



Company Registration No. 08722556 (England and Wales)

FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



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FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr J Turnbull (Chairman)
Dr R J Westcott (Vice Chairman) (Resigned 9 October 2017)
Mrs H Morton (Resigned 9 October 2017)
Mrs R Stockham (Staff Governor) (Resigned 9 October 2017)
Mrs N Daniel (Parent Governor) (Resigned 16 March 2017)
Mr M Adams (Staff Governor) (Resigned 9 October 2017)
Mr G Kirkman
Mrs S Ijewsky (Head Teacher)
Miss M McCourtie (Appointed 22 June 2017 and resigned 9 October 2017)
Mrs A Curchin (Appointed 9 October 2017)
Mrs Lynda Morgan (Appointed 9 October 2017)
Mrs Sarah Payne (Appointed 9 October 2017)

Members

Dr R J Westcott (To 9 October 2017)
Mr J Turnbull
Mr G Kirkman (To 9 October 2017)

Mr R Lancaster (From 9 October 2017)
Mrs P Norton (From 9 October 2017)
Mr S Warwick (From 9 October 2017)
Mrs D Withers MBE (From 9 October 2017)

Senior management team

- Head Teacher	Mrs S Ijewsky
- Business Manager	Mrs C White
- Deputy Head Teacher	Mr M Adams
- Assistant Head Teacher	Mr D Gay
- Assistant Head Teacher	Mrs R Stockham
- Key Stage Leader	Mrs L Mitchell
- Key Stage Leader	Mrs Joan Lee

Company registration number

08722556 (England and Wales)

Registered office

Friars Close
Wellingborough
Northamptonshire
NN8 2LA

Independent auditor

Ellacotts LLP
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 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 operates an academy for pupils aged 11 to 18 serving a catchment area in Wellingborough. It has a pupil capacity of 145 and had a roll of 150 in the school census on 21 January 2017.

Since the August 2017 year end, the Academy Trust has changed its name from Friars Academy to Friars Multi Academy Trust in preparation for the opening of a second academy, Friars East Free School.

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 Governors are the trustees of Friars Multi Academy Trust (Formerly Friars Academy) and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Friars Multi Academy Trust. Details of the Governors 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.

Governors' indemnities

In accordance with article 5 of the charitable company's Articles of Association third party indemnity provision is in place with Zurich Municipal to the value of £2,000,000 for any one claim and in the aggregate in any one period.

Method of recruitment and appointment or election of Governors

In accordance with articles 48 and 49 of the charitable company's Articles of Association, the Academy Trust shall have the following Governors:

- Up to 8 Governors appointed for a fixed term period of 4 years from the date of appointment;
- The Head Teacher, being an ex officio member of the Governing Body;
- A minimum of 2 Parent Governors appointed by the Governing Body;
- Up to 2 additional Parent Governors; and
- Up to 2 Staff Governors elected to office or appointed if there are insufficient candidates offering themselves for election.

The Academy Trust may also have any Co-opted Governor appointed. Their fixed term maybe less than 4 years. Governors may be appointed by the Secretary of State if deemed fit.

Policies and procedures adopted for the induction and training of Governors

New Governors are issued with a handbook which includes terms of Reference for all the committees, a description of the role of a Governor and code of conduct. Governors will also receive a copy of the Academy Trust's Funding Agreement, the Articles of Association, timetable of meetings and copies of all policy documents. All Governors are issued with an Academy email address. It is recommended that new Governors attend training within 6 months of appointment.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

Organisational structure

The structure of Friars Academy consists of three senior levels:

- 1) The Governing Body
- 2) The Head Teacher
- 3) The Senior Leadership Team (SLT) which includes the Head Teacher, Deputy Head Teacher, Assistant Head Teachers, the Academy Business Manager and fixed term secondees as the SLT see fit.

The aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Governing Body is responsible for setting the Academy's policies and approving the annual budget and medium term plan, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of the students and personnel.

The Head Teacher and SLT control the Academy at an executive level, implementing the policies set by the Governing Body and reporting back to them.

The Governing Body has established a resource committee. The committee has its own terms of reference detailing the responsibilities discharged to the committee, to the Head Teacher (the Accounting Officer) and to the SLT. The terms of reference and meeting frequency for this committee is reviewed and approved by the Governing Body annually.

The sub-committee of the Governing Body is:

- Resources - remit of the committee is HR, Finance and Premises

All other areas are covered by link Governors:

- Teaching and Learning
- Safeguarding
- General policies

Arrangements for setting pay and remuneration of key management personnel

The Governors consider the Governors of the Academy and the Senior Leadership Team comprise the key management personnel of the Academy who are in charge of directing and controlling, running and operating the Academy on a day to day basis. The pay of the Senior Leadership Team is reviewed annually and where appropriate, increased in line with average earnings. The Academy benchmark the pay of the Senior Leadership Team against national pay scale levels and other schools. The Head Teacher and other staff governors who are part of the Senior Leadership Team only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as governors. The aggregate remuneration and benefits of those personnel for services to Friars Academy were £445,860 (2016: £434,569).

