

MYTON SCHOOL TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

Company Limited by Guarantee
Registration Number: 07669416
(England & Wales)

MYTON SCHOOL TRUST

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MYTON SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS

Members

Mr D Kelham	(resigned 19 September 2016)
Mr G Basi	(appointed as member 14 December 2015)
Mrs D Burley	
Mrs J Fell	(appointed as member 14 December 2015)
Mr D Witham	
Mr J Findlay	(resigned as member 14 December 2015)
Mrs C Lee	(resigned as member 14 December 2015)

Board of Governors

Mr D Kelham	Chair of Governors (resigned 19 September 2016)
Mrs D Burley	Chair of Governors & Parent Governor
Mrs J Bessant	Vice Chair & Parent Governor
Mr D Witham*#	Vice Chair
Mr E P MacIntyre *#	Headteacher & Accounting officer (resigned 31 May 2016)
Mr A Perry *#	Interim Headteacher & Accounting officer (appointed 1 June 2016)
Mr G Basi	Parent Governor
Mrs J Fell	
Mr J Findlay	Parent Governor
Mr P Greenwood	(appointed 2 November 2015 and resigned 22 June 2016)
Miss A Hawkes	Staff Governor
Mrs T Knott	
Mr S Larke *#	
Mr D Leigh-Hunt *#	
Mr P Mayor *#	Staff Governor (resigned 31 August 2016)
Mr S Nicklin	
Mrs J Pannu	
Miss E Punj	(appointed 2 November 2015)
Ms L Roberts	(previously Tallis)
Ms L McWhirter	Staff Governor (appointed 19 September 16)
Ms S Windrum *#	(appointed 2 November 2015)

** Members of the Finance and Facilities Committee*

Members of the Audit Committee

Company Secretary

Mrs A Barry
Mrs E J Burrows

MYTON SCHOOL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, TRUSTEES AND ADVISORS (cont'd)

Leadership Team

Mr E P MacIntyre	Headteacher (resigned 31 May 2016)
Mr A Perry	Interim Headteacher (appointed 1 June 2016)
Mrs H Bridge	Deputy Headteacher
Mr S Jones	Deputy Headteacher
Mrs E J Burrows	Finance Director
Mrs A Alton	Assistant Headteacher (until 31 August 2016)
Mrs E Atkins	Assistant Headteacher
Mr M Aynsley	Assistant Headteacher
Mr C Cannon	Assistant Headteacher
Dr J Hunt	Assistant Headteacher
Mr K McRoy	Assistant Headteacher (until 31 August 2016)
Mr A Rosenbaum	Assistant Headteacher (appointed 18 April 2016)
Mrs A C Round	Assistant Headteacher
Mrs J Stevens	Assistant Headteacher

Principal and Registered Office

Myton School
Myton Road
Warwick
Warwickshire
CV34 6PJ

Company Registration Number (England and Wales)

07669416

Independent Auditor

UHY Hacker Young (Birmingham) LLP
9 - 11 Vittoria Street
Birmingham
B1 3ND

Bankers

Barclays Bank plc
Barclays House
Ground Floor Dominus Way
Meridian Business Park
Leicester LE19 1RP

Solicitors

Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016

The Board of Governors present their annual report together with the financial statements and auditors' report of Myton School Trust for the year ended 31 August 2016.

Myton School was founded in 1968 following the amalgamation of 2 single sex high schools located on the current Myton School site. In 1992 Myton School was incorporated as a grant maintained school. Following the demise of the grant maintained structure, Myton School became a Foundation School in 1999. On 1st July 2011, Myton School converted to academy status and Myton School Trust was incorporated.

Myton School operates a fully-inclusive, co-educational comprehensive for students aged 11 to 18 serving a catchment in South Warwick, Leamington and surrounding villages. The school has a student capacity of 1,702 and had a number on roll of 1,620 in the school census on January 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

Myton School Trust (the "Trust") is a company limited by guarantee and an exempt charity.

The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Governors act as the Board of Trustees (the "Board") for the charitable activities of the Trust and are also the directors of the Trust for the purposes of company law. The charitable company is known as Myton School Trust. The trading name of the Trust is Myton School.

Details of the Governors who served throughout the year ended 31 August 2016 are included in the Reference and Administrative Details on page 3.

Members' Liability

Every member of the Trust undertakes to contribute an amount not exceeding £10 to the Trust's assets in the event of the Trust being wound up during the period of membership, or within one year thereafter.

The Trust is governed by the rules and regulations set down in its Memorandum and Articles of Association dated 14 June 2011.

