Company Registration No. 10257544 (England and Wales)

GREATER MANCHESTER LEARNING TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

Haines Watts

Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

GREATER MANCHESTER LEARNING TRUST

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GREATER MANCHESTER LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Patrick Johnson Justin Kelly John McNerney Richard Pearce Suzannah Reeves Vicky Rosin
Trustees	Suzannah Reeves (Chair of trustees) Dave Bradford Carol Culley Simon Ferris (from 21 December 2016) Bushra Jamil Simon Keogh (from 5 July 2017) Tom McDonald Damian Owen (from 1 September 2017) Mary Powell Salim Uddin-Khandakar Mark Welsby Dominic Buckley (from 21 December 2016) Andrew Shakos (resigned 31 March 2017) Mark McElwee (from 3 April 2017 & resigned 31 August 2017)
Senior Leadership team	
Executive principal (GMLT)	Damian Owen (Accounting officer)
Principal (Parrs Wood High School)	Mark McElwee
Senior deputy principal	Claire Wright
Deputy principal	Mike Dore
Deputy principal	Ben Hill
Assistant principal	Emma Bryson
Assistant principal	Michelle Dean
Assistant principal	Andrew Langford
Assistant principal	Bernadette McGrath
Assistant principal	Emma Rainford
Assistant principal	Malcolm Waites
Associate assistant principal	Greg Fox
Associate assistant principal	Emma Foster
Business manager	Stephen Cooke
Company Name	Greater Manchester Learning Trust (GMLT)
Principal & registered office	Parrs Wood High School Wilmslow Road East Didsbury, M20 5PG
Company registration number	10257544
Independent auditor	Haines Watts, Bridge House, Ashley Road Hale, Altrincham, WA14 2UT
Bankers	Lloyds Bank, Market Street, Manchester, M1 1PW
Solicitors	Browne Jacobson LLP, Castle Meadow Road, Nottingham, NG2 1BJ

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 29 June 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The academy trust commenced operations as an academy from 1 September 2016 from which date the results shown in the financial accounts are reflected.

Greater Manchester Learning Trust (GMLT) currently operates one academy (Parrs Wood High School). The academy trust operates an academy for pupils aged 11-19 serving a catchment area in South Manchester including Didsbury, Withington, Burnage and Northenden. It has a pupil capacity of 2,010 and had a roll of 2,001 in the school census on 5 October 2017.

Structure, governance and management

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

The trustees of GMLT are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year are included in the reference and administrative details on page 1.

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

Trustees' indemnities
The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000.

Method of recruitment and appointment or election of trustees
This is clearly set out in the articles of association of GMLT on the school's website. The number of trustees shall not be less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. For year ended 31 August 2017 an ordinary resolution had determined that there should be 11 trustees, however, an ordinary resolution has, for year ended 31 August 2018, determined that trustees appointed would be not be less than nine and no more than thirteen trustees.

The members may appoint by ordinary resolution up to 7 trustees (this should include a minimum of 2 parent trustees in the event that no local governing bodies are established) NB. A local governing body has been established. The trustees may appoint co-opted trustees. A co-opted trustee means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees including the chief executive officer to the extent he or she is a trustee.

Policies and procedures adopted for the induction and training of trustees
The board of trustees requires a breadth of and depth of experience to carry out its duties effectively and efficiently when recruiting trustees, emphasis is placed on the skills and experience that a potential recruit may bring to the board. A skills analysis was carried out when the trust was originally set up to identify potential skills gaps.

Assessment is made by the chair of the board of trustees as to whether any specific training is required by any individual trustee. The programme of seminar sessions established for year ended 31 August 2018 is designed as part of the continuous development and training, in keeping up-to-date with academy related issues and topics of particular interest or relevance.

In addition, going forward, the trust plans to implement a formal induction pack for all trustees so that they have sufficient information relating to the trust and are fully clear on their role and responsibilities.

Organisational structure

The governance of the trust is defined in the memorandum and articles of association together with the funding agreement with the Department for Education.

Parrs Wood High School, as an academy, is now part of GMLT, which was established by the then governing body of Parrs Wood High School as a multi academy trust (MAT). This means that the trust is able to form formal partnerships with other educational providers should the members consider that it would be to the educational benefit of all learners within their care. The MAT currently consists of just one school (Parrs Wood High School).

The current GMLT governance structure includes members, trust board, local governing body, Standards Committee, Trust Finance Committee and Trust Risk and Audit Committee.

The members meet 2x/year, the trust board 5x/year (includes 1 development seminar), the Trust Risk & Audit Committee 4x/year, the Trust Finance Committee 4x/year, the local governing body 5x/year (includes 1development seminar) and the Standards Committee 4x/year.

A documented annual Business Cycle document is in place for GMLT for the 2017/18 academic year, which includes details of the matters for consideration at each of the oversight group meetings.

The primary responsibilities of the GMLT trust board are vision setting, development planning and progress monitoring, trust target setting and KPI's, trust growth developments against strategy, academic performance data for academies, support and intervention for academies, headteacher group meetings report, governor group meetings report, staff performance, headteacher performance, finance updates – trust and individual academies centralised services update and impact analysis and financial probity and value for money.

The committees of the trust board scrutinise the performance of the trust in greater detail in the key areas of finance, risk and audit and standards. The Finance and Risk and Audit Committees report directly to the trust board, whilst the Standards Committee reports in the first instance to the local governing body of Parrs Wood High School prior to the trust board.

An executive principal was appointed to GMLT at the start of the 2017/18 academic year, who will work with the trustees going forward to develop any potential merger or acquisition opportunities with a view to growing the MAT in the future.

The principal of Parrs Wood High School will continue to focus on all matters Parrs Wood, continuing to raise standards and reporting school issues and progress to the local governing body.

There is a Scheme of Delegation at the school which outlines roles and responsibilities with regard to audit, budgets and budgetary control, contracts, income security of assets, personnel, salaries and wages, accounts, information and communication systems, insurances and orders, receipt of goods and payments.

Arrangements for setting pay and remuneration of key management personnel

Executive principal/principal's pay

When determining the executive principal/principal's salary the board of trustees will take account of the responsibilities of the post, the background of the students and whether the post is difficult to fill.