All other Governors give of their time freely and no other Governor apart from the Head Teacher and staff Governors received remuneration in the year. Details of Governors' expenses and related party transactions are disclosed in note 9 to the accounts.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

Related parties and other connected charities and organisations

The Academy has well established links with local businesses and other organisations as part of the Academy's work experience programme. We work with local charities including The Daylight Centre for the homeless and NC TLC and businesses - Ensafe who are our lead Enterprise adviser, TNT, Co-Op and Morrison's for example who provide work experience and support to enhance the provision for our students and to make mutually beneficial contributions to community cohesion. We also support, through our Enterprise work, a student Balemaul, to attend school in Northern Ethiopia.

The Academy has a parent organisation called the Friends of Friars. The organisation supports the academy in raising funds to support student outcomes.

Objectives and activities

Objects and aims

As set out in the Articles of Association the Academy's Trust's object is specifically restricted to the following:

- a) To advance for the public benefit education in the United Kingdom, in particular without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs offering a broad and balanced curriculum ("the Special Academy").
- b) To promote for the benefit of the inhabitants of Wellingborough and the surrounding area the provision of the facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social economic circumstances of for the public at large in the interests of social welfare and the object of improving the condition of life of the said inhabitants.

Our Curriculum objectives will strive to:

- 1) Give the students broad and balanced opportunities to enhance their learning skills and to develop their independence.
- 2) Give the students the tools to learn by underpinning the curriculum with SEAL and PSHCE to ensure readiness to learn.
- 3) Prepare the students for their next stages in the future.
- 4) At KS3 our model is very much a primary one with the majority of the students' time spent with a teacher who is also the form tutor. As the students' progress through the school to KS4, they move to a more specialised timetable with an increased number of staff members who are subject specialists, and additional challenges are offered as appropriate to each individual. Alongside this, we will intersperse 'theme weeks' and National events days which provide opportunities for creative project based learning.

Objectives, strategies and activities

- Ensure that progress data is secure and interventions are appropriately used in order to enhance the learning experience for all students;
- To focus on reading and writing across the curriculum;
- To enhance the creativity of the curriculum – through research and development;
- Enhance the good teaching practices across the Academy by establishing learning communities and links to other schools;
- Develop the student voice through Ambassadors, Anti bullying group and School council and prefects;
- Enhance links and communication with parents through 'Achievement for All' project, website, twitter and text and 'evening with' events;
- Develop school to school support and sustainable school growth through Teaching School's Alliance;
- Establish business links through the National Enterprise Advisers;
- Friars Academy to become a Multi Academy Trust; and
- Establish a Free school.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

Public benefit

The Governing Body have complied with their duty to have due regard to the guidance on public benefit in exercising their powers and duties as published by the Charity Commission. The key aim of the Governing Body is the advancement of non-selective secondary education through the provision of a broad curriculum, pastoral care and enrichment for the students at Friars Multi Academy Trust. The public benefit of this provision is identifiable in the educational attainment of our students as published on our website annually.

Education at Friars Academy is open to all young people from 11 to 18 in the Wellingborough and surrounding area regardless of race, gender, religion, sexual orientation, social class and ability.

Strategic report

Achievements and performance

Performance is very positive. It will be difficult to compare data going forward because of life without levels and a change of curriculum but the Academy shows good progress of individuals and cohorts.

Pupils supported by Pupil Premium at least match the progress of their peers.

Looked After Children outperform their expectation of progress.

The percentage of NEET students (Not in Education or Training) is significantly lower than County average.

Key performance indicators

The Governing Body has delegated financial management to the Finance and General Purposes Committee. The committee meets a minimum of 3 times per year to consider the school performance against budget, to approve the annual budget, to consider the medium term financial plan, to consider the external auditor quarterly reports, to consider financial developments, to oversee contracts and procurement and to review finance policies.

The key performance indicators are:

- Staff costs as a percentage of General Annual Grant (GAG) income;
- Monthly variances against budget;
- Revised outturn forecasts;
- Cash flow forecasts;
- Final outturn against projected outturn; and
- Restricted and unrestricted funds carried forward.

Going concern

After making appropriate enquiries, the Board of Governors 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 Governors 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.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

Financial review

The majority of the Academy's income was obtained from the Education and Skills Funding Agency (ESFA) in the form of the General Annual Grant, the use of which was restricted to particular purposes.

The grant received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the 12 months ended 31 August 2017, the net expenditure for the period was £117,152.

At 31 August 2017 the net book value of tangible assets was £2,475,002. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The Academy's non-teaching staff are entitled to membership of the Local Government Pension Scheme. The Academy's share of the Scheme assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance shows a net liability position of £883,000.

Reserves policy

The Governing Body has deemed that the appropriate level of cash reserves should enable the Academy to continue its rolling programme of improvements and in particular at least ensure that wages and salary expenses can be met in full on a monthly basis.