Governors' indemnities

The Governors of the Trust benefit from indemnity insurance purchased by the Trust to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust. The insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or breach of duty or which was committed by the Governors in reckless disregard to whether it was a breach of trust or breach of duty or not.

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GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Method of recruitment and appointment or election of governors

The Governors have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New governors will then be sought with these skills, either as additional governors or replacements when existing governors stand down. It is anticipated that the great majority of new governors will be drawn from the local community being either parents or carers of students at the Trust or others that have shown an interest in the future well-being of the Trust and its students. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the local community.

In accordance with the Trust's articles of association, governors can be appointed / elected as follows:

- Members of the Trust may appoint up to 11 governors.
- Members of the Trust may appoint staff governors providing that the total number of governors (including the Headteacher) who are employees of the Trust does not exceed one third of the total number of governors.
- The Local Authority (LA) may appoint an LA governor.

The Board must include at least 2 parent governors. Parent governors are elected by parents of registered students at the Trust and then appointed by the Members.

- The governors may appoint up to 3 co-opted governors.
- In special circumstances the Secretary of State can appoint additional governors to the Board of the Trust.

As at 31 August 2016, the board comprised 2 staff governors (excluding the Headteacher) and 4 parent governors.

Policies and Procedures Adopted for the Induction and Training of Trustees

New governors are given an induction pack which includes relevant terms of references, copies of key school policies and guidance on suitable governor training courses.

A training link governor has been appointed by the board who is responsible for identifying relevant training courses and conferences organised by appropriate bodies. The training link governor informs the board of relevant training opportunities on a regular basis throughout the school year which ensures that individual governors attend relevant courses and that their knowledge and understanding of their role is fully up to date.

Organisational Structure

The Board of Governors have responsibility for setting and monitoring the overall strategic direction of the Trust, approving decisions reserved for governors and as set out in the scheme of delegation. The governors are also involved in appointing key members of staff. The Governors set strategic objectives and educational targets for the Trust with some of these functions delegated to sub-committees.

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The Governors meet as a board 4 times a year. All decisions reserved for the governors are taken by the board as a whole. The board has established a number of sub-committees which meet to consider detailed matters and recommend decisions to the full board. These sub-committees meet at least 4 times a year.

There are currently four sub-committees:

- Achievement, Teaching & Learning Committee
- Behaviour, Welfare, Safeguarding & Vulnerable Students Committee
- Finance, Personnel & External / Audit Committee
- Improvement Committee

Additionally, working groups with clear terms of reference are formed on an ad hoc basis to consider specific issues and make recommendations to the board.

The Headteacher is the Accounting Officer and works closely with governors and the senior staff of the Trust.

The day-to-day management rests with the Headteacher who has overall responsibility for the Trust. The Headteacher is responsible for establishing a Leadership Team, including the Finance Director, Deputy Headteachers and Assistant Headteachers. The Leadership Team is responsible for the students' education and welfare, organising all staff and the day to day operations, resources and facilities.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body have adopted a Pay Policy, updated annually, to take into account the provisions of the School Teachers Pay & Conditions Document ("STPCD") and the NJC Pay and Conditions for Support Staff, to manage pay and grading issues for all staff employed in the school. The Governing Body assign an Individual Salary range ("ISR") for the Headteacher's base salary taking into account (but not restricted to) the "Group" that the school would fall within under the STPCD. The Governing Body may award discretionary payment(s) to the Headteacher of up to 25% of annual salary in any year. The Governing Body will determine a 5 point pay range for all other leadership posts from within the Leadership Scale as set out in the Pay Policy. Other than the Headteacher and Staff Governors who are paid for their school related responsibilities, no Governor receives a remuneration in their capacity as a Trustee / Director / Governor of Myton School Trust.

Connected Organisations, including Related Party Relationships

The Trust has no connected organisations to report.

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

OBJECTIVES AND ACTIVITIES

Objects and Aims

The charitable objectives for which the Trust was established are set out in the articles of association, which can be found on our website www.mytonschool.co.uk, as follows:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum;
- to promote for the benefit of the inhabitants of Warwick the provision of 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 and economic circumstances of for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

Objectives, Strategies and Activities

Myton School is an 11-18 age range, co-educational comprehensive school with an excellent reputation, in both the local area and nationally. The socio-economic profile of the Trust's students is diverse and reflects its comprehensive and multi-cultural nature.