The board of trustees shall determine the pay for the executive principal/principal when they propose to make a new appointment or at any time if they consider it necessary to retain an executive principal /principal, or if there has been a significant change in the responsibilities of executive principal/principal.

Leadership pay

The board of trustees, when setting the pay range for the senior leadership team ('Leaders)' will determine the pay range to be advertised and agree on a pay point. It should take into account the responsibilities of the post, the background of the students and whether the post is difficult to fill.

Details of how decisions will be made and what will be taken into account in setting or amending pay ranges are as follows:

The pay range may be determined as of 1 September, or at any time of the year to reflect any changes in the circumstances or job description that lead to a change in the basis for calculating their pay, or at any time if it is considered necessary to retain a leader. Such circumstances may include:

- When a leader becomes responsible for more than one school or academy as a permanent arrangement, consideration needs to be given to be given to the remuneration of leaders who, as a result of the executive principal/principal's role, are taking on additional responsibilities. An increase in remuneration should only be agreed where the post accrues additional extra responsibilities as a result of the executive principal/principal's expanded role; it is not automatic.
- Where the executive principal/principal takes on responsibility for extended services the relevant body has discretion to take account of the additional responsibility and accountability associated with the provision of extended services on their site when determining a leader's remuneration. An increase in remuneration should only be agreed where the post accrues extra responsibilities as a result of the executive principal/principal's enlarged role, it is not automatic.
- Leaders must demonstrate sustained high quality of performance in respect of academy leadership and management and pupil progress and will be subject to a review of performance against their performance objectives before any performance points will be awarded.

Annual pay progression within the range for these posts is not automatic and will be related to the individual's performance. Subject to performance the board of trustees will then consider whether to award one or two pay progression points. The circumstances in which two points may be awarded are outlined within the pay policy.

Related parties and other connected charities and organisations
The academy trust is not part of a wider network such as a soft federation. GMLT is not connected to, or related to, any other organisations as defined by the relevant Charities SORP. The members, trustees, senior staff and their families are regarded as related parties in accordance with the definition in the Charites SORP.

Objectives and activities

Objects and aims
GMLT's objects as set out in the governing document are:

- To advance for the public benefit education by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum.
- To promote the provision of facilities for recreation or other leisure time for the local community.

GMLT Mission and Values Statement

Our mission is to transform the lives of all those who study and work in our schools, through relationships which inspire confidence and aspiration; through experiences and opportunities which lead to future happiness and success.

The Greater Manchester Learning Trust is built around the core values of:

Community: "nurturing a community which works together providing mutual support and understanding"
Creativity: "having the confidence to imagine, explore and express ideas without fear or judgment"
Achievement: "fulfilling our individual and collective potential"

Those who work in our schools will embrace these values to improve academic and social outcomes for all students. GMLT schools have a duty to educate, develop and safeguard the students in their care as they would their own children, securing the highest quality educational experience for all.

GMLT schools will provide a learning experience to inspire a passion for knowledge and leadership. They will enable students of all backgrounds to acquire a belief that they have the potential to make a positive difference to their lives and to the lives of others. To this end our students will develop resilience, independence and the ability to work collaboratively with tolerance and respect, celebrating the diversity within our society.

Staff and governors within GMLT schools will ensure that educational outcomes and social development are strong and that there is an absolute commitment that no student will experience barriers to learning, nor a limit to their potential.

GMLT will develop educational and business partnerships to enrich the curriculum, provide opportunity and personal development and enhance students' learning experiences.

The environment of our schools will ensure that all students are safe, happy and successful. Our children will feel challenged, valued and supported so that they achieve their academic and social aspirations and secure their future in education, training and in their future working lives.

Objectives, strategies and activities for the year ended 31 August 2017
GMLT objectives:

- Appoint an executive principal to help grow the trust.
- Develop GMLT aims, vision and values.

School (Parrs Wood High School) objectives:
The following development points were taken directly from the most recent (December 2013) Ofsted Inspection Report. These remain an ongoing priority for improvement as there is a need to demonstrate, at the next inspection, that these areas are now fully embedded and consistent across the school.

What does the school need to do to improve further?

- Ensure all teaching is consistently good and increase the proportion that is outstanding.
- Ensure that all teachers use assessment information to plan work that challenges all students to make rapid progress in their learning.
- Ensure that teachers' marking is of consistently high quality, within and across subjects, that written comments provide advice to students on how to improve their work and that students are given time to act on such advice.
- Sharing the good practice that exists in effective questioning techniques, so that all students are provided with opportunities to deepen their understanding and develop their thinking skills.
- Promoting the development of numeracy skills across all subjects of the curriculum by all teachers.
- Continuing to raise achievement in the sixth form by ensuring that all students entering the sixth form embark on courses that are well matched to their personal aptitudes and interests.
- *Setting suitably challenging and aspirational targets for all students.*

In addition, School Improvement Priorities for 2016/17 also included FFTD Aspire 20% Targets (Projected top 20% of schools in the country):

- 65% of students achieving English and Maths combined.
- To achieve 0.35 Progress 8 measure.
- To attain 5.17 Attainment 8 measure.
- To close the attainment and progress gaps between Pupil Premium and non-PP cohorts.
- To close the attainment and progress gaps between SEN and non-SEN cohorts .
- To close the attainment and progress gaps between CLA and non-CLA.
- To continue to close the attainment and progress gaps for all cohorts.
- To attain 35% of the year 11 cohort achieving the English Baccalaureate.
- To achieve 96% whole school attendance. To achieve less than 8.5% Persistent Absenteeism i.e. less than 90% attendance.
- To reduce the total number of fixed-term external exclusions to below 100 days.
- Through continued professional development, support and challenge, to eradicate all teaching and learning provision that would not be recognised as 'at least Good'.
- To ensure that literacy development, numeracy development and differentiation by activity are at the core of teaching and learning provision development.
- To utilise our newly acquired multi academy trust status to further develop Parrs Wood High School as an outward-facing school building business and community links, and providing support for other schools.

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

Strategic report

Achievements and performance

Achievements & performance

Parrs Wood High School GCSE headlines:
- 69% of students with 'standard' passes of 4+ in English and Maths in 2016, Parrs Wood High School achieved 72% 5 A*-C incl English and Maths. This represents a slight dip, which we were expecting, but we held up well against the national deflation. Also, many remarks are pending, with some already with a higher grade.
- 45% at the new 'gold standard'/'strong passes' of 5+ passes in English and Maths.
- Almost 25% of our entries were awarded with an A*/A grade.

