,252,644	36,000,975
Pension reserve	(10,903,000)	(4,833,000)
Total	<u><u>44,171,063</u></u>	<u><u>31,830,020</u></u>

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
TGPA Haselor	(40,138)
TGA Worcester	(170,595)

The Multi Academies Trust is taking the following action to return the academies to surplus:

TGPA Haselor

During the year the academy's deficit has increased from £3k to £40k. The academy has suffered low and falling pupil numbers for a number of years and there are significant surplus places in local schools. Staffing has been restructured and significant capital investment was made summer 2016 to change the learning environment and attract pupils. We currently project an increase in pupil numbers combined with robust staff and non-staff cost control will enable the academy to come out of deficit by 2018/19.

TGA Worcester

During the year the deficit increased from £91k to £171k as student numbers have increased by 9% year on year in each of the last 2 years but lagged funding has not supported the increase in staff costs required to meet the needs of the growing student population. The Trust continues to monitor total staff costs which this year are expected to be no more than 77% of total income. It is anticipated the academy will return to surplus in 2019/20.

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20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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 2016 £	Total 2015 £
TGPA Haselor	310,778	41,393	21,562	103,852	477,585	463,208
TG Samworth Academy	3,065,333	173,860	170,246	866,886	4,276,325	-
TGA Redditch	2,811,922	666,373	173,133	790,039	4,441,467	4,426,327
TGA Solihull	4,766,256	714,943	219,683	1,300,775	7,001,657	6,649,243
TGPA St James	545,839	71,395	40,968	158,078	816,280	728,451
TGA Trust	4,492	953,043	32,362	410,565	1,400,462	1,014,103
TGA Worcester	3,789,045	547,392	218,899	861,774	5,417,110	5,342,570
	15,293,665	3,168,399	876,853	4,491,969	23,830,886	18,623,902

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	54,192,730	54,192,730	36,000,975
Current assets	485,639	2,037,665	1,377,619	3,900,923	2,788,009
Creditors due within one year	(13,589)	(1,573,512)	(1,317,705)	(2,904,806)	(1,985,792)
Creditors due in more than one year	(114,784)	-	-	(114,784)	(140,172)
Pension scheme liability	-	(10,903,000)	-	(10,903,000)	(4,833,000)
	357,266	(10,438,847)	54,252,644	44,171,063	31,830,020

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22. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	15,916,043	11,742,317
Adjustment for:		
Depreciation charges	1,805,489	1,216,650
Interest received	(2,492)	(2,004)
Loss on the sale of fixed assets	-	1,555
Decrease/(increase) in stocks	11,937	(28,250)
Increase in debtors	(1,126,525)	(212,064)
Increase in creditors	893,626	1,068,522
Capital grants from DfE and other capital income	(2,609,669)	(1,027,800)
Defined benefit pension scheme cost less contributions payable	760,000	252,000
Defined benefit pension scheme finance cost	(281,000)	(110,000)
Funds brought in on conversion less net assets	(15,700,196)	(13,514,567)
Impairment of tangible fixed assets	-	1,455,826
Net cash (used in)/provided by operating activities	(332,787)	842,185

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	2,043,896	2,045,570
Total	2,043,896	2,045,570

24. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

25. GENERAL INFORMATION

Tudor Grange Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Dingle Lane, Solihull, B91 3PD.

26. ACQUISITION OF TUDOR GRANGE SAMWORTH ACADEMY

On 1 January 2016 Tudor Grange Samworth Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Tudor Grange Academies Trust from The Samworth Academy 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 value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities as Donations & capital grants - surplus on joining.

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.

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26. ACQUISITION OF TUDOR GRANGE SAMWORTH ACADEMY (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Long term freehold land and buildings	-	-	17,312,724	17,312,724
- Other tangible fixed assets	-	-	403,472	403,472
Other assets	440,978	74,624	-	515,602
LGPS pension surplus/(deficit)	-	(2,016,000)	-	(2,016,000)
Net assets/(liabilities)	<u>440,978</u>	<u>(1,941,376)</u>	<u>17,716,196</u>	<u>16,215,798</u>

The above net assets include £352,950 that were transferred as cash.

27. PENSION COMMITMENTS

The Multi Academies Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which are managed by Solihull Metropolitan Borough Council, Warwickshire County Council, Worcestershire County Council and Leicestershire County Council. All are Local Government Defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education

27. PENSION COMMITMENTS (continued)

on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £1,326,495 (2015: £1,060,878).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £1,129,000 (2015: £710,000), of which employer's contributions totalled £871,000 (2015: £548,000) and employees' contributions totalled £258,000 (2015: £162,000). The agreed contribution rates for future years differs from Academy to Academy within the Trust, dependent on the pension scheme the Academy is in. The Academies are members of the following schemes:

West Midlands Pension Fund: TGA Solihull and TGPA St. James
Warwickshire County Council Pension Scheme: TGPA Haselor
Worcestershire County Council Pension Scheme: TGA Redditch and TGA Worcester
Leicester County Council Pension Scheme: TG Samworth Academy.