As at 31 August 2017 the Academy's level of free reserves (total funds less the amount held in fixed assets or other restricted funds) was £738,695 compared to £734,215 in 2016. The balance of restricted funds, which are not available for general purposes of the Academy amounted to £112,170 at 31 August 2017, compared to £138,852 in 2016.

Unrestricted funds have been set aside to achieve the Academy's future plans as detailed on page 8 whilst ensuring that sufficient balances remain in reserves to ensure the building continues to be well maintained and that wages and salary expenses can be met in full on a monthly basis.

Due to the accounting rules for the Local Government Pension Scheme under Financial Reporting Standard 102, the Academy is recognising a significant pension fund deficit at 31 August 2017 of £883,000 (2016: £1,177,000). This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The Academy is currently making payments of £125,000 per annum towards the deficit and it is envisaged that should this amount be increased it will be met from its budgeted annual income. The recognition of the deficit has no direct impact on the free reserves of the Academy trust.

Investment policy and powers

The Governors' Finance and General Purpose Committee aims to manage the cash balances of the Academy to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation:

- To ensure adequate cash balances are maintained in the current accounts to cover day-to-day working capital requirements;
- To minimise the risk of loss in the capital value of any cash funds invested;
- To protect, as far as possible, the capital value of any invested funds against inflation; and
- To optimise returns on any invested funds.

The Academy's Investment Policy is to invest surplus cash reserves with High Street banks with a high credit rating where the capital invested is guaranteed. Investment returns are market tested periodically to ensure that returns are maximised whilst safeguarding the funds invested.

Surpluses may be invested for periods of between 6 weeks and 3 years provided that funds can be withdrawn before the investment term albeit with an interest penalty. Investments are reviewed at least every 3 months by the Business Manager. The policy is reviewed every 2 years by the Finance and General Purpose Committee.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

Principal risks and uncertainties

The Academy maintains a Risk Register that identifies the major risks to which it is exposed, in particular those relating to Governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. The risk register is approved and monitored by the Finance and General Purpose Committee in consultation with the other Governing Body committees.

The principal risks facing the Academy are detailed below. The Governing Body has implemented a number of systems to assess and reduce risks that the Academy faces, especially in operational areas in relation to teaching, health and safety (including school trips), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the Academy site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as outlined in the Governance Statement.

The Governing Body assesses the principal risks facing the Academy as follows:

- 1) Annual financial commitments because of unpredictability of funding;
- 2) The Academy experiences intermittent failure of electronic communications;
- 3) The Academy loses expertise and knowledge through resignation of key staff or extended absence from post;
- 4) The Academy suffers loss of equipment due to burglary; and
- 5) The Academy suffers significant loss of reputation as a result of physical or emotional harm to a pupil.

Achievements for this period

- The Academy is continuing to take on a strategic lead role in the Teaching Schools Alliance.
- Increasing the use of new technologies within the classrooms to enhance learning, further developments planned.
- Developing the use of our outdoor spaces with particular emphasis on area for ASD students.
- Developing areas for additional needs, further developments planned.
- Maintaining and refurbishing the buildings effectively.
- Increase security around the building.
- Installation of lift for disabled access.
- Update equipment to meet increased level of students medical needs.
- Enhancing links with parents and local businesses including being part of the National Enterprise Advisers project.
- Furnish the extension to the Friary.
- Update the IT infrastructure.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

Plans for future periods

The Academy wishes to develop its capital plan in line with the Risk Management and Academy Development Plan. Projects next year will include:

- Continually increasing the use of new technologies across the Academy;
- Replacement of IT hardware on a rolling programme;
- Continue to update the IT infrastructure;
- Further development of outdoor spaces;
- Refurbishment of Sensory Studio;
- Refurbish Science Laboratory;
- Update female students shower room and toilet area;
- Updated KS3 toilet area;
- Install additional outside storage space;
- Install additional outside seating areas;
- Purchase of specialist equipment to enhance teaching and learning;
- Enhancing links with parents and local businesses;
- Continue to increase security throughout the building; and
- Maintain the building effectively.

Funds held as custodian trustee on behalf of others

The Academy does not hold any funds as Custodian Trustees on behalf of other Charities.

Auditor

In so far as the Governors are aware:

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

A resolution proposing that Ellacotts LLP be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on 7.12.17 and signed on its behalf by:

Mr J Turnbull
Chairman



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Head Teacher, 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 Friars Multi Academy Trust (Formerly Friars Academy) and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Board of Governors has formally met 6 times during the year. Attendance during the year at meetings of the Board of Governors was as follows:

Governors	Meetings attended	Out of possible
Mr J Turnbull (Chairman)	6	6
Dr R J Westcott (Vice Chairman) (Resigned 9 October 2017)	5	6
Mrs H Morton (Resigned 9 October 2017)	5	6
Mrs R Stockham (Staff Governor) (Resigned 9 October 2017)	5	6
Mrs N Daniel (Parent Governor) (Resigned 16 March 2017)	0	3
Mr M Adams (Staff Governor) (Resigned 9 October 2017)	6	6
Mr G Kirkman	4	6
Mrs S Ijewsky (Head Teacher)	6	6
Miss M McCourtie (Appointed 22 June 2017 and resigned 9 October 2017)	0	1
Mrs A Curchin (Appointed 9 October 2017)		
Mrs Lynda Morgan (Appointed 9 October 2017)		
Mrs Sarah Payne (Appointed 9 October 2017)		

Governors have evaluated their effectiveness this year and have retained the system of allocating responsibility according to the expertise and interests of individual governors. Reviews of the effectiveness of meetings and sub-committee meetings are also routinely carried out to identify any procedural changes that would be useful in running the business of Governors more effectively and efficiently. The use of one sub-committee with delegated responsibilities for finance, human resources and finance has allowed the Governing Body to retain its strategic focus. The governors have streamlined their system of developing and approving policies. Governors have completed their annual skills audit and have identified a gap for a governor with a legal background and expertise. They are actively recruiting such a person but will continue to buy in legal services when required. The governors have also reviewed and refined their process of school visits and reporting back to Governor's meetings which has resulted in improved information and assurance flows.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

The Finance and General Purpose Committee is a sub-committee of the main Board of Governors. Its purpose is to advise the Governing Body on all matters relating to the financial and estates management of the Academy including Health & Safety.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr J Turnbull (Chairman)	3	3
Dr R J Westcott (Vice Chairman) (Resigned 9 October 2017)	2	3
Mrs H Morton (Resigned 9 October 2017)	2	3
Mrs S Ijewsky (Head Teacher)	3	3

Review of value for money

As accounting officer the Head Teacher 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 Governors 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 obtaining a credit card facility enabling the academy to purchase goods online at a more competitive price whilst ensuring the security of the purchase.

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 Friars Multi Academy Trust (Formerly Friars Academy) 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 Governors 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 Governors 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 Governors.

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 Governors;
- regular reviews by the Finance and General Purpose 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.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

The Board of Governors has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However, the Governors have appointed Ellacotts LLP, the external auditor, to perform additional checks.

The external auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a quarterly basis, the external auditor reports to the Board of Governors through the Finance and General Purpose Committee/Executive Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

On a quarterly basis, the auditor reports to the Board of Governors through the Finance and General Purpose Committee/Executive Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Board of Governors.

The external auditor has delivered their schedule of work as planned. No material control issues arose as a result of the external auditor's work.

Review of effectiveness

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

- the additional program of work performed by the external auditor; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the Board of Governors on 31/2/17 and signed on its behalf by:

Mr J Turnbull
Chairman



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Friars Multi Academy Trust (Formerly Friars Academy) I have considered my responsibility to notify the Academy Trust Board of Governors 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 Governors 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 Governors and ESFA.

Mrs S Ijewsky
Accounting Officer



7.12.17



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as trustees for Friars Multi Academy Trust (Formerly Friars Academy) and are also the directors of Friars Multi Academy Trust (Formerly Friars Academy) for the purposes of company law) are responsible for preparing the Governors' 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 Governors to prepare accounts for each financial year. Under company law the Governors 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 Governors 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 Governors 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 Governors 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 Governors 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 Governors on7/12/17..... and signed on its behalf by:



Mr J Turnbull
Chairman



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

Opinion

We have audited the accounts of Friars Multi Academy Trust (Formerly Friars Academy) 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.

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.

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 Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors 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 Governors 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.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY) (CONTINUED)

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 Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' 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 Governors' 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 Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors 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 Governors 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 Governors 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 Governors 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.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY) (CONTINUED)

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.

Ellacotts LLP

Charlotte Houghton BSc ACA (Senior Statutory Auditor)
for and on behalf of Ellacotts LLP

**Chartered Accountants &
Statutory Auditor**
Countrywide House
23 West Bar
Banbury
Oxfordshire
OX16 9SA
England

Dated: *14/12/17*



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY) AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 June 2014 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 Friars Multi Academy Trust (Formerly Friars Academy) 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 Friars Multi Academy Trust (Formerly Friars Academy) and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Friars Multi Academy Trust (Formerly Friars Academy) 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 Friars Multi Academy Trust (Formerly Friars Academy) and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Friars Multi Academy Trust (Formerly Friars Academy)'s accounting officer and the reporting accountant

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

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



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY) AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

