

Financial Statements
Salford Academy Trust
(A company limited by guarantee)

For the year ended 31 August 2017



Company No: 08115121 (England and Wales)

Charitable Company limited by guarantee exempt from registration

Charitable company information

Company registration number:

08115121

Registered office:

Frontier House
Merchants Quay
Salford
M50 3SR

Trust Directors

(charity trustees and directors of the company)

Director/ Trustee		Committee Membership	Representing
M Walsh (Chair)	Resigned 29 September 2017	Board, Audit	Salford City College
M Sheehan (Chair)	Appointed 3 October 2017	Board	Salford City College
T Kitchingman	Appointed 6 October 2017	Board, Audit	Salford City College
Kevin Rowlands (Chief Executive and Accounting Officer)	Appointed 5 January 2017		Salford Academy Trust
K Cash	Appointed 10 October 2015	Board, Audit	Salford City College
R J Cavanagh	Appointed 24 May 2015	Board	External Business
A J Humphrey	Resigned 12 September 2016	Board, Audit	External Business
W O'Donovan	Resigned 1 August 2017	Board	Salford City College
D Smith	Appointed 31 January 2017	Audit Committee	Salford City College
P S Renshaw	Resigned 16 May 2017	Board	External Business
C A Starbuck	Appointed 24 April 2014	Board	Salford City Council
D Wootton (Chief Executive and Accounting Officer)	Resigned 31 December 2016		Salford Academy Trust
P Ward	Appointed 8 March 2017	Board	The University of Salford

Charitable company information

Members

Salford City College Principal, Salford Trust Representative	John Spindler (until 31 June 2017)
Salford City College, Deputy Principal	Michael Walsh (until 29 September 2017)
Salford City College Principal, Salford Trust Representative	Michael Sheehan (from 3 October 2017)
LA Director of Children's Services and Adult Social Care	Charlotte Ramsden
Salford City College Head of Information Planning, Performer Support Leader	Luke Goodlet (from 6 October 2017)
Salford University Deputy Vice Chancellor	Professor Richard Stevenson (from 24 November 2017)

Senior management team

Accounting Officer	Kevin Rowlands (appointed 6 January 2017)
Accounting Officer	David Wotton (until 31 December 2016)
CFO	Gilda Kaseke (appointed 25 October 2016)
CFO	Laura Williams (until 25 October 2016)
The Albion Academy Principal	Karl MacKey (appointed 19 June 2017)
The Albion Academy Principal	Jenny Langley (until 31 March 2017)
Director of Education	Alison Cookson
Irlam and Cadishead College Principal	Maria Nightingale
Marlborough Road Academy Principal	Judith Richens
Dukesgate Academy Principal	Jane Garner

Company Secretary:

Gilda Kaseke (appointed 25 October 2016)

Company Secretary:

Laura Williams (until 25 October 2016)

Bankers:

Lloyds plc
53 King Street
Manchester
M3 3EB

Solicitors:

Browne Jacobson
Ground Floor
3 Piccadilly Place
Manchester
M1 3BN

Independent Auditor:

Mazars LLP, Manchester
Chartered Accountants and Statutory Auditor
One St Peter's Square
M2 3DE

Index

	PAGE
Trustees' Report	4
Governance Statement	11
Statement on Regularity, Propriety and Compliance	14
Statement of Trustees' Responsibilities	15
Independent Auditor's Report on the Financial Statements	16 - 18
Independent Reporting Accountant's Report on Regularity	19 - 20
Statement of Financial Activities (Including income and expenditure account)	21
Balance Sheet	22
Statement of Cash Flows	23
Statement of Accounting Policies	24 - 28
Other Notes To the Financial Statements	29 - 45

Trustees' Responsibilities

The trustees, who are also directors for the purposes of company law, present their report and the audited financial statements of Salford Academy Trust ('the Company', 'Charitable Company', 'Academy Trust' or 'the Trust') for the period 1 September 2016 to 31 August 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law. The Trust operates two primary academies and two secondary academies serving a catchment area in Salford. It has a pupil capacity of 2,533 pupils and had a roll of 2,019 pupils in the last school census.

Structure, Governance and Management

Constitution

Salford Academy Trust is a company limited by guarantee (No. 08115121) and an exempt charity in accordance with the Academies Act 2010. The charitable company was incorporated on 21 June 2012.

The fully transitioned operations of the Company's schools (The Albion Academy, Marlborough Road Academy and Dukesgate Academy) commenced on 1 September 2012 following a decision by the governing body and acceptance by the Secretary of State for Education that the schools become academies as of this date. As of the 1st July 2017 Irlam and Cadishead College converted to academy status and joined the Trust.

The trustees who served the trust during the period, and at the date of this report are shown in the table on page one.

The trustees listed above act as the trustees for the charitable activities of Salford Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Salford Academy Trust.

The schools have local boards of governors which comprise appointed authority governors, parent governors, staff governors and other appointed governors.

Members' liability

Every member of the Charitable Company undertakes to contribute to the assets of the Charitable 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 and to pay such amounts as may be required not exceeding £10 for the debt and liabilities contracted before he/she ceased to be a member. The Secretary of State for Education can direct the trustees of the Trust in certain circumstances where the quality of education is deemed unsatisfactory.

Trustees' indemnities

The Trust has purchased insurance to cover trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business.

Trustees' Report (continued)

Method of recruitment and appointment of directors

The Board of Directors may comprise of up to eight Sponsor Directors, appointed by the Sponsors (Salford City College, Salford City Council and the University of Salford), the Chief Executive Officer and two Parent Directors selected by the Parent members of the Local Governing Bodies if it was decided not to have parents as members of Local Governing Bodies.

In addition, the Secretary of State has, in exceptional circumstances, the power to appoint directors.

The term of office for any director is four years. Subject to eligibility, any retiring director may offer themselves for re-election or reappointment.

Policies and procedures adopted for the induction and training of directors

No formal policy has been adopted. Training requirements are discussed at directors' board meetings.

Organisational structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the funding agreements with the Department of Education. In addition to the trustees (see above), Local Governing Bodies have been appointed for each school within the Trust. These bodies offer local support and challenge to the Principal. The Board of Directors has appointed an Audit Committee.