Following the most recent Ofsted Inspection that took place in January 2016, the school's overall effectiveness was downgraded from Good to Requires Improvement. The Board of Governors and Senior Leadership Team of the Trust took immediate actions to address the key areas of concern raised within the resulting report which included developing the School Improvement Plan (February 2016/July 17) as set out below, engaging external consultants to perform independent reviews on Governance and Pupil Premium strategy, appointing a new School Improvement Partner and brokering appropriate school to school support. The subsequent Ofsted monitoring inspection that took place in July 2016 concluded that "Senior Leaders and Governors are taking effective action to tackle the areas requiring improvement identified at the recent section 5 inspection in order to become a good school".

The Trust set 10 core targets following the January 2016 Ofsted Inspection as contained within the new School Improvement Plan (February 2016-July 17). These are:

- 1 Further develop a culture of reading throughout Myton School, improving the reading skills of all students especially the least able;
- 2(a) Improve the consistency of teaching, learning and assessment so progress, teaching and behaviour in all lessons is at least good in all areas;
- 2 (b) Provide staff with CPD which meets the needs of all learners, especially the disadvantaged, those with special educational needs and disabilities and the less able;
- 3(a) Ensure Curriculum and whole school assessment strategies meet the needs of all learners, especially the disadvantaged, those with special educational needs or disabilities and the less able;
- 3(b) Develop and implement a PSHE provision which ensures all students are prepared for life in modern Britain;
- 3(c) Implement an outstanding AICG provision for all students from years 7 – 13;
- 4 Improve the school and academic progress of students with special educational needs and / or disabilities;

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

- 5(a) Further improve the attendance, welfare and behaviour of all students, particularly the disadvantaged, those with special educational needs or disabilities and the less able;
- 5(b) Further improve the House System to lead a culture of confidence and ambition throughout the school;
- 6(a) Introduce clear systems of accountability throughout the school which address the needs of all students, especially the disadvantaged, those with special education needs or disabilities and the less able;
- 6(b) Improve the use of assessment and other information to rapidly intervene and avoid under-performance in all years;
- 7 Develop the skills and knowledge of Governors so they can hold school leaders to account especially around the progress of disadvantaged students, those with special educational needs or disabilities and the less able;
- 8 Further improve the provision at KS5 ensuring consistently good or better teaching and outstanding outcomes;
- 9 Ensure all students, particularly the disadvantaged, those with special educational needs and the less able develop the relevant maths and numeracy skills to succeed in education and life;
- 10 No disadvantaged student to make less progress than their peers, either academically or socially.

The Governors' clear aim for the Trust is to take the school back to at least Good across all judgement categories at its next Ofsted inspection, quickly followed by progression to an overall judgement of Outstanding. This is to ensure that no child in the Trust's care is left behind and that all students can look forward to building a brighter future for themselves.

Public Benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the trust's objectives and aims and in planning future activities for the year.

In accordance with its charitable objectives, the Trust strives to advance the education of the students attending the school. The Trust's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the Trust.

STRATEGIC REPORT

Achievements and Performance

GCSE Results:

New national GCSE measures were introduced in the academic year 2015/16, impacting on how schools report their August 2016 results. The new GCSE measures are:

Basics - the proportion of students achieving at least a C grade in English (either English Language or Literature can be used) and maths. This replaces the 5A* - C including English and maths used in prior years.

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GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Attainment 8 - the average score achieved in the specified subjects of English, maths, best 3 Ebacc subjects and best 3 other subjects. This replaces the capped point score.

Progress 8 - how our students have achieved against the national average for students of the same ability in the attainment 8 subjects. This replaces the previous value added.

Value Added - Score for English, maths, Ebacc and other subjects showing how well our students did against their peers of the same ability.

Ebacc – proportion of students achieving at least a C grade in English, maths, two sciences, a language and a humanities subject.

At GCSE, the Trust achieved a basics score of 78% (compared to re-stated 2015 & 2014 measures of 73% and 78% respectively).

The Attainment 8 measure is estimated at 55.34 compared to restated measures of 53.57 and 55.32 in 2015 and 2014 respectively.

At GCSE, the unvalidated (national data is not released until May of the following year) value added measures remain strong although not quite as high as 2014 which was Myton School Trust's best year for results. Progress 8 in 2016 is estimated to be 0.16 versus 0.17 in 2015 0.26 in 2014. English VA is estimated to be 0.27 compared to -0.01 in 2015 and 0.35 in 2014 whilst Maths VA is estimated to be 0.19 in 2016, slightly up on both 2015 and 2014.

Whilst Myton School Trust's head-line figures look strong, the Governors and Senior Leadership Team recognise that further work needs to be done to close the gap of some of our more vulnerable groups of students who are still under-achieving compared to their peers. The clear priorities for 2016-17 are to improve progress of both boys and students eligible for Pupil Premium. These areas of focus are reflected in our School Improvement Plan.