Ellacotts WP

Reporting Accountant

Ellacotts LLP

Chartered Accountants & Business Advisers

Countrywide House

23 West Bar

Banbury

Oxfordshire

OX16 9SA

England

Dated: *17/12/17*



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	3	890	356	8,826	10,072	11,375
Charitable activities:						
- Funding for educational operations	4	-	2,628,973	-	2,628,973	2,560,763
Other trading activities	5	2,040	71,784	-	73,824	117,971
Investments	6	1,550	-	-	1,550	1,053
Total income and endowments		<u>4,480</u>	<u>2,701,113</u>	<u>8,826</u>	<u>2,714,419</u>	<u>2,691,162</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	-	2,653,411	178,160	2,831,571	2,694,008
Total expenditure	7	<u>-</u>	<u>2,653,411</u>	<u>178,160</u>	<u>2,831,571</u>	<u>2,694,008</u>
Net income/(expenditure)		4,480	47,702	(169,334)	(117,152)	(2,846)
Transfers between funds		-	(154,384)	154,384	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	18	-	374,000	-	374,000	(364,000)
Net movement in funds		4,480	267,318	(14,950)	256,848	(366,846)
Reconciliation of funds						
Total funds brought forward		734,215	(1,038,148)	2,489,952	2,186,019	2,552,865
Total funds carried forward		<u>738,695</u>	<u>(770,830)</u>	<u>2,475,002</u>	<u>2,442,867</u>	<u>2,186,019</u>



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£	£	£	£
Income and endowments from:					
Donations and capital grants	3	1,633	949	8,793	11,375
Charitable activities:					
- Funding for educational operations	4	-	2,560,763	-	2,560,763
Other trading activities	5	2,854	115,117	-	117,971
Investments	6	1,053	-	-	1,053
Total income and endowments		<u>5,540</u>	<u>2,676,829</u>	<u>8,793</u>	<u>2,691,162</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	-	2,549,851	144,157	2,694,008
Total expenditure	7	<u>-</u>	<u>2,549,851</u>	<u>144,157</u>	<u>2,694,008</u>
Net income/(expenditure)		5,540	126,978	(135,364)	(2,846)
Transfers between funds		-	(145,233)	145,233	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	18	-	(364,000)	-	(364,000)
Net movement in funds		5,540	(382,255)	9,869	(366,846)
Reconciliation of funds					
Total funds brought forward		728,675	(655,893)	2,480,083	2,552,865
Total funds carried forward		<u>734,215</u>	<u>(1,038,148)</u>	<u>2,489,952</u>	<u>2,186,019</u>




FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

BALANCE SHEET AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	12		2,475,002		2,481,228
Current assets					
Debtors	13	128,135		141,449	
Cash at bank and in hand		1,017,172		960,241	
		<u>1,145,307</u>		<u>1,101,690</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	<u>(294,442)</u>		<u>(219,899)</u>	
Net current assets			850,865		881,791
Net assets excluding pension liability			3,325,867		3,363,019
Defined benefit pension liability	18		<u>(883,000)</u>		<u>(1,177,000)</u>
Net assets			<u>2,442,867</u>		<u>2,186,019</u>
Funds of the Academy Trust:					
Restricted funds	16				
- Fixed asset funds			2,475,002		2,489,952
- Restricted income funds			112,170		138,852
- Pension reserve			<u>(883,000)</u>		<u>(1,177,000)</u>
Total restricted funds			1,704,172		1,451,804
Unrestricted income funds	16		<u>738,695</u>		<u>734,215</u>
Total funds			<u>2,442,867</u>		<u>2,186,019</u>

The accounts set out on pages 19 to 41 were approved by the Board of Governors and authorised for issue on 21.12.17 and are signed on its behalf by:


.....
Mr J Turnbull
Chairman

Company Number 08722556



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	19		218,632		102,778
Cash flows from investing activities					
Dividends, interest and rents from investments		1,550		1,053	
Capital funding from sponsors and others		8,826		8,793	
Payments to acquire tangible fixed assets		(171,934)		(154,026)	
			(161,558)		(144,180)
Cash flows from financing activities					
Finance costs		(143)		(32)	
			(143)		(32)
Change in cash and cash equivalents in the reporting period					
			56,931		(41,434)
Cash and cash equivalents at 1 September 2016					
			960,241		1,001,675
Cash and cash equivalents at 31 August 2017					
			1,017,172		960,241



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Friars Multi Academy Trust (Formerly Friars Academy) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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.

Friars Multi Academy Trust (Formerly Friars Academy) meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Governors 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 Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

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

Grants receivable

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

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

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

Sponsorship income

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



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management, Governors' meetings and reimbursed expenses.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. 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:

Land and buildings	50 years straight line
Computer equipment	3 years straight line
Fixtures, fittings & equipment	10 years straight line
Motor vehicles	12 years straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of fixed assets 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.

1.6 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.

1.7 Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.8 Leasing and hire purchase commitments

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



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.9 Financial instruments

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

Financial assets

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

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

Financial liabilities

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

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

1.10 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 18, 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.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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 Governors.

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

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

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 18, 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.