The Audit Committee reports to the full Board of Directors on risk management and financial control related issues.

During the year under review the Directors held four meetings. The membership of the Board of Directors as at 31 August 2017 is set out in the Charitable Company Information section of this report.

The day to day running of the Trust is delegated by the trustees to management under the leadership of the Chief Executive, who is also the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

There is a Performance Management Policy for the Trust - Key Management Personnel pay and remuneration is set against this. This involves for Central Staff, the setting of appropriate stretch targets relating to key areas of performance and then progress is monitored against this in Line Management meetings with a review annually attended by the CEO. For Principals of Academies the process is similar but targets are agreed and reviewed by the CEO and Chair of the Local Governing Body the end of the year following the target setting and performance review of direct reports (therefore all targets feed in to each other and make sense). The CEO is Line Managed by the Chair of the SAT Board. When new appointments are made for Key Management Personnel, remuneration is benchmarked against similar roles with similar contexts in a national setting.

Connected organisations and related parties

The charitable company is sponsored by Salford City College ("The College") which has 75% control, along with Salford City Council and The University of Salford, with 12.5% each. The Trust benefits from representation of the sponsors as trustees on the Trust Board and on the Academy Local Governing Boards. The Sponsors support the activities of the Trust in many ways, educationally and informally. Individual Academies and the Trust have some SLAs with Salford City Council, provided at cost. From 1 July 2017, the Trust has a PFI contract with Salford City Council. Neither the Trust nor Academies have related party transactions with The University of Salford. The same is true for Salford City College, except for a rental agreement at cost with the College for office premises.

Trustees' Report (continued)

Objectives and Activities

Objects and aims

The Trust's object is for the public benefit, through the means of education, to ensure that the children we serve are safe, happy and successful.

Our vision is:

By always putting children first we will become a trust, shaped by our schools, linking with our partners to promote excellence and life-long learning within the communities that we serve.

It is our mission to do all that is necessary to ensure that every child within our care is safe, happy and successful.

- a) Through high quality learning opportunities and access to a broad and balanced curriculum in line with statutory guidance.
- b) Through educational provision in an environment which is driven and underpinned by the values of the trust. Providing the pastoral support and enrichment opportunities to help the children and young people that we serve to be safe, happy and successful."

The Charitable Company aims to provide a local collaboration for schools wishing to become Academies and drive improvements in education standards in the Salford area, with the help of the local community to forge long term relations with local business and further education establishments.

Our leadership will be characterised by the following behaviours:

Highly Visible: Be highly visible, promoting positivity and reinforcing high expectations and values.

Leading: the learning: Learning is our lifeblood and the first priority throughout the Trust. This includes creating a supportive environment which places learning for all at the heart.

Feedback: Feedback is central to the culture of the Trust to ensure reflection and support the development of excellent practice.

Celebrate: Actively promote opportunities to recognise excellence and celebrate success.

Relationships: We value relationships and will foster strong relationships with students, colleagues and parents alike.

Consistency: We strive for a consistency of standards and expectations and our integrity demands that we hold ourselves, our colleagues and our students to the same high standards.

Trustees' Report (continued)

Objectives, strategies and activities

The Trust's main objectives for the year ended 31 August 2017 were to:

1. Raise standards and improve educational outcomes across all Academies within the Trust.
2. Create within the Trust organisational capacity that challenges and supports existing Trust academies, gives additionality to Trust academies and builds a scalable organisation.
3. Build a positive reputation for the Trust, moving towards a position where our Academies are recognised for high standards and as an employer of choice.

The strategies to achieve this were:

- Embed the vision and mission across all SAT schools.
- Develop a clear and precise delegated framework of governance.
- Develop clear, Trust wide strategies for school improvement. This includes monitoring and evaluation, providing school to school support and utilising best practice to meet the individual needs of each academy and the wider priorities of the Trust.
- Develop the infrastructure to deliver improved provision and enhanced financial viability.
- Ensure all school systems are underpinned by an in built culture of high expectations.
- Challenge and innovate with an emphasis on driving improvements.
- Prioritise quality first teaching at all levels.
- Develop specific strategies to prioritise in eliminating the achievement gap for disadvantaged children and young people.

Public benefit

The Academy Trust directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The schools' catchment areas are as designated in the Admissions Policies and have not changed since obtaining academy status. School governors have reviewed the pupil admissions policies' and consider there to be no barriers to entry on the grounds of gender, ethnicity or family circumstances.

Strategic Report

Achievements and Performance

The Trust serves around 2,019 pupils and students across all sites with over 50% of students eligible for Free School Meals and/or Pupil Premium payments. A significantly high percentage of children come from areas of significant social challenge and the wards serving our schools are the most deprived in the City of Salford and feature highly in the IDACI indices of multiple deprivation.

In terms of performance, the Trust recognises that it is identified as 'high risk' by the Department for Education. This is largely based on the historic educational outcomes of The Albion Academy. In spring 2017, The Albion Academy was subject to a DFE review where there were serious weaknesses identified. In addition, it is recognised that the addition of Irlam and Cadishead College presents a further risk, as a school deemed by OFSTED to be 'inadequate'.

Marlborough Rd has historically been graded by OFSTED as being a 'Good' school with 'Outstanding' Leadership and Management. Despite this, educational outcomes are vulnerable and despite the context there is an expectation that this is addressed.

Trustees' Report (continued)

Dukesgate Academy has historically been graded by OFSTED as being a 'Good' school with 'Outstanding' Leadership and Management. This is further reinforced by outcomes in 2017, however there remains a recognition that some groups of pupils are underachieving.

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. The impact of the PFI contract has been assessed and adequate strategies are in place to mitigate medium term financial risk. Trustees do not believe that the PFI charges/commitments create a going concern issue for the 12 months from the date of signing the 2017 financial statements. For this reason the Trust 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 (Note 1 in the Financial Statements).

Financial Review

For the financial year ended 31 August 2017, financial performance has been analysed across the five distinct divisions of the Trust which are largely responsible for managing delegated budgets. These are: The Albion Academy, Dukesgate Academy, Marlborough Road Academy, Irlam and Cadishead College and Trust Executive.