Of particular note were:

- 43 (15.3%) students who achieved 5 or more A*/A/9/8/7 grades.
- 35 (12.4%) students who achieved 6 or more A*/A/9/8/7 grades.
- 11 students who achieved straight A*/A/9/8/7 grades.
- 33 (4%) of our student entries who achieved the highest possible grade of 9 in English/Maths.
- 2 students who achieved 3 grade 9s.

English and Maths results:

	4+ (2016)	5+	A*/A	8/9
English & Maths L4 +	69%(72)	45 (48)	NA	NA
English Lang	72% (86)	58 %	17%	22
Eng Lit	75% (72)	57%	20%	34
English Best	82% (86)	65%	NA	NA
Maths	73% (75)	50%	21%	33

This shows that Parrs Wood High School has achieved very strong results in this key measure. Being 12-15% above local and national is what we would expect and this demonstrates the hard work of students and staff who were teaching these 100% exam courses. We are well above national in terms of all attainment measures; % gaining EBacc, Attainment 8 score and % gaining English and Maths at Grade 4 or above.

EBacc subjects:
To gain the 'Ebacc' students require at least a C grade in English, Double Science, Maths, History/Geography and a Language. 30% of our students gained the Ebacc standard. Below is a list of the subjects eligible for the award.

Qualification Name	A*-A %	A*-C %	Stu Count	Avg Grade
Ancient History	22.8	56.1	57	C-
Computer Sci	44.7	91.5	47	B
French GCSE	14.5	66	83	C+
French GCSE early entry year 9	These students entered early		41	
Geography	18.5	58.3	108	C-
German	21.1	84.2	19	B-
History	28.9	64.9	97	C
Italian	33.3	100	3	B
Maths Further	58.3	100	36	A- This measure does not count but prepares students for A-Level Maths
Persian	50	75	4	B-
Portuguese	0	50	2	C-
Science Add Dbl	13.5	72.2	230	C
Science Add Trip	68.1	100	47	A
Science Core Dbl	7.9	64	228	C
Science Core Trip	79.2	100	48	A
Science Fur Add	63.5	96.8	63	A-
Spanish	60.9	87	23	A-
Turkish	100	100	3	A+
Urdu	25.9	70.4	27	C+

The majority of subjects were better than national in terms of attainment but more importantly the EBacc subjects increased their A*-C % from 2016.

Gaps:

	9-4 All (280 pupils)	Female (118 pupils)	Male (162 pupils)	SEN (16 pupils)	PP (102 pupils)	EAL (125 pupils)
English	81.4%	88.1%	76.5%	25%	69.6%	85.6%
Maths	72.5%	75.4%	70.4%	18.8%	57.8%	72%
E&M	69%	73.7%	64.2%	12.5%	52%	67.2%
Prog 8	0.14					
Att 8	51.09	54.63	49.52	32.83	46.35	48.06
Avg Grade	C	C+	C-	E	D+	C

Progress 8 is the main Value Added measure which is used by the government and Ofsted to help judge school performance. Our provisional Progress 8 score is +0.17. This is an 'outstanding' score as both confident intervals are above 0.

Our P8 score for PP students was -0.15. However, if we remove 6 students, then our P8 PP score rises to 0.01.

This suggests that a small cohort of PP students, whose difficulties are known to us (these students did not attend lessons at Parrs Wood High School in year 11), must be a more significant focus this year.

- Gaps in English have grown this year from 4% to 27%. The impact of the removal of 40% coursework and the closed book nature of the new exams is evident here. In addition, the extracts for the English exam now contain very wordy Victorian non-fiction in Paper 2 and the teaching of independent reading, synthesis, and confidence are all areas of focus.
- The Gap in Maths has increased in terms of progress. However, if we compare 2015, more students are achieving Eng and Maths at 4+/C than in 2015. Although they are different measures, this suggests that the issue is around middle and higher ability pupils who should be aiming for higher grades.
- The new exams and the lack of coursework element and sitting exams that are significantly longer and more demanding have particularly impacted on outcomes for this cohort. PP students need further support to effectively revise the large amounts of information needed. At first glance, the gap has widened in terms of attainment.
- However, the actual Progress 8 gap has narrowed from 0.33 to 0.24.

A-Level

Grade percentages	PW 2017 cumulative	National 2017	PW 2016 cumulative	PW 2015 cumulative
A* 11%	11%	8.3%		
A 17%	28% (0%)	26.3%	28% (+7%)	21% (-5%)
B 19%	47% (-4%)	53.1%	51% (+9%)	42% (-5%)
C 19%	67% (-11%)	77.4%	77% (+6%)	71% (=)
D 20%	86%	92.0%		
E 10%	95% (-2%)	97.9%	97% (=)	97% (=)

Attainment:
Results at A-Level show that top grades A*-A remain high. Our A*-C results have dropped but this was expected due to the linear examinations.

Performance indicator	2017 prediction	2016	2015
Academic Value Added	-0.07^	+0.08	+0.12 (sig)*
Applied General Value Added		+0.34 (sig)	+0.02*

Value added:
Our Value Added is slightly negative – overall it is in line with expected progress. Due to our small size our Value Added can fluctuate if even a relatively small number of students underperform. The vast majority of students fulfilled their potential at year 13. However, a small number did underperform due to a variety of reasons.

- English and Maths progress (re-sits).
- Average progress in English: +0.67.
- Average progress in Maths: +0.38.

Retention
- 83% 2017, 220 in year 12 down to 184 in year 13.
- The majority of students who left moved to apprenticeships or started at a different college with a BTEC/vocational pathway that we do not support.
- Retention in year 2016 was 91% with a smaller cohort.

Destinations
- 87% of year 13 went to University.

Curriculum
Our curriculum is diverse. We have maintained the 4 AS approach and have retained the AS examinations in the vast majority of subjects. This ensures the students work hard in year 12 and avoids complacency. However, we need to ensure our assessment methods in year 13 revisits and tests this essential year 12 content.