Critical areas of judgement

Useful lives of fixed assets - depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the Academy's accounting policies. Useful lives are regularly reviewed and should they shorten, then depreciation charges would increase in the financial statements and the carrying amounts of the fixed assets would reduce accordingly.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Private sponsorship	-	356	356	949
Capital grants	-	8,826	8,826	8,793
Other donations	890	-	890	1,633
	<u>890</u>	<u>9,182</u>	<u>10,072</u>	<u>11,375</u>

In 2016, of the total income from donations and capital grants, £1,633 was to unrestricted funds, £949 was to restricted funds and £8,793 was to restricted fixed asset funds.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,628,973	2,628,973	2,560,763
	<u>-</u>	<u>2,628,973</u>	<u>2,628,973</u>	<u>2,560,763</u>
Total funding	<u>-</u>	<u>2,628,973</u>	<u>2,628,973</u>	<u>2,560,763</u>

In 2016, of the total income for the Academy Trust's educational operations, £Nil was to unrestricted funds and £2,560,763 was to restricted funds.

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities/lettings	2,040	-	2,040	2,854
Parental contributions to student visits and events	-	2,284	2,284	4,326
Other income	-	69,500	69,500	110,791
	<u>2,040</u>	<u>71,784</u>	<u>73,824</u>	<u>117,971</u>

In 2016, of the total income from other trading activities, £2,854 was to unrestricted funds and £115,117 was to restricted funds.

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	1,550	-	1,550	1,053
	<u>1,550</u>	<u>-</u>	<u>1,550</u>	<u>1,053</u>

In 2016, of the total investment income, £1,053 was to unrestricted funds and £Nil was to restricted funds.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure	Non pay expenditure			Total 2017 £	Total 2016 £
	Staff costs £	Premises & equipment £	Other costs £		
Academy's educational operations					
- Direct costs	1,953,122	142,528	77,795	2,173,445	2,067,750
- Allocated support costs	287,521	68,964	301,641	658,126	626,258
	<u>2,240,643</u>	<u>211,492</u>	<u>379,436</u>	<u>2,831,571</u>	<u>2,694,008</u>
Total expenditure	<u>2,240,643</u>	<u>211,492</u>	<u>379,436</u>	<u>2,831,571</u>	<u>2,694,008</u>

In 2017, of the total expenditure, £Nil (2016: £Nil) was to unrestricted funds and £2,831,571 (2016: £2,694,008) was to restricted funds.

Net income/(expenditure) for the year includes:	2017 £	2016 £
Fees payable to auditor for:		
- Audit	4,750	4,750
- Other services	2,350	2,350
Operating lease rentals	20,829	20,067
Depreciation of tangible fixed assets	178,160	144,157
	<u>185,989</u>	<u>171,324</u>

8 Charitable activities	2017 £	2016 £
All from restricted funds:		
Direct costs - educational operations	2,173,445	2,067,750
Support costs - educational operations	658,126	626,258
	<u>2,831,571</u>	<u>2,694,008</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	287,521	254,353
Depreciation and amortisation	35,632	28,831
Technology costs	18,515	12,668
Premises costs	116,041	64,118
Other support costs	108,243	119,547
Governance costs	92,174	146,741
	<u>658,126</u>	<u>626,258</u>



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

	2017 £	2016 £
Wages and salaries	1,707,677	1,610,107
Social security costs	154,586	122,855
Operating costs of defined benefit pension schemes	367,326	298,403
Staff costs	2,229,589	2,031,365
Staff development and other staff costs	11,054	13,669
Total staff expenditure	2,240,643	2,045,034

Staff numbers

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

	2017 Number	2016 Number
Teachers	26	23
Administration and support	39	37
Management	7	7
	72	67

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

Key management personnel

The key management personnel of the Academy Trust comprise the Governors 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 £445,860 (2016: £434,569).



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Governors' remuneration and expenses

The Head Teacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £nil (2016: £nil) were reimbursed to Governors.

The value of Governors' remuneration was as follows:

Mrs S Ijewsky (Head Teacher and Governor)

Remuneration £75,000 - £80,000 (2016: £75,000 - £80,000)

Employers pension contributions £10,000 - £15,000 (2016: £10,000 - £15,000)

Mr M Adams (Deputy Headteacher and Governor)

Remuneration £60,000 - £65,000 (2016: £55,000 - £60,000)

Employers pension contributions £10,000 - £15,000 (2016: £5,000 - £10,000)

Mrs R Stockham (Assistant Headteacher and Governor)

Remuneration £50,000 - £55,000 (2016: £50,000 - £55,000)

Employers pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000)

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

11 Governors and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £11,664 (2016: £23,672). The cost of this is included within insurance costs in the Statement of Financial Activities.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2016	2,157,708	156,814	441,383	55,128	2,811,033
Additions	-	72,040	99,894	-	171,934
At 31 August 2017	2,157,708	228,854	541,277	55,128	2,982,967
Depreciation					
At 1 September 2016	121,616	95,377	94,746	18,066	329,805
Charge for the year	43,154	76,284	54,128	4,594	178,160
At 31 August 2017	164,770	171,661	148,874	22,660	507,965
Net book value					
At 31 August 2017	1,992,938	57,193	392,403	32,468	2,475,002
At 31 August 2016	2,036,092	61,437	346,637	37,062	2,481,228