In summary, total funds are £38.7m and net current assets are £1.1m. All schools within the Trust finished the year within budget expectations, and the Trust monitored each school budget closely.

The main source of income for the Trust is revenue grant funding for individual academies. Funding is based largely on pupil numbers, and the key risk moving forward is a reduction in the number of pupils at schools within the Trust.

Expenditure across the Trust is typical for the education sector with the main area of expenditure being staff costs of £7.9m.

The trustees' policy on reserves is to strike a balance between financial prudence and achieving the Trust's charitable objectives. It is acknowledged that available assets should remain at a financially secure level and that current year government funding is to meet the educational needs of current year pupils.

Reserves Policy

The level of reserves held at 31 August 2017 total £1.1m (excluding the fixed asset and pension liability reserves). The reserves will be allocated and spent as part of the Trust's plan to deliver its objectives and maintain its facilities and resources.

The deficit on the Local Government Pension Scheme (£2,209,000 at 31 August 2017) does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy Trust in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore considered to be no material impact on free reserves of the Academy Trust because of recognising the deficit.

Financial and Risk Management Objectives and Policies

The Trust has developed and implemented a new risk management procedure including a strategic risk register and the governors continue to undertake an assessment of the major risks to which the individual schools are exposed.

Trustees' Report (continued)

The Trust uses a variety of financial instruments, including cash and items such as trade debtors and trade creditors that arise directly from day to day activities. The main purpose of these financial instruments is to ensure liquidity for the Trust's operations.

Principal Risks and Uncertainties

The Schools have implemented a new Risk Management Policy which includes a risk register and the risk review process is undertaken at the Audit Committee Meetings. The objective is the measurement control and mitigation in order to manage risk, and the academies will be trained on implementing the new policy.

The principal risks are the loss of reputation through falling standards, specifically the Albion results which showed no improvement, leading to falling student numbers and failure to safeguard the students, and these risks are addressed below:

- Failure to make progress to achieve satisfactory Ofsted standards - the mitigation in place is that through the approved Trust Development Plan, the Trust has published its new vision and strategy with focus on school improvement. With two new Principals appointed to The Albion and Irlam and Cadishead College and with the promotion of the Principal of Marlborough Rd to the position of Director of Education, the Trust is building the leadership capacity required to safeguard the performance of the schools. The academies have embarked on strategies to attract more pupils through community engagement and marketing strategies within surrounding primary schools.
- Academy safeguarding issues are being addressed through a central function, with the CEO challenging the academies on minimising safeguarding risks.
- A revised scheme of delegation has been implemented, with new Chair of Governor meetings set up and the number of Board meetings increased from four to six to increase the level and frequency of scrutiny locally and centrally. Governance is triangulated, with rigor on school improvement.
- The PFI contract at Irlam and Cadishead College poses a risk if student numbers continue to fall, the school contribution towards the PFI charge will increase depleting the school in-year budget and reserves received from Salford City Council at conversion. The Trust is aggressively focused on raising the school profile with the community to drive student numbers up. Additionally the school improvement strategy is aimed at increasing results so as to attract more pupils year on year.

Investment Policy

At the moment all the Trust funds are held in the Trust bank account to maintain the Trust's liquidity as any investments would be for a fixed term period and would impact on the Trust's flexibility.

Plans for Future Periods

There are three core strategic objectives for the Salford Academy Trust:

1. To improve achievement, attainment and outcomes in trust academies; transforming learning and moving academies towards Outstanding.
2. To create an organisation, that challenges and supports Trust academies, gives additional value to Trust academies and builds a scalable organisation.
3. To create a climate to facilitate measured growth.

Trustees' Report (continued)

The Trust aims to create a learning centred organisation by:

- Improving achievement and progress to at least national Averages and to at least Good in the new Ofsted framework;
- Raising the quality of Learning and Teaching;
- Improving the effectiveness of Leadership at all levels, developing Senior Leaders, improving the capacity and capability of Middle Leaders and growing leadership capacity in the classroom;
- Creating systems that 'spot' talent and grow leadership capacity in Trust academies;
- Developing people within and throughout the Trust, creating a research organisation;
- Supporting a challenging curriculum that engages, inspires and develops aspiration within our communities;
- Placing quality at the heart of all we do;
- Developing a culture of collaboration and critical self-assessment throughout the Trust;
- Using finances creatively to achieve more rapid development in Trust academies, to balance budgets and achieve best value;
- Developing partnership arrangements which build collaboration with and between Trust academies and other schools in Salford, to strengthen further the mutual benefits of the sponsorship of Salford City College and Salford University; and
- Complying fully with statutory requirements.

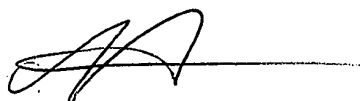
Auditor

Mazars LLP will be the Trust's external auditors for the financial year ended 31 August 2018.

This Trustees' Report and the Strategic Report therein was approved by order of the members of the board of directors on 30 January 2018 and signed on its behalf by:



Michael Sheehan
Chairman



Kevin Rowlands
Accounting Officer

Governance statement

Scope of Responsibility

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

The governing body has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the academy trust and the Secretary of State for Education. They are also responsible for reporting to the governing body 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. Albion Academy underwent a Governance review, which led the Trust to carry out an overall internal Governance review, carried out by BDO. The recommendations of this review have led to a revised scheme of delegation and improvements across the Board and LGB. The board of trustees' body has formally met four times during the year. Attendance during the year at meetings of the governing body was as follows:

Trustee	Meetings attended	Out of a possible
Kimberley Cash	3	4
Roy James Cavanagh	3	4
Andrew James Humphrey	N/A	N/A
Warren O'Donovan	3	4
Paul Stephen Renshaw	0	3
Catherine Ann Starbuck	4	4
David Wootton (Accounting officer, until 31 Dec 2016)	2	2
Michael Walsh (Chairman, until 29 September 2017)	4	4
Paul Ward (Appointed 8 March 2017)	2	2
Kevin Rowlands (Accounting Officer, appointed 5 Jan 2017)	2	2

The Audit Committee is a sub-committee of the main board of directors. Its purpose is to review the systems of internal control, and the Board has appointed an independent committee chair.