Priorities/key performance indicators

Attendance
Overall attendance continues to be above national at 94.30% but it did drop from 2016. Our target this year is to achieve 95.4%.

Achievement priorities

- Progress score in Maths needs to be positive.
- High ability PP students need to improve outcomes.
- EBacc subjects as they have moved to the GCSEs.
- Ensure value added is positive in Sixth Form.

Our last inspection graded us at 'Good' in all areas. We have identified key priorities for the academic year 2017/18 in the various areas to achieve an outstanding judgement at our next inspection.

Personal development, behaviour & welfare	▪ To reduce the number of internal truants. ▪ Ensure the behavior of students around the site is as good as the behaviour in lessons. ▪ To ensure our attendance is at 95.4%. ▪ To reduce the number of students who are repeating time in our internal exclusion areas.
Teaching learning & assessment	▪ Embed in students the 'habits of excellence' in order to develop into resilient learners with a strong independent work ethic with a focus on work at home.
Leadership	▪ Develop our leadership succession planning to ensure we have developed the leadership capacity (especially middle leaders) to support our school and a growing trust. ▪ To ensure student leadership is used in a more pro-active way across school.
Overall effectiveness	▪ Achieving 'Outstanding' at the next inspection. ▪ To raise the profile of our school through a proactive marketing strategy. ▪ To improve the links with our local community including parents and local businesses. ▪ Grow the trust in a sustainable fashion whilst ensuring financial stability for Parrs Wood High School.

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

Financial review
GMLT anticipated a small revenue surplus of £17,000 at the start of the year ended 31 August 2017. There were regular financial reviews of income and expenditure versus planned budgets at Finance Committee meetings. GMLT's financial statements for the year ended 31 August 2017 showed a £89,000 deficit on the unrestricted funds.

GMLT continues to take the necessary steps to ensure it operates a balanced budget and responds where necessary to the changing educational landscape. Budget forecasting also projects a balanced overall budget for year ended 31 August 2019.

A Scheme of Delegation and Financial Handbook outline key roles and responsibilities around financial matters at the trust. The Finance Committee regularly scrutinises budget reports and provides challenge to ensure that an overall balanced budget is achieved.

The majority of GMLT's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

GMLT also receives grants for fixed assets from the ESFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015) such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

The academy trust has recognised its share of the Local Government Pension Scheme (LGPS), assets and liabilities in accordance with FRS102. A deficit of £2,217,000 has been recognised as at 31 August 2017. Future contribution rates are adjusted so as to reduce this deficit.

Reserves policy

The trustees believe that the minimum level of free reserves sufficient to carry forward is £350,000. However, this is an aspirational target. The actual level of free reserves as at 31 August 2017 was £nil. The academy has previously used some of its reserves for capital expenditure to facilitate building refurbishment, helping to secure the growth of its Sixth Form numbers and preserve its financial viability. It has also invested in buildings and facilities improvements to ensure appropriate health and safety. Whilst the school is maintaining a balanced budget there is recognition that current reserves are low and that higher reserves will help to further protect its activities by providing a financial comfort zone against an unpredictable environment and to make sufficient provision for capital procurement. They will also support the framework for future strategic planning and decision-making.

The unrestricted general funds have fallen into a deficit due to the academy trust inheriting Salix loans on conversion. The academy trust is operating in an overall in-year surplus position excluding the one-off recognition of items on conversion. The trustees are aware of this deficit and have a 3 year budget plan in place where it expects to return to a surplus position going forward. Funding for the 2017/18 academic year has been approved and there has been no Financial Notice to Improve received from the ESFA as at the date of the approval of the financial statements. The trustees consider the use of the going concern basis on which to prepare the accounts as appropriate.

Investment policy

The academy will look to invest any significant surplus funds it has in short term deposits which, whilst not generating substantial returns, do ensure that the academy can gain easy access to its funds and minimise its exposure to any losses.

Principal risks and uncertainties

GMLT has a designated Risk and Audit Committee who regularly reviews risks to the organisation. A risk register has been developed and independent internal auditors have been appointed who carry out an annual programme of internal audit work to provide assurance to the Risk and Audit Committee and ultimately the trust board that appropriate controls are in place to minimise risks.

The key risk to the organisation is seen to be financial risk due to real term reductions in funding and a new funding formula coupled with pay and other expenditure pressures. In addition, the school estate is significant and includes a Grade 2* listed building. There is also increased competition in the local area which could impact on pupil numbers and future funding.

The strategies in place to address this risk include a clear financial plan to reduce expenditure and increase income to maximise available funds whilst ensuring that teaching and learning at the school are not compromised. Other funding streams are and will continue to be utilised (Condition Improvement Fund, Salix) to support investment in the school estate. An effective marketing strategy will be further developed to ensure that pupils/parents continue to see GMLT/Parrs Wood High School as their 1st preference school.

Plans for future periods

GMLT has a strategy for partnership and initial growth. This includes:

- A strong secondary partner.
- One or more strong primary partners.
- A free school application through the local authority (LA) free school presumption process.
- In support of its growth, the Greater Manchester Learning Trust will seek status as a Teaching School Alliance.
- A plan to potentially grow pupil numbers further (including a 330 PAN across all year groups at Parrs Wood High School) is underway.

The following development points have been taken directly from the Parrs Wood High School's most recent (December 2013) Ofsted Inspection Report. The school has made significant progress in these areas, yet there is a need to demonstrate, at the next inspection, that these areas are now fully embedded and consistent across the school.

What does the school need to do to improve further?

- Ensure all teaching is consistently good and increase the proportion that is outstanding.
- Ensure that all teachers use assessment information to plan work that challenges all students to make rapid progress in their learning.
- Ensure that teachers' marking is of consistently high quality, within and across subjects, that written comments provide advice to students on how to improve their work and that students are given time to act on such advice.
- Sharing the good practice that exists in effective questioning techniques.
- Promoting the development of numeracy skills across all subjects of the curriculum by all teachers.
- Continuing to raise achievement in the sixth form by ensuring that all students entering the sixth form embark on courses that are well matched to their personal aptitudes and interests.