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Debtors	2017	2016
	£	£
Trade debtors	2,059	2,548
VAT recoverable	92,164	82,485
Other debtors	3,983	37,117
Prepayments and accrued income	29,929	19,299
	<u>128,135</u>	<u>141,449</u>
	<u><u>128,135</u></u>	<u><u>141,449</u></u>
14 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	89,711	68,445
Other taxation and social security	38,692	35,577
Other creditors	63,741	33,869
Accruals and deferred income	102,298	82,008
	<u>294,442</u>	<u>219,899</u>
	<u><u>294,442</u></u>	<u><u>219,899</u></u>
15 Deferred income	2017	2016
	£	£
Deferred income is included within:		
Creditors due within one year	59,178	64,989
	<u>59,178</u>	<u>64,989</u>
	<u><u>59,178</u></u>	<u><u>64,989</u></u>
Deferred income at 1 September 2016	64,989	96,092
Released from previous years	(64,989)	(96,092)
Amounts deferred in the year	59,178	64,989
	<u>59,178</u>	<u>64,989</u>
	<u><u>59,178</u></u>	<u><u>64,989</u></u>
Deferred income at 31 August 2017	59,178	64,989
	<u><u>59,178</u></u>	<u><u>64,989</u></u>

At the balance sheet date the Academy was holding funds received in advance in respect of its devolved capital grant and parental contributions received in advance of educational visits planned for 2017/18. The Academy also held funds on behalf of other schools which are included within deferred income.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	138,852	2,628,973	(2,501,459)	(154,384)	111,982
Other restricted funds	-	72,140	(71,952)	-	188
	<u>138,852</u>	<u>2,701,113</u>	<u>(2,573,411)</u>	<u>(154,384)</u>	<u>112,170</u>
Funds excluding pensions	138,852	2,701,113	(2,573,411)	(154,384)	112,170
Pension reserve	(1,177,000)	-	(80,000)	374,000	(883,000)
	<u>(1,038,148)</u>	<u>2,701,113</u>	<u>(2,653,411)</u>	<u>219,616</u>	<u>(770,830)</u>
Restricted fixed asset funds					
Transferred on conversion	2,335,920	-	-	-	2,335,920
DfE / ESFA capital grants	154,032	8,826	(178,160)	154,384	139,082
	<u>2,489,952</u>	<u>8,826</u>	<u>(178,160)</u>	<u>154,384</u>	<u>2,475,002</u>
Total restricted funds	<u>1,451,804</u>	<u>2,709,939</u>	<u>(2,831,571)</u>	<u>374,000</u>	<u>1,704,172</u>
Unrestricted funds					
General funds	734,215	4,480	-	-	738,695
	<u>734,215</u>	<u>4,480</u>	<u>-</u>	<u>-</u>	<u>738,695</u>
Total funds	<u>2,186,019</u>	<u>2,714,419</u>	<u>(2,831,571)</u>	<u>374,000</u>	<u>2,442,867</u>



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

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

General Annual Grant (GAG)

The General Annual Grant (GAG) has been provided by the ESFA/DfE in order to fund the normal running costs of the Academy. During the period the Academy's GAG expenditure exceeded GAG income. Where the GAG income exceeds GAG expenditure, the balance will be carried forward to use in future years and enable the establishment of a minimum prudent level of reserves to manage risks and unforeseen costs. Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DfE/ESFA Grants

This represents various grants from local and national government bodies for the provision of specific services to pupils of the Academy.

Pension Reserve

The restricted Pension reserve represents the deficit on the Academy's share of the Local Government Pension Scheme as at 31 August 2017.

Other Restricted Funds

Other Restricted Funds include funding from the sale of uniforms and education related goods, exam fee income and income for educational supplies and services. These funds will be applied in 2017/18.

Restricted Fixed Assets

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for specific purpose. The transfer of £154,384 represents the costs of acquired tangible fixed assets funded through GAG income.



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	40,391	2,560,763	(2,317,069)	(145,233)	138,852
Other restricted funds	78,716	116,066	(194,782)	-	-
	<u>119,107</u>	<u>2,676,829</u>	<u>(2,511,851)</u>	<u>(145,233)</u>	<u>138,852</u>
Funds excluding pensions	119,107	2,676,829	(2,511,851)	(145,233)	138,852
Pension reserve	(775,000)	-	(38,000)	(364,000)	(1,177,000)
	<u>(655,893)</u>	<u>2,676,829</u>	<u>(2,549,851)</u>	<u>(509,233)</u>	<u>(1,038,148)</u>
Restricted fixed asset funds					
Transferred on conversion	2,418,130	-	(82,210)	-	2,335,920
DfE / ESFA capital grants	61,953	8,793	(61,947)	145,233	154,032
	<u>2,480,083</u>	<u>8,793</u>	<u>(144,157)</u>	<u>145,233</u>	<u>2,489,952</u>
Total restricted funds	<u>1,824,190</u>	<u>2,685,622</u>	<u>(2,694,008)</u>	<u>(364,000)</u>	<u>1,451,804</u>
Unrestricted funds					
General funds	728,675	5,540	-	-	734,215
	<u>728,675</u>	<u>5,540</u>	<u>-</u>	<u>-</u>	<u>734,215</u>
Total funds	<u>2,552,865</u>	<u>2,691,162</u>	<u>(2,694,008)</u>	<u>(364,000)</u>	<u>2,186,019</u>