Attendance at meetings in the year was as follows:

Governance statement (continued)

	Meetings attended	Out of a possible
M Walsh (Temp Chair – Salford City College)	3	3
K Cash	3	4
D Smith (Appointed 31 Jan 2017)	2	2

Review of Value for Money

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

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

- A review of the supply of learning resources, with the Trust securing a deal to obtain 2.5% rebate on educational supplies and 50% discount on mainstream stationery items across all the academies.
- The Trust is implementing Arbor, an information system that will save 30% across the Trust, as Arbor replaces various standalone software packages and integrates staff and pupil data to provide streamlined reports.
- The Trust, through the use of a new software SAM (Staff Absence Management), is monitoring long term absences, and by monitoring trends and supporting staff, staff absence has reduced particularly at Dukesgate and Marlborough Road. The rigor in managing absences has led the Trust to save on Towergate insurance, as this is monitored in-house and contingences put in place.

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 Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Salford Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. BDO undertook an internal independent finance and IT audit, with moderate assurances given for both audits. The Trust also had a fixed asset verification exercise that gave assurance of the assets held by the Trust. There has been an independent VAT review aimed at ensuring compliance with HMRC thresholds, and the review illustrates the Trusts' compliancy to the thresholds.

Governance statement (continued)

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The 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 Audit Committee and reported to the full governing body;
- regular reviews by the Audit Committee of reports which indicate financial performance against forecasts, capital expenditure plans and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset and general expenditure purchase) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.


Review of Effectiveness

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

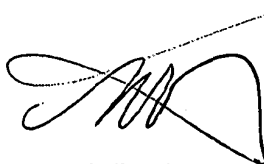
- Internal auditors, (BDO) have carried out work on the governance review, IT audit and finance audit to ensure an independent opinion was obtained and recommendations implemented to strengthen compliance and effectiveness.
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.
- The external auditor and the financial management employed by the Trust.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and together with the Audit Committee will address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust on 30 January 2018 and signed on its behalf by:



Michael Sheehan
Chairman



Kevin Rowlands
Accounting Officer

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Salford Academy Trust I have considered my responsibility to notify the Academy Trust board of directors and the Education Skills Funding Authority of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust governing body are able to identify any material irregularity or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

Other than the issues raised in the regularity report from the Reporting Accountant, no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. The issues raised will be actioned by the Trust in a timely fashion.



Kevin Rowlands
Accounting Officer
30 January 2018



Trustees' Responsibilities

The trustees (who are also directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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.

The trustees confirm that:

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

Approved by order of the members of the board of trustees on 30 January 2018 and signed on its behalf by:



Michael Sheehan
Chairman



Kevin Rowlands
Accounting Officer

Independent auditor's report to the Trustees of Salford Academy Trust

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

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its income and expenditure, for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent auditor's report to the Trustees of Salford Academy Trust (continued)

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report including the incorporated strategic report.

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

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

Independent auditor's report to the Trustees of Salford Academy Trust (continued)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


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

Auditor's responsibilities for the audit of the financial statements

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require us to comply with the Financial Reporting Council's Ethical Standard. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

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



Janine Fox (Senior Statutory Auditor)
For and on behalf of **Mazars LLP**
Chartered Accountants and Statutory Auditor
One St Peters Square
Manchester
M2 3DE

Date: 31 January 2018

Reporting Accountant's report to the Trustees of Salford Academy Trust

In accordance with the terms of our engagement letter dated 12th October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Salford Academy Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Salford Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Salford Academy Trust and the ESFA those matters we are required to state to it 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 Salford Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

A summary of the work we have undertaken is as follows:

- Planned our assurance procedures including identifying key risks;
- Carried out sample testing on controls;
- Carried out substantive testing including analytical review; and
- Concluded on procedures carried out.

Reporting Accountant's report to the Trustees of Salford Academy Trust

Conclusion

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

- A number of declaration of interest forms completed by trustees had interests omitted.
- The Trust did not have an up to date and accurate fixed asset register during the full period 1 September 2016 to 31 August 2017.
- There is evidence from the internal audit procedures performed during the period which suggests that the governance and risk management processes within the Trust requires strengthening.

Mazars LLP
Mazars LLP
Chartered Accountants
One St Peters Square
Manchester
M2 3DE

Date: 31 January 2018

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

	Notes	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	2017 Total £'000	2016 Total £'000
Income and endowments from:						
Donations and capital grants	2	-	133	122	255	344
Transfer from local authority on conversion	2, 25	264	(471)	25,311	25,104	-
Charitable activities:						
Funding for education operations	3	-	9,731	-	9,731	9,480
Other trading activities	4	235	255	-	490	524
Investments	5	-	1	-	1	1
Total income and endowments		499	9,649	25,433	35,581	10,349
Expenditure on:						
Raising funds		225	-	-	225	320
Charitable activities:						
Academy trust education operations		-	10,162	631	10,793	9,947
Impairment charge	12	-	-	3,041	3,041	-
Total	6	225	10,162	3,672	14,059	10,267
Net income / (expenditure)		274	(513)	21,761	21,522	82
Transfers between funds	15	-	(389)	389	-	-
Other recognised gains / (losses):						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	846	-	846	(960)
Net movement in funds		274	(56)	22,150	22,368	(878)
Reconciliation of funds						
Total funds brought forward	15	466	(1,750)	17,584	16,300	17,178
Total funds carried forward		740	(1,806)	39,734	38,668	16,300

All the above results are derived from continuing operations during the above two financial periods.

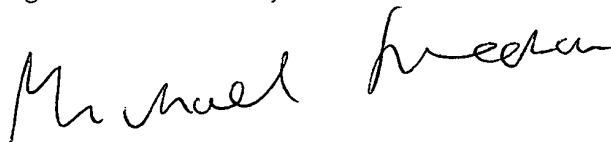
A separate Statement of Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

The accompanying notes on pages 24 to 44 form part of these financial statements.