A Level Results:

All the attainment trends at A Level remain strong 28% of grades awarded at A Level were A* to A (compared to 20% in 2015 and 30% in 2014). 58% were awarded A*-B (compared to 29% in 2015 and 62% in 2014). 84% were awarded A*-C (compared to 75% in 2015 and 86% in 2014). Combined, these measures have ensured another year with exceptionally high numbers of students gaining entry to their first choice University.

83% of our year 13 students have gone to university, 10% to apprenticeships, 7% have taken a Gap Year (with deferred entry or new applications pending to University). 31% of all university places were at Russell Group Universities with an on-going rise of places at New Universities, especially for more work-related courses.

Value added at A Level is likely to return to positive.

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GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Key Performance Indicators

The Trust utilises a number of performance metrics to set strategic targets and monitor its performance. Performance is measured against agreed targets or limits and comparable "benchmarking" data is used to compare performance with other, similar schools. The main KPIs include:

- Ofsted Judgement across all 5 categories (including 16 to 19 study programmes)
- GCSE Results:
 - Basics (%) - across the whole cohort and also identified groups e.g. Pupil Premium, non Pupil Premium, Boys, Girls, Students with Special Education Needs or Disability
 - Attainment 8 - across the whole cohort and also identified groups e.g. Pupil Premium, non Pupil Premium, Boys, Girls, Students with Special Education Needs or Disability
 - Progress 8 - across the whole cohort and also identified groups e.g. Pupil Premium, non Pupil Premium, Boys, Girls, Students with Special Education Needs or Disability
 - English VA, Maths VA, Ebacc and open choice VA - across the whole cohort and also identified groups e.g. Pupil Premium, non Pupil Premium, Boys, Girls, Students with Special Education Needs or Disability
- A Level results. % students attaining:
 - A* - A
 - A* - B
 - 3 passes
 - Proportion of students gaining AAB in facilitating subjects
 - Average points per entry
 - Value added

FINANCIAL REVIEW

Most of the Trust's income is obtained from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2015, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

Unrestricted income comprises sports centre and other lettings revenue, donations, catering income and training / CPD activities.

In addition, the Trust received contributions towards specific costs / initiatives from King Henry VIII Foundation. Such grants are shown in the Statement of Financial Activities as restricted funds.

During the year ended 31 August 2016, the Trust's total expenditure was £9,077,000 compared to £8,463,000 total incoming resources. £498,000 of this deficit represents a depreciation charge. The remainder of the shortfall was largely due to the decision by the Governors to invest approximately £120,000 on unbudgeted initiatives to address the issues raised within the Ofsted 2016 report. These initiatives included:

- Independent reviews on Pupil Premium, Governance and School Improvement Plan

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

- Investment into a new 2 classroom unit, to provide additional facilities with a focus on behavioural support for some of our more challenging students
- Investment in the Trust's senior leadership team, appointing a new Assistant Headteacher - Disadvantaged Students
- Investment in a variety of resources to promote reading across the school and across all curriculum subjects

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme ("LPGS"), provided to support staff, to the restricted fund. This resulted in reducing the reserves in the restricted fund. It should be noted that this does not present the Trust with any current liquidity problems.

The Trust's General Annual Grant (GAG) was in deficit at 31 August 2016 as expenditure was greater than income in the year due to investment in key strategic initiatives. The shortfall in the GAG restricted general fund can however be fully covered by the balance in the unrestricted fund of £655,000.

Key Financial Performance Indicators

The key financial performance indicators monitored by the Leadership Team and Board on a regular basis are as follows:

- Employee costs as a percentage of total income.
- Quarterly management accounts versus budget. All variations greater than £10,000 are investigated and explained to the Finance, Personnel & External Committee at the regular committee meetings.
- Forecast management accounts up to period end versus budget (in last quarter). All forecast variations greater than £10,000 are investigated and explained at the Finance, Personnel & External Committee at the regular committee meetings.
- GAG income versus expenditure. Significant variations are also investigated and explained as above.

Reserves Policy

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational experiences and outcomes for students. The Governors review the reserves policy annually to ensure that this aim is being achieved.

At 31st August 2016, the trust's reserves totalled £20,136,000 (2015: £21,849,000) of which £655,000 (2015: £655,000) are held as free reserves not as fixed assets or restricted funds. The Governors intend to utilise some of these reserves in the near future to continue to improve the infrastructure of the school's premises.

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Investment Policy

The Governors' investment powers are set out in the Trust's Memorandum and Articles of Association, which permit the investment of monies of the Trust that are not immediately required for its purposes in such investments as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The Trust's current policy is to invest surplus funds in short-term cash deposits.