Area	Priority
Outcomes for pupils	▪ Close the gap in attainment and progress (PP and NPP pupils) measures whilst maintaining outcomes above the national expectations. ▪ Ensure we have positive outcomes for SEN students. ▪ Positive Progress 8 (0.25) and Positive L3 VA. ▪ At least 30% achieve English Baccalaureate. ▪ At least 70% of students achieve a minimum of a Grade 4 'a standard pass' in English and Maths. ▪ At least 50% of students achieve a minimum of a Grade 5 'a good pass' in English and Maths. ▪ To ensure we have a positive VA at year 13.
Personal development, behaviour & welfare	▪ To reduce the number of internal truants. ▪ Ensure the behaviour of students around the site is as good as the behaviour in lessons. ▪ To ensure our attendance is at 95.4%. ▪ To reduce the number of students who are repeating time in our internal exclusion areas.
Teaching learning & assessment	▪ Embed in students the 'habits of excellence' in order to develop into resilient learners with a strong independent work ethic with a focus on work at home.
Leadership	▪ Develop our leadership succession planning to ensure we have developed the leadership capacity (especially middle leaders) to support our school and a growing trust. ▪ To ensure student leadership is used in a more pro-active way across school.
Overall effectiveness	▪ Achieving 'Outstanding' at the next inspection. ▪ To raise the profile of our school through a proactive marketing strategy. ▪ To improve the links with our local community including parents and local businesses. ▪ Grow the Trust in a sustainable fashion whilst ensuring financial stability for Parrs Wood High school.

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2017 and signed on its behalf by:

....
Suzannah Reeves
Chair of trustees

GREATER MANCHESTER LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

For the year ended 31 August 2017, the board of trustees delegated the day-to-day responsibility to the principal, as accounting officer for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Greater Manchester Learning Trust and the Secretary of State for Education. They were also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control. Going forward for 2017/18 the board of trustees will delegate these responsibilities to the newly appointed executive principal of GMLT.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trust board	**Meetings**	**Out of possible**
Suzannah Reeves	8	8
Dave Bradford	7	8
Dominic Buckley (from 21 December 2016)	0	5
Carol Culley	4	8
Simon Ferris (from 21 December 2016)	5	5
Bushra Jamil	7	8
Simon Keogh (from 5 July 2017)	1	1
Tom McDonald	8	8
Mark McElwee (from 3 April 2017 & resigned 31 August 2017)	2	3
Mary Powell	7	8
Andy Shakos (resigned 31 March 2017)	4	5
Salim Uddin-Khandakar	7	8
Mark Welsby	6	8
Finance Committee		
Bushra Jamil	4	5
Suzannah Reeves	5	5
Salim Uddin-Khandakar	3	5
Andy Shakos (resigned 31 March 2017)	3	3
Carol Culley (at committee from 16 February 2017)	4	4
Simon Ferris (at committee from 16 February 2017)	4	4
Mark McElwee (at committee from 6 June 2017 & resigned 31 August 2017)	1	2
Simon Keogh (at committee from 5 July 2017)	1	1
Risk & Audit Committee		
Dave Bradford	2	2
Tom McDonald	2	2
Andy Shakos (resigned 31 March 2017)	2	2
Mark Welsby	2	2
Carol Culley	2	2

The key change in the composition of the board of trustees during the year has been the previous principal leaving at the end of March 2017 to move to a new position and the requirement to appoint a new principal. In addition, there has been the challenge to appoint a new executive principal to help develop and grow the trust. The new executive principal is in place as at 1 September 2017.

An internal audit (RSM) review of the trust's governance arrangements was carried out at the end of the 2016/17 academic year. This review was designed to assess the governance framework in place that supports the trust as it continues to grow in the future. This included consideration of roles and responsibilities and reporting and governance processes undertaken at the following oversight groups:

- Trust board;
- Local governing body;
- Standards Committee;
- Finance Committee; and
- Risk & Audit Committee.

As part of the audit a questionnaire was distributed to trustees and governors in order to obtain their opinions on the information that they receive.

The review confirmed that there was an established and appropriately designed framework in place to support the trust's current governance and oversight processes. It was also recognised that the governance structure may be subject to change going forward depending on the nature of any relationships established with other academies/trusts in the future.

A small number of issues were identified rated as either low or medium priority which have either already been addressed or will be addressed by December 2017 including:

- Trust board/committee terms of reference have been updated to reflect all the required information and reflect current responsibilities and operating practices.
- The 2017/18 Business Cycle document has been updated to reflect the relevant responsibilities for each of the different oversight groups.
- Clear recording of meeting actions and positive documented evidence that they have been addressed.
- The publishing on the trust's website of an annual governor and trustee meeting attendance report.
- The development of documented guidelines to support the role of the trust board and the governance committees regarding the oversight of due diligence processes for the potential acquisition of new academies by the trust.

The trust has assessed its position against Sir David Carter's Characteristics of Successful Multi Academy Trusts.

There are nine key areas against which we have assessed the trust after one year of its existence. A trust would be at the beginning stage and working towards the developing stage at this point.

At present the trust has evaluated its performance in these key areas as follows:

- Outcomes - Beginning, with additional strengths.
- Accountability Framework - Beginning, developing capacity.
- Quality Assurance System - Beginning and a focus for further development.
- Governance Framework - Beginning with ongoing development in place.
- Improvement Strategy - Beginning and a focus for further development.
- School-to-School support strategy - Beginning and a focus for further development.
- Risk Management - Beginning with key areas for focus.
- Succession Planning – Beginning.
- Local and National Influence – Beginning.
- Trust Growth Strategy - Beginning, in place.

From these the trust has established a development plan, with timeframes and criteria for success, which will be monitored throughout the year.

In addition, in line with new multi academy arrangements for assessing the performance of new multi academy trusts, the executive principal is arranging with representatives from the Department for Education to undertake a first review.

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

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

Improving educational outcomes for students:
The academy trust uses the Academy School Improvement Plan (SIP) to direct activity with a particular focus on outcomes in relation to student development, attainment and achievement. Each year, as part of the planning process, the staffing structure is reviewed to support this agenda, ensuring that staff are appropriately deployed and that the academy performs effectively. Leadership and management structures are annually designed to support key identified areas for improvement. Resources are targeted to ensure that students requiring additional support or challenge receive this. Every effort is made to ensure that initiatives and good practice throughout the academy drive standards. Where possible, this is a collaborative process so that costs are kept to a minimum.