Balance Sheet as at 31 August 2017

	Note	2017 £'000	2017 £'000	2016 £'000	2016 £'000
Fixed assets					
Tangible assets	12		39,734		17,584
Current assets					
Debtors	13	730		499	
Cash at bank and in hand		<u>1,031</u>		<u>1,321</u>	
		1,761		1,820	
Liabilities					
Creditors: amounts falling due within one year	14	<u>(618)</u>		<u>(760)</u>	
Net current assets			<u>1,143</u>		<u>1,060</u>
Total assets less current liabilities			40,877		18,644
Creditors: amounts falling due after more than one year			-		-
Net assets excluding pension liability			<u>40,877</u>		<u>18,644</u>
Defined benefit pension scheme liability	23		<u>(2,209)</u>		<u>(2,344)</u>
Total net assets			<u>38,668</u>		<u>16,300</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset fund	15	39,734		17,584	
Restricted income fund	15	403		594	
Pension reserve	15	<u>(2,209)</u>		<u>(2,344)</u>	
Total restricted funds			37,928		15,834
Unrestricted income funds	15		<u>740</u>		<u>466</u>
Total funds			<u>38,668</u>		<u>16,300</u>

The financial statements were approved by the Trustees and authorised for issue on 30 January 2018 and signed on their behalf by:



Michael Sheehan
Chairman



Kevin Rowlands
Accounting Officer

Statement of Cash flows for the year ended 31 August 2017

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash provided by operating activities	19	98	339
Cash flows (used in) investing activities	20	(388)	(119)
Cash flows from financing activities		-	-
Change in cash and cash equivalents in the period		<u>(290)</u>	<u>220</u>
Cash and cash equivalents at 1 September 2016		1,321	1,101
Cash and cash equivalents at 31 August 2017		<u>1,031</u>	<u>1,321</u>

Notes to the financial statements

1 Principal accounting policies

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

Basis of preparation

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

Salford Academy Trust meets the definition of a public benefit entity under FRS 102.

Going concern

The trustees have not identified any material uncertainties from their review that they consider will impact upon the ability of the Trust to operate as a going concern. Having considered the estimated future charges and commitments arising from the private finance initiative arrangement as detailed in note 18, the trustees consider there to be sufficient funds available for the Trust to operate as a going concern for at least 12 months from the date of signing these financial statements.

Income

All income is recognised when the Academy Trust has entitlement to the funds, probability of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and it is included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued. General Annual Grant is recognised in the period to which it relates as part of restricted general funds. Capital grants are recognised when receivable and are not deferred over the life of asset on which they are expended. Unspent amounts of capital grants are reflected in the balance of the restricted fixed asset fund.

Notes to the financial statements

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is probability of receipt.

Donations

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

Other income

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

Private finance initiative

Irlam and Cadishead College buildings were built under a private finance initiative ("PFI") agreement between Salford City Council and S&W TLP (Project Co One) dated 8 December 2009.

When the College converted to an academy on 1 July 2017, the agreement was legally amended to take account of the change in circumstances and the length of the agreement Salford City Council undertake to fund the payments under the PFI agreement. The proportion of the cost that relates to the operation and maintenance of the building is charged to Irlam and Cadishead College by Salford City Council half yearly.

The cost included in these financial statements for the period to 31 August 2017 is £280,808. This is included in the Statement of Financial Activities under academy's educational operations. Each year the payments are subject to an increase which is linked to the retail price index.

Salford City Council has also confirmed that the Private Finance Initiative liability remains with themselves and, therefore, the Trust has decided to treat the payments to Salford City Council in the period to 31 August 2017 as if they were made under an operating lease agreement on the grounds that these payments related entirely to operating and maintenance costs.

Donated goods, facilities and services

The value of donated services and gifts in kind provided to the academy trust is recognised as income at open market value in the period in which they are receivable, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under a relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over its useful economic life in accordance with the academy trust's policy.

Donated fixed assets

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

Notes to the financial statements

Expenditure

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Expenditure on raising funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

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

All expenditure is inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Long leasehold land and buildings	50 years
Furniture and equipment	10 years
Computers	3 years
Motor vehicles	5 years

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

Liabilities

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

Notes to the financial statements

Leased assets

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

Taxation

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

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on high quality corporate bonds 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 as part of staff costs are the current service costs and gains and losses on settlements and curtailments. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period till vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund accounting

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

Restricted fixed assets are resources which are to be applied to specific capital purposes imposed by the Education Skills Funding Agency and the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants received from the Education Skills Funding Agency and the Department for Education.

Notes to the financial statements

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates 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.

- Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss. Details of the impairment loss for 2017 are detailed in note 12.

- Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

- Irlam and Cadishead College PFI Contract Agreement

The Trust entered into the School Agreement with the Council in relation to the School on 1st July 2017. This dealt with the contributions (the "Relevant Proportion") to be made to the Council by the Trust in relation to the PFI arrangements - the amount calculated in accordance with Clause 19 of and Schedule 2 to the School Agreement. Clause 19 provided that the Trust must pay the Relevant Proportion from the Commencement Date of the School Agreement half yearly in arrears. Schedule 2 provides that the Relevant Proportion is £238,913, indexed annually in accordance with the Project Agreement. Schedule 2 also sets out the information which was used to calculate the Relevant Proportion sum and this comprises Basic Entitlement and Deprivation FSM (both based on pupil numbers as at October 2015) and a lump sum. Hence the future charges and commitments arising from the PFI arrangement are dependent on the RPI index.

Critical areas of judgement

- Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business. Long leasehold land and buildings are held at cost.

Notes to the financial statements

2 Donations and capital grants

	Unrestricted funds	Restricted funds	2017 Total	2016 Total
	£'000	£'000	£'000	£'000
Capital grants	-	122	122	341
Donated fixed assets	-	25,311	25,311	-
Other Donations	264	149	413	3
Pension (LGPS) Liability	-	(487)	(487)	-
	<u>264</u>	<u>25,095</u>	<u>25,359</u>	<u>344</u>

The 2016 balance relates to entirely restricted funds.