For the year ended 31 August 2016 and in the current economic climate, the Trust's cash held in the interest bearing account generated interest of between 0.4% and 0.5%.

Principal Risks and Uncertainties

In accordance with the Trust's risk management policy, the following main risks were identified throughout the year ended 31 August 2016 and are being monitored / managed by the Governors:

- Risk that the Trust cannot recruit quality staff, (primarily teaching) into critical staffing positions as a result of the country wide shortage of teachers in core subjects
- Risk that Governors delegate too much to the Headteacher and / or Leadership Team
- Risk that the Headteacher leaves and cannot be replaced with a suitable candidate
- Risk that future budgets could be in deficit and cannot be met by reserves due to external factors
- Risk that the pre-16 and post-16 funding levels as determined by the DfE / EFA will have an adverse effect on the school finances leading to projected shortfalls in budget
- Risk that future repairs and replacements to buildings (some dating back to the 1950s) exceed funding available to the Trust
- Risk that the increase in employers' contribution rates for both the Teachers' Pension and LGPS pension become unaffordable at projected funding levels
- Risk that there is a fall in post-16 numbers - either due to main school retention levels falling or unable to attract external students
- Risk that Myton School Trust will not be part of the educational solution to support the housing development plans as outlined in the Warwick District Council Emerging Local Plan
- Risk that Myton School Trust is part of the educational solution to support the housing development plans as outlined in the Warwick District Council Emerging Local Plan but that insufficient funding is provided to Myton School to meet the increase in student places
- Risk that a new secondary school / grammar school or free school is built on land designated as educational land within the Warwick District Council Local Plan, next to Myton School and located within the Myton School priority area. This land was originally allocated next to Myton School to facilitate the expansion of Myton School
- Reputational risk to school due to the most recent Ofsted judgment

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The Board of Governors and Leadership Team have considered these risks and policies and procedures have been put in place to minimise these risks, including:

- The appointment of independent consultants to review the Trust's Governance arrangements, Pupil Premium strategy and the School Improvement Plan. Recommendations following these reviews are being implemented.
- Continued investment in recruitment and marketing of the school.
- On-going budget management and forecasting procedures.
- The procurement of adequate insurance cover and disaster recovery planning.
- The Trust securing a Conditions Improvement Fund grant of £783,825 to replace the majority of the flat roofs across the school site. This project is scheduled to commence in October 2016 with a completion date of May 2017.
- The Trust's LGPS pension scheme being reviewed by qualified actuaries on an annual basis.
- Predicated changes in both the LGPS and Teachers Pension employer contributions being included within the Trust's 3 year budgetary forecasts.
- The Board of Governors and Leadership Team being engaged in discussions with both Warwick District Council and Warwickshire County Council regarding the Emerging Local Plan's impact to education across the district and the capital funding requirement to provide additional educational places within the area.
- Following the retirement of the Head teacher in May 2016, the Board of Governors appointing an Interim Headteacher from 1st June 2016 with a flexible contract and commencing the process of recruiting a permanent Head teacher.

Going Concern

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

Plans for future years

Future Strategy

The Trust's strategic focus in 16/17 is to continue to make progress in the areas outlined within the Objectives, Strategies and Activities to address the areas identified within the January 2016 Ofsted inspection and to move the school quickly back to a Good Ofsted rating followed by progression to Outstanding.

MYTON SCHOOL TRUST

GOVERNORS REPORT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The academic targets for the academic year 16/17 have been set as follows:

- Progress 8 – to remain in top 30% status within nationally published league tables for whole cohort of students in all elements and all identified groups e.g. greater than 0.2
- Value Added - All identified groups to add value in all sub-categories (English, Maths, Ebacc and Open)

The Trust is committed to its core objective of "no child left behind" to ensure that all students can look forward to building a brighter future for themselves.

The Trust will continue to enhance the educational environment by making some significant improvements to the school site. The flat roof replacement project commenced in October 2016 and is due for completion in May 2017, funded by a Conditions Improvement Fund grant. New projects to replace the school facades of some of the older buildings and replace the Development Centre will also be investigated.

The Board of Governors remain committed to working with Warwickshire County Council and Warwick District Council and be part of the educational solution for the significant increase in student population within the Myton School priority area as a result of the various housing developments that have commenced.

The Board of Governors are also committed to exploring opportunities to collaborate with outstanding local schools who share the same visions and ethos for their students within their local communities.