The academy has invested resources into the purchase of a financial management information system and related software, moving from FMS to PS Financials. This has improved the monitoring and reporting of income and expenditure and cashflow. This allows us to suitably focus our efforts on supporting improved outcomes for our students, ensuring appropriate budgets are set and monitored accordingly.

Financial governance and oversight:
As a result of a risk review process the academy operates an internal audit service, as prescribed in the Academies Financial Handbook. The internal audit service, provided by RSM UK, undertakes a risk-based approach and considers the risk management, control and governance arrangements in place. This service provides the academy with a detailed process of review and evaluation in ensuring that arrangements for overseeing governance are in place and appropriate. The academy has assurance that the controls upon which the organisation relies are suitably designed, consistently applied and effective. The internal audit report is also received, reviewed and considered by the Audit Committee.

Demonstrating value for money and effective use of resources:
The academy's financial scheme of delegation is reviewed annually to ensure that limits set are appropriate with quotes/tenders sought to ensure value for money in all procurement.

As standard practice, for better purchasing, contracts entered into are continually reviewed to ensure that goods and services procured represent value for money. Every effort is made in negotiating contract terms and prices to ensure this. A significant cost saving was achieved this year, following a change to GMLT's insurance arrangements. The academy also works closely with a network of other Manchester schools and academies to achieve better purchasing power and the academy benchmarks financial performance against other academy trusts, where meaningful data is available.

Income generation:
The academy provides an offer to the community through the hire of its facilities. These community facilities are available evenings and weekends to maximise potential income. These community facilities will also continue to raise income in 2017/18 and we will look to continue to build upon this income generation potential.

Reviewing controls and managing risk to maximise use of resources and assets:
A system of monitoring monthly management accounts is in place, with detailed reports being received by the Finance Committee and the full board of trustees termly. The monthly accounts are scrutinised by the business manager to ensure that the necessary action is taken to address any variances arising which may affect the overall budget out-turn position.

The purpose of the system of internal control
The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Greater Manchester Learning Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

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

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided, with members approval:

- to appoint RSM as internal auditor.

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

- A review of the governance framework.
- A review of the financial controls around the general ledger, debtors and creditors.

There were no high priority recommendations resulting from these reviews and action plans have been developed to address the medium and low priority recommendations raised in these reports.

The schedule of audit work was not fully delivered due to time constraints and there is a third piece of work on the audit schedule for the year ended 31 August 2017 relating to a review of the effectiveness of the new financial system (PS Financials) which is being carried over to 2017/18.

A new schedule of work is being developed for year ended 31 August 2018.

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

- the work of the leadership and management team within the academy trust who has responsibility for the development and maintenance of the internal control framework;
- the financial management and governance self-assessment process;
- the work of the Finance and Risk and Audit committees;
- the work of the internal auditor; and
- the work of the external auditor.

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

Approved by order of the board of trustees on 6 December 2017 and signed on its behalf by:

....	....
Damian Owen	**Suzannah Reeves**
Accounting officer	**Chair of trustees**

GREATER MANCHESTER LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

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

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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

....

Damian Owen
Accounting officer

6 December 2017

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for Greater Manchester Learning Trust and are also the directors of Greater Manchester Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 6 December 2017 and signed on its behalf by:

....

Suzannah Reeves
Chair of trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATER MANCHESTER LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2017

Opinion

We have audited the accounts of Greater Manchester Learning Trust for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATER MANCHESTER LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

Haines Watts
....

Candice Beynon FCCA (Senior Statutory Auditor)
for and on behalf of
Haines Watts
Chartered Accountants
Statutory Auditor
Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Dated: 6/12/17...............

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GREATER MANCHESTER LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 25 October 2016 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 Greater Manchester Learning 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 Greater Manchester Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Greater Manchester Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Greater Manchester Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Greater Manchester Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Greater Manchester Learning Trust's funding agreement with the Secretary of State for Education dated 30 August 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

Haines Watts
....

Haines Watts
Reporting Accountant

Dated: ...6/12/17...........

GREATER MANCHESTER LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2017 £000
Income and endowments from:					
Donations and capital grants	**3**	-	5	214	219
Donations - transfer from local authority on conversion	**24**	271	(2,458)	41,603	39,416
Charitable activities:					
- Funding for educational operations	**4**	-	10,492	-	10,492
Other trading activities	**5**	531	-	-	531
Total income and endowments		802	8,039	41,817	50,658
Expenditure on:					
Charitable activities:					
- Educational operations	**7**	891	10,836	743	12,470
Total expenditure	**6**	891	10,836	743	12,470
Net income/(expenditure)		(89)	(2,797)	41,074	38,188
Transfers between funds		-	36	(36)	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	**17**	-	661	-	661
Net movement in funds		(89)	(2,100)	41,038	38,849
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		(89)	(2,100)	41,038	38,849

GREATER MANCHESTER LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £000	£000
Fixed assets			
Tangible assets	11		41,038
Current assets			
Debtors	12	290	
Cash at bank and in hand		316	
		606	
Current liabilities			
Creditors: amounts falling due within one year	13	(478)	
Net current assets			128
Total assets less current liabilities			41,166
Creditors: amounts falling due after more than one year	14		(100)
Net assets excluding pension liability			41,066
Defined benefit pension liability	17		(2,217)
Net assets			38,849
Funds of the academy trust:			
Restricted funds	15		
- Fixed asset funds			41,038
- Restricted income funds			117
- Pension reserve			(2,217)
Total restricted funds			38,938
Unrestricted income funds	15		(89)
Total funds			38,849

The accounts were approved by the board of trustees and authorised for issue on 6 December 2017 and are signed on its behalf by:

....

Suzannah Reeves
Chair of trustees

Company Number 10257544

GREATER MANCHESTER LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £000	£000
Cash flows from operating activities			
Net cash used in operating activities	**18**		(232)
Cash funds transferred on conversion			388
			156
Cash flows from investing activities			
Capital grants from DfE and ESFA		214	
Payments to acquire tangible fixed assets		(178)	
			36
Cash flows from financing activities			
Repayment of long term bank loan		124	
			124
Change in cash and cash equivalents in the reporting period			316
Cash and cash equivalents at 1 September 2016			-
Cash and cash equivalents at 31 August 2017			316

1 Accounting policies

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

1.1 Basis of preparation

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

Greater Manchester Learning Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from [name of predecessor school] to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in [(for net gain) Donations – transfer from local authority on conversion/ (for net loss) Charitable activities – transfer from local authority on conversion] in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. [Include specific details of nature and valuation of fixed assets including the allocation between land & buildings and other fixed assets, pension and other assets and liabilities transferred as appropriate]. Further details of the transaction are set out in note 24.