3 Funding for the Academy Trust's educational operations

	Unrestricted funds	Restricted funds	2017 Total	2016 Total
	£'000	£'000	£'000	£'000
DfE / ESFA grants				
General Annual Grant (GAG)	-	8,450	8,450	7,665
Start Up Grants	-	3	3	1
Other DfE / ESFA grants	-	984	984	1,338
	<u>-</u>	<u>9,437</u>	<u>9,437</u>	<u>9,004</u>
Other government grants				
Local authority grants	-	256	256	368
Other income from the academy trust's educational operations	<u>38</u>	<u>-</u>	<u>38</u>	<u>108</u>
Total funding	<u>38</u>	<u>9,693</u>	<u>9,731</u>	<u>9,480</u>

General annual grant funding allocated to restricted funds in 2017 is £8,450,000 (£7,665,000: 2016). Start up grants allocated to restricted funds in 2017 total £3,000 (£1,000: 2016). Other DfE/ESFA grants allocated to restricted funds is £984,000 in 2017 (£1,338,000: 2016). Local authority grants relate to entirely restricted funds for both 2017 and 2016. Other income from the academy trust's educational operations allocated to unrestricted funds in 2017 is £38,000 (£108,000: 2016).

Notes to the financial statements

4 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Hire of facilities	39	-	39	41
Other generated income	196	255	451	483
	<u>235</u>	<u>255</u>	<u>490</u>	<u>524</u>

Other generated income comprises of unrestricted funds of £196,000 in 2017 (£151,000: £2016), and restricted funds of £255,000 in 2017 (£332,000: 2016). The hire of facilities balance under unrestricted funds is £39,000 in 2017 (£41,000: 2016).

5 Investment income

	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Bank interest receivable	-	1	1	1
	<u>-</u>	<u>1</u>	<u>1</u>	<u>1</u>

Bank interest receivable recognised in restricted funds for 2016 was £1,000.

6 Analysis of total expenditure

	Staff costs £'000	Premises costs £'000	Non Pay Expenditure Other Costs £'000	2017 Total £'000	2016 Total £'000
Expenditure on raising funds	-	-	225	225	320
Academy's educational operations:					
• direct costs	6,420	253	4,491	11,164	7,141
• allocated support costs	1,454	396	820	2,670	2,806
	<u>7,874</u>	<u>649</u>	<u>5,536</u>	<u>14,059</u>	<u>10,267</u>

For 2016, expenditure comprises of £320,000 of unrestricted funds and £9,947,000 of restricted funds.

Notes to the financial statements

Analysis of total expenditure (continued)

Net income / (expenditure) for the year includes:

	2017 £'000	2016 £'000
Operating lease rentals	44	41
Depreciation	631	544
Impairment Charge	3,041	-
Fees payable to auditor for:		
• Audit	20	15
• Other Services	6	8

7 Analysis of expenditure

	2017 Total £'000	2016 Total £'000
Direct costs – educational operations	8,123	7,141
Support costs – educational operations	2,895	3,126
Impairment charge	3,041	-
	14,059	10,267

Analysis of support costs

	2017 £'000	2016 £'000
Support staff costs	1,454	1,124
Depreciation	33	27
Technology costs	146	31
Premises costs	396	636
Other support costs	820	1,285
Governance costs	46	23
Total support costs	2,895	3,126

Notes to the financial statements

8 Staff costs

Staff costs during the period were as follows:

	2017 £'000	2016 £'000
Wages and salaries	5,864	5,501
Social security costs	552	433
Apprenticeship levy	7	-
Other pension costs	1,130	884
	<u>7,553</u>	<u>6,818</u>
Supply teacher and temporary staff costs	321	297
	<u>7,874</u>	<u>7,115</u>

Staff Numbers

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

	2017 Number	2016 Number
Teachers	96	87
Administration and support	132	124
Management	6	7
	<u>234</u>	<u>218</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,000 to £70,000	4	4
£70,001 to £80,000	1	1
£80,001 to £90,000	1	-
£90,001 to £100,000	-	1
£100,001 to £110,000	1	1

One member of staff in the highest paid category is paid through Salford Academy Trust but recharged to Irlam and Cadishead College pre-conversion. This recharge continued post conversion (1 July 2017) to the end of the financial year 31 August 2017 when the member of staff resigned.

Key Management Personnel

The key management personnel of the academy trust comprise of the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £622,513 (2016: £396,000).

Notes to the financial statements

In addition to the above, the Accounting Officer who resigned on 31 December 2016, was not an employee of the Trust but was a member of Key Management Personnel received £31,722 (2016: £70,000) as disclosed in note 24.

9 Related Party Transactions – Trustees' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy Trust. The staff Governors only receive remuneration in respect of services they provide undertaking the roles as staff members under their contracts of employment, and not in respect of their services as a Governor. Other Governors did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Governors.

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

J Garner – Dukesgate Principal

- Remuneration £60,000 - £65,000 (2016: £55,000 - £60,000)
- Employer's pension contributions £10,000 - £15,000 (2016: £5,000 - £10,000)

Y Dolan – staff governor

- Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000)
- Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

E Belcher – staff governor

- Remuneration £15,000 - £20,000 (2016: £35,000 - £40,000)
- Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

C Fynan – staff governor

- Remuneration £25,000 - £30,000 (2016: £25,000 - £30,000)
- Employer's pension contributions £0 - £5,000 (2016: £0 - £5,000)

S Madden – staff governor (appointed Feb 2017)

- Remuneration £20,000 - £25,000
- Employer's pension contributions £0 - £5,000

A Cookson – Marlborough principal (till April 2017 – then Albion Exec Principal till June 2017)

- Remuneration £80,000 - £85,000 (2016: £70,000 - £75,000)
- Employer's pension contributions £10,000 - £15,000 (2016: £5,000 - £10,000)

K Mackey – Albion Principal (appointed June 2017)

- Remuneration £15,000 - £20,000
- Employer's pension contributions £0 - £5,000

J Richens – Marlborough Road Principal (appointed April 2017)

- Remuneration £25,000 - £30,000
- Employer's pension contributions £0 - £5,000

Notes to the financial statements

A Rogers – staff governor (on conversion July 2017)

- Remuneration £5,000 - £10,000
- Employer's pension contributions £0 - £5,000

M Nightingale – Irlam & Cadishead College

- Pre Conversion Remuneration recharged to school £90,000 - £95,000
- Pre Conversion Employer's pension contributions recharged £10,000 - £15,000
- Post Conversion Remuneration recharge continued (1 July 2017) £15,000 - £20,000
- Post Conversion Employer's pension contributions recharge continued (1 July 2017) £0 - £5,000

During the year, travel and subsistence payments totalling £1,209 (2016: £5,000) were reimbursed or paid directly to one governor.