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	2,475,002	2,475,002
Current assets	738,695	406,612	-	1,145,307
Creditors falling due within one year	-	(294,442)	-	(294,442)
Defined benefit pension liability	-	(883,000)	-	(883,000)
	<u>738,695</u>	<u>(770,830)</u>	<u>2,475,002</u>	<u>2,442,867</u>



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

(Continued)

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2016
	£	£	£	£
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	2,481,228	2,481,228
Current assets	734,215	358,751	8,724	1,101,690
Creditors falling due within one year	-	(219,899)	-	(219,899)
Defined benefit pension liability	-	(1,177,000)	-	(1,177,000)
	<u>734,215</u>	<u>(1,038,148)</u>	<u>2,489,952</u>	<u>2,186,019</u>

18 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 the Accounting Officer. Both are 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 of the LGPS 31 March 2016.

Contributions amounting to £40,042 (2016: £30,912) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education 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 for service to the effective date of £191,500 million, and notional assets 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; and
- 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 pension costs paid to the TPS in the period amounted to £274,574 (2016: £250,356).

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 estimated value of employer contributions for the forthcoming year is £120,000.

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 £	2016 £
Employer's contributions	125,000	116,000
Employees' contributions	30,000	28,000
	<hr/>	<hr/>
Total contributions	155,000	144,000
	<hr/> <hr/>	<hr/> <hr/>



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0
Commutation of pensions to lump sums	50.0	50.0

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

Changes in assumptions at 31 August 2017:	Approximate % Increase to Employer Liability	Approximate monetary amounts £'s
0.5% decrease in Real Discount Rate	13%	257,000
0.5% increase in the Salary Increase Rate	2%	34,000
0.5% increase in the Pension Increase Rate	11%	219,000

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

	2017 Years	2016 Years
Retiring today		
- Males	22.1	22.3
- Females	24.2	24.3
Retiring in 20 years		
- Males	23.9	24.0
- Females	26.1	26.6

The Academy Trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	794,760	636,160
Bonds	171,840	170,240
Cash	32,220	17,920
Property	75,180	71,680
Total market value of assets	1,074,000	896,000
Actual return on scheme assets - gain/(loss)	32,000	138,000



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Pensions and similar obligations	(Continued)	
Amounts recognised in the statement of financial activities	2017	2016
	£	£
Current service cost (net of employee contributions)	181,000	125,000
Net interest cost	24,000	29,000
	<u> </u>	<u> </u>
Changes in the present value of defined benefit obligations		2017
		£
Obligations at 1 September 2016		2,073,000
Current service cost		181,000
Interest cost		43,000
Employee contributions		30,000
Actuarial gain		(361,000)
Benefits paid		(9,000)
		<u> </u>
At 31 August 2017		<u>1,957,000</u>
Changes in the fair value of the Academy Trust's share of scheme assets		2017
		£
Assets at 1 September 2016		896,000
Interest income		19,000
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain		13,000
Employer contributions		125,000
Employee contributions		30,000
Benefits paid		(9,000)
		<u> </u>
At 31 August 2017		<u>1,074,000</u>



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(117,152)	(2,846)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(8,826)	(8,793)
Investment income receivable	(1,550)	(1,053)
Finance costs payable	143	32
Defined benefit pension costs less contributions payable	56,000	9,000
Defined benefit pension net finance cost	24,000	29,000
Depreciation of tangible fixed assets	178,160	144,157
Decrease/(increase) in debtors	13,314	(3,916)
Increase/(decrease) in creditors	74,543	(62,803)
Net cash provided by operating activities	218,632	102,778

20 Commitments under operating leases

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

	2017 £	2016 £
Amounts due within one year	8,130	20,067
Amounts due between one and five years	-	5,846
	<u>8,130</u>	<u>25,913</u>

In addition to the above, on conversion the Academy committed to a 125 year lease of the land it occupies from Northamptonshire County Council for a peppercorn rent.

21 Capital commitments

The Academy had no capital commitments in existence at the current year end (2016: none).



FRIARS MULTI ACADEMY TRUST (FORMERLY FRIARS ACADEMY)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Governors 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 year Ensaf Consultants Limited of which Mr G Kirkman (a Governor of the academy) is a director, provided repairs and maintenance services totalling £4,170 (2016: £Nil). As at 31 August 2017, £4,170 remained outstanding for the services provided. All services to the academy trust were provided at no more than cost price, following procurement practices in accordance with financial regulations, which Mr G Kirkman neither participated in, nor influenced.

In entering into the above transactions, the trust has complied with the requirements of the ESFA's Academies Financial Handbook.

In the opinion of the Governors, there is no ultimate controlling party.

23 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.