1.4 Income

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

<u>Grants receivable</u>

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

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

1 Accounting policies

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

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

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

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

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

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

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

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

1 Accounting policies

1.6 Tangible fixed assets and depreciation

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

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

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

Long leasehold property	50 years straight line
Leasehold improvements	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	5 years straight line

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

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

1.9 Financial instruments

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

<u>Financial assets</u>

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

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

<u>Financial liabilities</u>

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1 Accounting policies

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Disclose the key assumptions concerning the future, other key sources of estimation uncertainty at the reporting date, and the nature and carrying amount at the end of the reporting period of assets and liabilities. The main example that would apply to academy trusts is the estimates used in the valuing the local government pension scheme. As an example;

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 17, 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.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Capital grants	-	214	214
Other donations	-	5	5
	-	219	219

The income from donations and capital grants was £219,000 of which £5,000 was restricted general funds and £214,000 was restricted fixed assets.

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
DfE / ESFA grants			
General annual grant (GAG)	-	9,743	9,743
Start up grants	-	25	25
Other DfE / ESFA grants	-	580	580
	-	10,348	10,348
Other government grants			
Local authority grants	-	144	144
Total funding	-	10,492	10,492

The income from funding for educational operations was £10,492,000 of which £10,492,000 was restricted.

The academy trust received £144,000 from the local authority in the year, being £114,000 High Needs funding, £11,000 music services grant, £9,000 pupil premium, £8,000 expansion grant and £2,000 other income.

There were no unfulfilled conditions or other contingencies relating to grants in the year.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Hire of facilities	182	-	182
Catering income	299	-	299
Other income	50	-	50
	531	-	531

The income from other trading activities was £537,000 of which £537,000 was unrestricted.

6 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2017 £000
Academy's educational operations				
- Direct costs	6,590	668	630	7,888
- Allocated support costs	2,882	949	751	4,582
	9,472	1,617	1,381	12,470

Net income/(expenditure) for the year includes:	**2017 £000**
Fees payable to auditor for:	
- Audit	12
- Other services	3
Operating lease rentals	33
Depreciation of tangible fixed assets	743
Net interest on defined benefit pension liability	55

7 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000
Direct costs - educational operations	638	7,250	7,888
Support costs - educational operations	253	4,329	4,582
	891	11,579	12,470

Analysis of costs	**2017 £000**
Direct costs	
Teaching and educational support staff costs	6,538
Staff development	52
Depreciation and amortisation	668
Technology costs	72
Educational supplies and services	337
Examination fees	221
	7,888

7 Charitable activities

Support costs	**2017** **£000**
Support staff costs	2,882
Depreciation and amortisation	75
Maintenance of premises and equipment	297
Cleaning	246
Energy costs	135
Rent and rates	86
Insurance	19
Security and transport	114
Catering	253
Interest on defined benefit pension liability	55
Other support costs	404
Governance costs	16
	4,582

The expenditure on educational operations was £12,602,000 of which £891,000 was unrestricted, £10,836,000 was restricted general and £875,000 was restricted fixed assets.

8 Staff costs

	2017 **£000**
Wages and salaries	6,886
Social security costs	675
Operating costs of defined benefit pension schemes	1,494
Apprenticeship levy	10
Staff costs	9,065
Supply staff costs	346
Staff restructuring costs	9
Staff development and other staff costs	52
Total staff expenditure	9,472

Staff numbers

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

	2017 **Number**
Teachers	123
Administration and support	109
Management	13
	245

8 Staff costs

Higher paid staff

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

	2017 Number
£60,001 - £70,000	2
£70,001 - £80,000	3

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,198. Individually, the payments were: £5,198 and £4,000.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £989,000.

9 Trustees' remuneration and expenses

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

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

M McElwee (Principal and trustee)
Remuneration: £75,001 - £80,000
Employer's pension contributions: £10,001 - £15,000

A Shakos (Principal and trustee - resigned 31 March 2017)
Remuneration: £70,001 - £75,000
Employer's pension contributions: £10,001 - £15,000

During the year ended 31 August 2017, no travel and subsistence payments were reimbursed or paid directly to trustees.

10 Trustees and officers insurance

From 1 April 2017 the academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides unlimited cover. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

11 Tangible fixed assets

	Long leasehold property	Leasehold improvements	Computer equipment	Fixtures, fittings & equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2016	-	-	-	-	-	-
Transfer on conversion	41,290	149	40	124	-	41,603
Additions	-	13	49	34	82	178
At 31 August 2017	41,290	162	89	158	82	41,781
Depreciation						
At 1 September 2016	-	-	-	-	-	-
Charge for the year	694	3	15	31	-	743
At 31 August 2017	694	3	15	31	-	743
Net book value						
At 31 August 2017	40,596	159	74	127	82	41,038

12 Debtors

	2017
	£000
Trade debtors	33
VAT recoverable	48
Prepayments and accrued income	209
	290

13 Creditors: amounts falling due within one year

	2017
	£000
Government loans	24
Trade creditors	289
Accruals and deferred income	165
	478

14 Creditors: amounts falling due after more than one year

	2017
	£000
Government loans	100

14 Creditors: amounts falling due after more than one year

	2017
Analysis of loans	
Not wholly repayable within five years other than by instalments:	124
Less: included in current liabilities	(24)
Amounts included above	100
Instalments not due within five years	28
Loan maturity	
Debt due in one year or less	24
Due in more than one year but not more than two years	15
Due in more than two years but not more than five years	57
Due in more than five years	28
	124

15 Funds

	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds				
General Annual Grant	9,743	(9,684)	(59)	-
Start up grants	25	(25)	-	-
Other DfE / ESFA grants	580	(558)	-	22
Other government grants	144	(144)	-	-
Capital Improvement Funds grant	-	-	95	95
Other restricted funds	5	(5)	-	-
Funds excluding pensions	10,497	(10,416)	36	117
Pension reserve	(2,458)	(420)	661	(2,217)
	8,039	(10,836)	697	(2,100)
Restricted fixed asset funds				
Transferred on conversion	41,603	(731)	-	40,872
DfE / ESFA capital grants	214	(4)	(95)	115
Capital expenditure from GAG	-	(8)	59	51
	41,817	(743)	(36)	41,038
Total restricted funds	49,856	(11,579)	661	38,938
Unrestricted funds				
General funds	802	(891)	-	(89)
Total funds	50,658	(12,470)	661	38,849

15 Funds

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objectives of the academy.