Other related party transactions involving the Governors are set out within the related parties note.

10 Central Services

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

- Human resources
- Financial services
- Legal services
- Educational support services
- ICT support services
- Provision of insurance
- Administrative support

The Trust charges for these services on a flat percentage of income that is 5%, and the actual amounts charged during the year were as follows:

	2017	2016
	£'000	£'000
Albion Academy	223	225
Dukesgate Academy	50	51
Irlam and Cadishead College	40	-
Marlborough Road Academy	105	105
	<u>418</u>	<u>381</u>

Notes to the financial statements

11 Trustees' and officers' insurance

In accordance with normal commercial practice the academy trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on the academy trust's business. The insurance provides cover for up to £1,000,000 (2016: £1,000,000) on any one claim and the cost for the period ended 31 August 2017 was £250 (2016: £250). The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Leasehold Land & Buildings £'000	Furniture & Equipment £'000	Motor Vehicles £'000	Computer Equipment £'000	Total £'000
Cost					
At 1 September 2016	18,481	654	19	479	19,633
Donations on conversion	23,520	1,791	-	-	25,311
Additions	197	158	-	156	511
At 31 August 2017	42,198	2,603	19	635	45,455
Depreciation					
At 1 September 2016	1,353	217	15	464	2,049
Provided in the year	429	111	4	87	631
At 31 August 2017	1,782	328	19	551	2,680
Impairment					
At 1 September 2016	-	-	-	-	-
Provided in year	1,279	1,762	-	-	3,041
At 31 August 2017	1,279	1,762	-	-	3,041
Net book value					
At 31 August 2016	17,128	437	4	15	17,584
Net book value					
At 31 August 2017	39,137	513	-	84	39,734

Land and buildings include the land of Irlam and Cadishead College, valued at £1,427,000, which was donated to the Trust on 1 July 2017 upon the College's conversion into the Trust. The Irlam and Cadishead College building was also transferred from Salford City Council on 1 July 2017 at its net book value of £22,092,700 along with other fixed assets totalling £1,791,300 which consisted of furniture and equipment.

Notes to the financial statements

On 31 August 2017, the building was subject to a desktop valuation by an independent valuer (Eddisons). Based on this valuation of £20,740,000, an impairment charge of £1,279,057 has been recognised to bring the net book value of the building down to £20,740,000 as at 31 August 2017.

No reliable estimate of the value of the other fixed assets above as at 31 August 2017 was available. These assets have therefore been fully impaired to £nil value as at 31 August 2017.

13 Debtors

	2017 £'000	2016 £'000
Trade debtors	6	8
VAT recoverable	196	125
Prepayments	78	69
Accrued income	450	297
	<u>730</u>	<u>499</u>

14 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	158	177
Other creditors	49	103
Taxation and social security	157	133
Accruals and deferred income	254	347
	<u>618</u>	<u>760</u>

Deferred Income

	2017 £'000	2016 £'000
Deferred income at 1 September 2016	40	111
Released from previous years	(40)	(111)
Resources deferred in the year	49	40
Deferred income at 31 August 2017	<u>49</u>	<u>40</u>

Notes to the financial statements

15 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, Losses & Transfer £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	448	9,078	(9,118)	(389)	19
Start-Up Grant	-	3	(3)	-	-
Other grants	-	1,017	(740)	-	277
Other Activities	146	38	(77)	-	107
Pensions reserve	(2,344)	(487)	(224)	846	(2,209)
	<u>(1,750)</u>	<u>9,649</u>	<u>(10,162)</u>	<u>457</u>	<u>(1,806)</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	2,225	122	-	389	2,755
Capital expenditure from GAG	658	-	(631)	-	8
Impairment charge	-	-	(3,041)	-	(3,041)
Donated on conversion	14,701	25,311	-	-	40,012
	<u>17,584</u>	<u>25,433</u>	<u>(3,672)</u>	<u>389</u>	<u>39,734</u>
Total restricted funds	<u>15,834</u>	<u>35,082</u>	<u>(13,834)</u>	<u>846</u>	<u>37,928</u>
Unrestricted funds	<u>466</u>	<u>499</u>	<u>(225)</u>	<u>-</u>	<u>740</u>
Total funds	<u>16,300</u>	<u>35,581</u>	<u>(14,059)</u>	<u>846</u>	<u>38,668</u>

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

Transfers from restricted general funds to restricted fixed asset funds totalling £389,000 represents the GAG funding for capital expenditure.

Notes to the financial statements

Analysis of academies by fund balance

	Balance at 31 August 2017
	£'000
Albion Academy	288
Dukesgate Academy	(13)
Marlborough Road Academy	654
Irlam & Cadishead College	(90)
Central Services	304
Total before fixed assets and pension reserve	1,143
Restricted fixed asset fund	39,734
Pension reserve	(2,209)
	<u>38,668</u>

Dukesgate Academy is carrying a net deficit of £13k on these funds due to the Academy utilising GAG funding and historic reserves to make capital improvements to the Academy. The Trust was aware of the planned expenditure, and there are no planned capital works that will affect the Academy surplus in the following year.

Irlam and Cadishead College is carrying a net deficit of £90k due to the gap between GAG received for PFI charges and the PFI charges paid to Salford City Council. The Trust is focusing on improving the Ofsted judgement at the Academy in order to attract more pupils, which will result in increased funding and total income. The Trust is also heavily focused on community engagement, through an aggressive transition strategy to raise the profile of the Academy.

16 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted funds £'000	Restricted general funds £'000	Restricted fixed asset funds £'000	Total funds £'000
Tangible fixed assets	-	-	39,734	39,734
Current assets	740	1,021	-	1,761
Current liabilities	-	(618)	-	(618)
Pension scheme liability	-	(2,209)	-	(2,209)
Total	<u>740</u>	<u>(1,806)</u>	<u>39,734</u>	<u>38,668</u>

Notes to the financial statements

17 Capital commitments

Capital spend of £20,000 was contracted as at 31 August 2017 (2016: £nil), but not provided in the Financial Statements in respect of planned works.