Funds held as custodian trustee on behalf of others

Although the Trust maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose, the Trust does not hold, and the governors do not anticipate that it will in the future hold, any funds as custodians for any third party.

Auditor

UHY Hacker Young (Birmingham) LLP has indicated its willingness to continue in office.

In so far as the governors are aware:

- There is no relevant audit information of which the Trust'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.

The Governors' Report is approved by order of the board of governors and the Strategic Report (included therein) is approved by the board of governors in their capacity as the directors at a meeting on 12 December 2016 and signed on its behalf by:



Mrs Diane Burley
(Chair of Governors)

MYTON SCHOOL TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Headteacher, 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 Myton School Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns of internal control.

Governance

The Board of Governors has formally met 4 times during the year ended 31 August 2016. Attendance at meetings of the Board of Governors during the year was as follows:

Governor	Meetings Attended	Out of a Possible
Mr D Kelham (Chair of Governors – resigned 19 September 2016)	4	4
Mrs D Burley (Chair of Governors, previously Vice-Chair)	4	4
Mrs J Bessant (Vice-Chair)	4	4
Mr D Witham (Vice-Chair)	4	4
Mr E P MacIntyre (Headteacher & Accounting Officer – resigned 31 May 2016)	3	3
Mr A Perry (Headteacher & Accounting Officer – appointed 1 June 2016)	1	1
Mr G Basi	4	4
Mrs J Fell	4	4
Mr J Findlay	4	4
Mr P Greenwood (resigned 22 June 2016)	-	4
Miss A Hawkes	4	4
Mrs T Knott	2	4
Mr S Larke	2	4
Mr D Leigh-Hunt	3	4
Mr P Mayor (resigned 31 August 2016)	4	4
Mr S Nicklin	3	4
Mrs J Pannu	4	4
Ms E Punj	4	4
Ms L Roberts (previously Tallis)	4	4
Ms L McWhirter (appointed 19 September 2016)	-	-
Ms S Windrum	4	4

MYTON SCHOOL TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Governance Review

An external governance review was performed by a National Leader of Governance consultant following the Ofsted Inspection in January 2016. The results of this review identified the following areas for improvement:

- The Governors should develop a strategic, long-term education plan for Myton School Trust now that significant progress is being made on the post-Ofsted School Improvement Plan as recognised in the post-Ofsted monitoring review. This has now taken place.
- Governors should review the current committee structure and reporting requirements with the aim of reducing the number and content of meetings. This has now taken place.
- Governors' oversight of the school's performance data should be reduced by commissioning periodic external reviews of key areas (as has taken place for Pupil Premium).
- Going forward, Governors should perform an annual review of governance and commission an external review tri-annually.

The Academy Trust intends to carry out its next self-evaluation in September 2017 as part of the annual update of the whole school self-evaluation process.

The Finance & Facilities Committee is a sub-committee of the main Board of Governors. Its purpose, as out in their Terms of Reference updated annually, is to

- Assist the decision making of the Board of Governors, by enabling more detailed consideration be given to support the Board of Governors' responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity
- Make appropriate comments and recommendations on such matters to the Board of Governors on a regular basis
- Ensure major issues will be referred to the full Board of Governors for ratification

The Governance Committee structure was reconfigured in April 2016 following the Ofsted Inspection and the Finance & Facilities Committee was renamed to Finance, Personnel & External Committee. The updated Terms of Reference for this newly established sub-committee were expanded from the above to also include:

- Provide a more detailed assessment of practice and risk with regards health and safety and personnel at Myton School
- Review external opportunities and challenges that could have an impact on Myton School now and in the future

MYTON SCHOOL TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The Finance, Personnel & External Committee is chaired by Mr D Witham, a Chartered Accountant and Director in his own accounting practice. 6 Finance, Personnel & External sub-committee meetings were held during the year ended 31 August 2016. Attendance at these meetings were as follows:

Governor	Meetings Attended	Out of a possible
Mr D Witham (Chair of Finance, Personnel & External committee)	5	6
Mr S Nicklin (Vice-chair Finance, Personnel & External committee)	4	6
Mrs J Fell (Vice-chair of Finance, Personnel & External committee)	1	2
Mr E P MacIntyre (Headteacher & Accounting Officer) - resigned 31 May 2016	5	5
Mr A Perry (Headteacher & Accounting Officer) - appointed 1 June 2016	1	1
Mr D Kelham (Chair of Governors) - resigned 19 Sep 2016	3	6
Mr S Larke	6	6
Mr D Leigh-Hunt	3	4
Mr P Mayor - resigned 31 Aug 2016	6	6
Ms S Windrum	3	5