Unrestricted funds are those funds to which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

The transfer from General Annual Grant restricted general fund to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

The £95,000 transfer from DfE/ESFA capital grant funds to Capital Improvements Funds is to carry forward the unspent CIF funding.

The unrestricted general funds have fallen into a deficit due to the academy trust inheriting Salix loans on conversion. The academy trust is operating in an overall in-year surplus position excluding the one-off recognition of items on conversion. The trustees are aware of this deficit and have a 3 year budget plan in place where it expects to return to a surplus position going forward. Funding for the 2017/18 academic year has been approved and there has been no Financial Notice to Improve received from the ESFA as at the date of the approval of the financial statements. The trustees consider the use of the going concern basis on which to prepare the accounts as appropriate.

16 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2017
	£000	£000	£000	£000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	41,038	41,038
Current assets	35	571	-	606
Creditors falling due within one year	(24)	(454)	-	(478)
Creditors falling due after one year	(100)	-	-	(100)
Defined benefit pension liability	-	(2,217)	-	(2,217)
	(89)	(2,100)	41,038	38,849

17 Pensions and similar obligations

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

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

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

17 Pensions and similar obligations

Teachers' Pension Scheme

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

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

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

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

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

The employer's pension costs paid to the TPS in the period amounted to £332,000.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are % for employers and between 5.5 and 12.5 per cent for employees.

17 Pensions and similar obligations

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 24) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	**2017 £000**
Employer's contributions	332
Employees' contributions	108
Total contributions	440

Principal actuarial assumptions	**2017 %**
Rate of increases in salaries	3.2
Rate of increase for pensions in payment	2.4
Discount rate	2.5

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

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

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity analysis **Changes in assumptions at 31 August 2017**	**Approximate % increase to employer liability**	**Approximate monetary amount (£000)**
0.5% decrease in Real Discount Rate	12%	863
0.5% increase in the Pension Increase Rate	9%	624
0.5% increase in the Salary Increase Rate	3%	220

17 Pensions and similar obligations

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

	2017 Fair value £000
Bonds	766
Equities	3,496
Cash	240
Property	287
Total market value of assets	4,789
Actual return on scheme assets - gain/(loss)	571

Amounts recognised in the statement of financial activities

	2017 £000
Current service cost	694
Past service cost	3
Interest income	(84)
Interest cost	139
Total operating charge	752

Changes in the present value of defined benefit obligations

	2017 £000
Obligations acquired on conversion	6,236
Current service cost	694
Interest cost	139
Employee contributions	108
Actuarial gain	(174)
Past service cost	3
At 31 August 2017	7,006

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

	2017 £000
Assets acquired on conversion	3,778
Interest income	84
Actuarial gain	487
Employer contributions	332
Employee contributions	108
At 31 August 2017	4,789

18 Reconciliation of net income to net cash flows from operating activities

	2017
	£000
Net income/(expenditure) for the reporting period	38,188
Adjusted for:	
Net deficit/(surplus) transferred on conversion	(39,416)
Capital grants from DfE/ESFA and other capital income	(214)
Defined benefit pension costs less contributions payable	365
Defined benefit pension net finance	55
Depreciation of tangible fixed assets	743
(Increase) in debtors	(290)
Increase in creditors	454
Stocks, debtors and creditors transferred on conversion	(117)
Net cash used in operating activities	(232)

19 Commitments under operating leases

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

	2017
	£000
Amounts due within one year	19
Amounts due in two and five years	38
	57

20 Capital commitments

	2017
	£000
Expenditure contracted for but not provided in the accounts	221

21 Related party transactions

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

During the period, services were procured from Manchester Health Academy Trust totalling £4,125. Trustee Mary Powell is a trustee of Manchester Health Academy. No amounts were owed by the academy trust at the year end. In entering into the transaction, the academy has complied with the requirements of the Academies Financial Handbook 2016. These transactions are considered to be at cost and are considered to be value for money for the academy trust.

During the period, services were procured from Manchester Schools Alliance totalling £3,625. John McNerney and former head teacher Andrew Shakos are both governors of Manchester Schools Alliance. No amounts were owed by the academy trust at the year end. In entering into the transaction, the academy has complied with the requirements of the Academies Financial Handbook 2016. These transactions are considered to be at cost and are considered to be value for money for the academy trust.

During the period, services were procured from Ashton on Mersey Teaching School Limited totalling £2,200. Former head teacher Andrew Shakos is a director of Ashton on Mersey Teaching School. No amounts were owed by the academy trust at the period end. In entering into the transaction, the academy has complied with the requirements of the Academies Financial Handbook 2016. These transactions are considered to be at cost and are considered to be value for money for the academy trust.

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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £22,141 and disbursed £22,141 from the fund in the period.

24 Conversion to an academy

On 1 September 2016 the Parrs Wood High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Greater Manchester Trust from the Manchester Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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

Net assets transferred:	**2017 £000**
Freehold land and buildings	41,603
Cash	388
LGPS pension surplus/(deficit)	(2,458)
Salix loan b/fwd	(117)
	39,416

	Unrestricted	**Restricted funds:**		**Total**
	Funds	**General**	**Fixed asset**	**2017**
Funds surplus/(deficit) transferred:	**£000**	**£000**	**£000**	**£000**
Fixed assets funds	-	-	41,603	41,603
LA budget funds	271	-	-	271
LGPS pension funds	-	(2,458)	-	(2,458)
	271	(2,458)	41,603	39,416

Land and buildings have been included at their net book value transferred from the local authority. The land remains under the local authority's ownership and the buildings are under a 125 year lease under which peppercorn rent is payable.