18 Operating lease commitments

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

	2017 Land & buildings £'000	2017 Other £'000	2016 Land & buildings £'000	2016 Other £'000
Amounts due within one year	9	21	9	19
Amounts due within two and five years inclusive	-	14	-	22
	<u>9</u>	<u>35</u>	<u>9</u>	<u>41</u>

During the year ended 31 August 2017 the Private Finance Initiative ("PFI") property was transferred from Salford City Council to the school via donation. No liability has arisen as a result of this transaction as Salford City Council retained ultimate responsibility for the outstanding capital finance. However a financial commitment exists for the school in the form of PFI monthly charges to cover the service charge element of the unitary charge payable by Salford City Council. The commitment amounts to approximately £1,686,987 per annum over the next 19 years, of that the Trust's contribution is fixed at £238,913, subject to an increase which is linked to the retail price index. The PFI contributions are recognised in the Statement of Financial Activities.

19 Reconciliation of net income to net cash inflow from operating activities

	2017 £'000	2016 £'000
Net income / (expenditure)	21,522	82
Depreciation	631	544
Capital grants	(122)	(341)
Interest receivable	(1)	(1)
Defined benefit pension costs less contributions payable	174	80
Defined benefit pension net finance cost	50	48
(Increase)/decrease in debtors	(231)	101
(Decrease)/increase in creditors	(142)	(174)
Impairment charge	3,041	-
Donated fixed assets on conversion	(25,311)	-
Donated pension liability on conversion	487	-
	<u>98</u>	<u>339</u>
Net cash inflow from operating activities		

Notes to the financial statements

20 Cash flows from investing activities

	2017 £'000	2016 £'000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(511)	(461)
Capital grants from DfE/ESFA	122	341
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	(388)	(119)
	<hr/>	<hr/>

21 Contingent liabilities

If a capital asset acquired by the academy trust for market value using a capital grant made available to the academy trust by the Department for Education, is disposed of during the currency of the relevant funding agreement between the charitable company and the Secretary of State, the academy trust is required to repay to the Secretary of State the same proportion of the proceeds of the disposal as equates with the proportion of the agreed costs met by the Secretary of State, unless the Secretary of State agrees to all proceeds being retained by the academy trust for its charitable purposes.

22 Members' liability

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

23 Pension and similar obligations

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

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

Contributions amounting to £7,000 were payable to the schemes at 31 August 2017 (2016: £99,000) and are included within creditors.

Teachers' Pension Scheme (TPS)

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

Notes to the financial statements

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

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

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

The employer's pension costs paid to TPS in the period amounted to £527,000 (2016: £530,000).

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

Under the definitions set out in FSR 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 (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contributions made for the period ended 31 August 2017 was £374,000 (2016: £356,000), of which employer contributions totalled £246,000 (2016: £275,000) and employees' contributions totalled £88,000 (2016: £81,000). The agreed contribution rates for the future years are 16.9% per cent for employers and between 5.5% and 7.5% for employees, depending on salary.

Notes to the financial statements

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.

Pensions and similar obligations (continued)

The principal actuarial assumptions used by the actuaries at 31 August 2017 were as follows:

	2017 %	2016 %
Discount rate	2.5	2.0
Expected return on plans' assets	3.8	3.8
Rate of increase in pensions in payment	2.4	2.1
Rate of increase in salaries	3.2	3.4
Inflation assumption	3.4	3.1

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	26.2	26.6

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

	Fair value at 31 August 2017 £'000	Fair value at 31 August 2016 £'000
Equities	3,977	2,699
Bonds	872	637
Property	327	225
Cash	272	187
Total market value of assets	5,448	3,748

The actual return on scheme assets during the year was £815,000 (2016: £607,000).

Notes to the financial statements

Pensions and similar obligations (continued)

Amount recognised in the Statement of Financial Activities

	2017 £'000	2016 £'000
Current service costs	420	353
Net interest cost	50	48
Total operating charge	470	401

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

	2017 £'000	2016 £'000
Obligations at 1 September 2016	7,715	4,155
Current service cost	420	353
Interest cost	132	160
Actuarial (gains)/losses	(576)	1,455
Contributions by plan participants	71	80
Benefits paid	(105)	(111)
Closing at 31 August 2017	7,657	6,092

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

	2017 £'000	2016 £'000
At 1 September 2016	4,884	2,899
Expected return	82	112
Actuarial gains	270	495
Contributions by employer	246	273
Contributions by plan participant	71	80
Benefits paid	(105)	(111)
Closing at 31 August 2017	5,448	3,748

Notes to the financial statements

24 Related party transactions

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

The charitable company is sponsored by Salford City College ("The College") which has 75% control and The Salford City Council and the University of Salford with 12.5% each.

During the year, The College provided some financial services and governance functions. This amounted to £51,606 (2016: £31,180). At the year end, £nil (2016: £1,290) was owed to The College.

In addition, Salford City Council provides some Traded Services (including payroll) to the Trust. These services (which include the remittance of payroll deductions and on-costs) amounted to £2,126,789 (2016: £1,800,428) during the year in question. There were no related party transactions with the University of Salford. At the year end, £79,773 (2016: £44,700) was owed to Salford City Council. This has been disclosed within trade creditors.

Wootton Education Limited is a company which Mr D Wootton (a Salford Academy Trust Trustee, Chief Executive and Accounting Officer) is a Director and Shareholder. The Trust purchased consultancy services relating to the post of the now retired Chief Executive amounting to £31,722 (2016: £70,000). There was £nil outstanding at 31 August 2017 (2016: £2,000). In entering into the transaction, the Trust has complied with the requirements of the ESFA's Academies Financial Handbook.

25 Irlam and Cadishead College Conversion to an Academy Trust

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total £000
Tangible fixed assets				
Leasehold land and buildings	-	-	23,520	23,520
Other tangible fixed assets	-	-	1,791	1,791
Budget surplus/(deficit) on LA funds	264	16	-	280
LGPS pension surplus/(deficit)	-	(487)	-	(487)
Net assets/(liabilities)	264	(471)	25,311	25,104