The Audit Committee is also a sub-committee of the main Board of Governors and comprises the same members as the Finance, Personnel & External sub-committee. Its purpose, as set out in the Terms of Reference updated annually, is to:

- review the risks to internal financial control and agree a programme of work that will address these risks
- review and approve the audit plan and ensure that it is consistent with the scope of the audit engagement
- to receive the auditor's reports and to recommend to the full board of governors action as appropriate in response to any audit findings
- to recommend to the full board of governors the appointment or reappointment of the auditors of the academy

MYTON SCHOOL TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Governor	Meetings Attended	Out of a possible
Mr D Witham (Chair of Finance, Personnel & External committee)	2	2
Mr S Nicklin (Vice-chair Finance, Personnel & External committee)	1	2
Mrs J Fell (Vice-chair of Finance, Personnel & External committee)	-	-
Mr E P MacIntyre (Headteacher & Accounting Officer) - resigned 31 May 2016	2	2
Mr A Perry (Headteacher & Accounting Officer) - appointed 1 June 2016	-	-
Mr D Kelham (Chair of Governors) - resigned 19 Sep 2016	-	2
Mr S Larke	-	2
Mr D Leigh-Hunt	2	2
Mr P Mayor - resigned 31 Aug 2016	2	2
Ms S Windrum	-	1

Review of Value for Money

As accounting officer the Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The accounting officer understands the value for money refers to the education and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Governors how value for money can be improved, including the use of benchmarking data where available.

The accounting officer, the Governors and all employees of the Trust apply best value principles when making any spending decisions. Decisions are taken to ensure the deployment of resources are directed towards meeting our core targets and are evaluated in terms of achieving the very best educational outcomes for our students.

The Trust follows policies and procedures which ensures best value is secured in exchange for public resources. A highly skilled Finance Team oversees all ordering and procurement activities and all orders and contracts must be supported by written quotes before the decision is taken to proceed. The following approval authorisations are adhered to as set out in the Trust's Scheme of Delegation that is reviewed and approved at the first Full Governors meeting of the academic year.

PROCUREMENT	APPROVAL	PROCESS
Purchases < £500	Budget Holder	From recognised suppliers
Purchases between £500 - £1,000	as above + Finance Approval	At least 2 Formal Written Quotes
Purchases between £1,001 - £2,000	as above + Finance Approval	At least 3 Formal Written Quotes
Purchases between £2,001 - £5,000	as above + Leadership Team Approval	At Least 3 Formal Written Quotes

MYTON SCHOOL TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Purchases between £5,001 - £10,000	as above + 2 Leadership Team Approval	At least 3 Formal Written Quotes
Purchases between £10,001 - £164,176 (£209,000)	as above + FP&E Approval	3 written tenders
Purchases > £164,176 (£209,000)	as above + FP&E Approval	Formal EU Procurement Tender

- Throughout the academic year of 2015/16 best value principles have been applied for all the Trust's procurement activities.
- As in prior years, the budget setting process is activity led and the "capitation" process used across schools historically is not adopted. This ensures that budget holders are being allocated budgets that meet their needs for the forthcoming year, recognising budgets are driven by planned requirements and initiatives and not driven purely by student numbers.
- Regular budget monitoring that is presented to budget holders and FP&E Committee to ensure tight budgetary controls are adhered to.
- 2 significant tenders were undertaken during the year which achieved significant savings were the catering contract and the external audit services contracts.
- Invested in external benchmarking data which was reviewed and discussed at Finance, Personnel & External sub-committee level which demonstrated that the Trust performed in line with similar schools across the country.
- Regular budget monitoring that is presented to budget holders and Finance, Personnel & External sub-committee to ensure tight budgetary control.
- Appointment of external procurement consultants to help secure best value for significant contracts e.g. Catering contract and internal monitoring to ensure best value across the school.

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 the Trust's 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 Myton School Trust for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate these risks. The Board of Governors is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been put in place for the year ending 31 August 2016 and up to the date of approval of the annual report and financial statements. The process is regularly reviewed by the Board of Governors.