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.

West Midlands Pension Fund (TGA Solihull and TGPA St. James)

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.90 %
Rate of increase in salaries	3.75 %	3.85 %
Rate of increase for pensions in payment / inflation	2.00 %	2.10 %

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27. PENSION COMMITMENTS (continued)

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

	2016	2015
Retiring today		
Males	23.1 years	23.0 years
Females	25.8 years	25.2 years
Retiring in 20 years		
Males	25.3 years	25.6 years
Females	28.1 years	28.0 years

Warwickshire County Council Pension Fund (TGPA Haselor)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	4.10 %	4.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.70 %

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

	2016	2015
Retiring today		
Males	22.4 years	22.4 years
Females	24.4 years	24.4 years
Retiring in 20 years		
Males	24.4 years	24.3 years
Females	26.6 years	26.6 years

Worcester County Council Pension Fund (TGA Redditch and TGA Worcester)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016	2015
Discount rate for scheme liabilities	2.10 %	3.80 %
Rate of increase in salaries	3.30 %	4.60 %
Rate of increase for pensions in payment / inflation	1.90 %	2.70 %

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

	2016	2015
Retiring today		
Males	23.5 years	23.4 years
Females	25.9 years	25.8 years
Retiring in 20 years		
Males	25.8 years	25.6 years
Females	28.2 years	28.1 years

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27. PENSION COMMITMENTS (continued)

Leicestershire County Council Pension Fund (TGA Samworth)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2016
Discount rate for scheme liabilities	2.10 %
Rate of increase in salaries	3.10 %
Rate of increase for pensions in payment / inflation	2.10 %

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

	2016
Retiring today	
Males	22.2 years
Females	24.3 years
Retiring in 20 years	
Males	24.2 years
Females	26.6 years

The Multi Academies Trust's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	7,032,000	2,538,000
Debt instruments	1,313,000	302,000
Property	774,000	171,000
Cash	258,000	111,000
Government bonds	170,000	142,000
Other	337,000	229,000
Total market value of assets	<u>9,884,000</u>	<u>3,493,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
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27. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(1,010,000)	(601,000)
Net interest cost	(281,000)	(79,000)
Past service cost	(59,000)	-
Gains on curtailments and settlements	-	(10,000)
	<u>(1,350,000)</u>	<u>(690,000)</u>
Actual return on scheme assets	<u>1,938,000</u>	<u>183,000</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	8,332,000	4,561,000
Current service cost	1,010,000	601,000
Interest cost	586,000	293,000
Contributions by employees	258,000	162,000
Actuarial losses	4,892,000	223,000
Losses on curtailments	-	10,000
Benefits paid	(384,000)	(45,000)
Liability transferred on joining	6,299,000	2,527,000
	<u>20,993,000</u>	<u>8,332,000</u>

Movements in the fair value of the Multi Academies Trust's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	3,499,000	1,802,000
Return on plan assets (excluding net interest on the net defined pension liability)	305,000	214,000
Actuarial gains and (losses)	1,317,000	(135,000)
Contributions by employer	871,000	548,000
Contributions by employees	258,000	162,000
Asset transferred on conversion	4,283,000	953,000
Benefits paid	(384,000)	(45,000)
	<u>10,149,000</u>	<u>3,499,000</u>

In 2016 the actuarial losses of £3,575,000 were recognised in the pension reserve in restricted funds.

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28. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	84,186	80,723
Between 1 and 5 years	21,223	63,884
Total	105,409	144,607

29. RELATED PARTY TRANSACTIONS

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

No related party transactions took place during the period of account.

30. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ended 31 August 2016 the Academy received £50,263 and disbursed £36,447 from the fund. An amount of £13,816 is included in other creditors relating to undistributed funds that is repayable to EFA.

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31. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2015 are given below.

RECONCILIATION OF TOTAL FUNDS	Notes	1 September 2014 £	31 August 2015 £
Total funds under previous UK GAAP		20,445,703	31,830,020
Total funds reported under FRS 102		<u>20,445,703</u>	<u>31,830,020</u>

Reconciliation of net income / (expenditure)	Notes	31 August 2015 £
Net income previously reported under UK GAAP		11,384,317
Change in recognition of LGPS interest cost	A	(25,000)
Net movement in funds reported under FRS 102		<u>11,359,317</u>

Explanation of changes to previously reported funds and net income/expenditure:

A Under previous UK GAAP the Trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £25,000 and increase the credit in other recognised gains and losses in the SoFA by an equivalent amount.