MYTON SCHOOL TRUST

GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Governors
- Regular reviews by the Finance and Facilities sub-committee of reports which indicate financial performance against the budgets / forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

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 Board of Governors have appointed UHY Hacker Young (Birmingham) LLP, the external auditor, to perform additional compliance checks.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On an annual basis the auditor reports to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

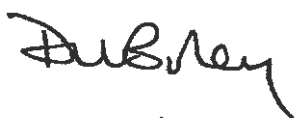
Review of Effectiveness

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

- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Finance Director, Finance team and Finance & Facilities Committee 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 & Facilities Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Governors on 12 December 2016 and signed on its behalf by:



Mrs D Burley
(Chair)



Mr A Perry
(Accounting Officer)

MYTON SCHOOL TRUST**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of Myton School Trust I have considered my responsibility to notify the Trust's Board of Governors and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



Mr A Perry
Accounting Officer

12 December 2016

MYTON SCHOOL TRUST

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

The governors (who act as trustees for charitable activities of Myton School Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and, expenditure, for that period. In preparing these financial statements, 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 2015 to 2016;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements; and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 grants received from the EFA/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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 12 December 2016 and signed on its behalf by:



Mrs D Burley
(Chair of Governors)

MYTON SCHOOL TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYTON SCHOOL TRUST FOR THE YEAR ENDED 31 AUGUST 2016

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

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

Respective responsibilities of governors and auditor

As explained more fully in the Statement of Governors' Responsibilities set out on page 23, the governors (who act as trustees for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;

MYTON SCHOOL TRUST**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MYTON SCHOOL TRUST FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

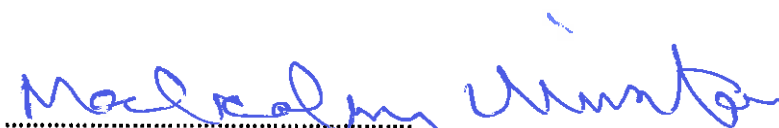
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Malcolm Winston
Senior Statutory Auditor
UHY Hacker Young (Birmingham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

12 December 2016

MYTON SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO MYTON SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 8 September 2016 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016 we have carried out an engagement to obtain limited assurance about whether, the expenditure disbursed and income received by the academy trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Myton School Trust and the EFA in accordance with our engagement letter. Our review has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Higham Lane School and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Myton School Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Myton School Trust funding agreement with the Secretary of State for Education dated 1 July 2011, and the Academies Financial Handbook extant from 1 September 2015 for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies: Accounts Direction 2015 to 2016. We report to you whether, anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2015 to 2016 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

MYTON SCHOOL TRUST

INDEPENDENT REPORTING ACCOUNTANT'S AUDITOR'S ASSURANCE REPORT ON REGULARITY TO MYTON SCHOOL TRUST AND THE EDUCATION FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Approach (cont'd)

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

Summary of the work undertaken was as follows:

- Analytical review of the academy trust's general activities are within the academy trusts framework of authorities;
- Consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- Review of the general control environment for the academy trust on financial statements and on regularity;
- Sample testing of expenditure transactions to ensure the activity is permissible within the academy trust's framework of authority;
- Confirmation that a sample of expenditure has been appropriately authorised in accordance with the academy trust's delegated authorities;
- Formal representations obtained from the board of trustees and the accounting officer acknowledging the responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework;
- Confirmation that any extra contractual payments such as severance and compensation payments have been appropriately authorised;
- Review of credit card expenditure for any indication of personal use by staff, principal or trustees;
- Review of specific terms of grant funding within the funding agreement;
- Review of related party transactions for connections with the principal/finance manager or trustees;
- Review of income received in accordance with the activities permitted within the academy trust's charitable objectives.

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young (Birmingham) LLP

Reporting Accountant
UHY Hacker Young (Birmingham) LLP
9-11 Vittoria Street
Birmingham
B1 3ND

12 December 2016

MYTON SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2016

(Including Income and Expenditure Account)

		Unrestricted	Restricted	Restricted	Total	Total
	Note	Funds	General	Fixed	2016	2015
		£'000	Funds	Asset	£'000	£'000
		£'000	£'000	Funds	£'000	£'000
Income from:						
Donations and Capital						
Grants	3	37	32	33	102	76
Charitable activities:						
- Funding for the academy trust's educational operations	4	-	8,230	-	8,230	8,047
Other trading activities	5	125	-	-	125	125
Investments	6	6	-	-	6	6
Total		168	8,262	33	8,463	8,254
Expenditure on:						
Raising funds	7	83	-	-	83	70
Charitable activities:						
- Academy trust's educational operations	7 & 8	-	8,496	498	8,994	8,709
Total	7	83	8,496	498	9,077	8,779
Net income/ (expenditure)		85	(234)	(465)	(614)	(525)
Transfers between funds		(85)	(4)	89	-	-
Other recognised gains and losses						
Change in recognition of LGPS interest cost		-	-	-	-	28
Actuarial (loss) on defined benefit pension schemes	25	-	(1,099)	-	(1,099)	(52)
Net movement in funds		-	(1,337)	(376)	(1,713)	(549)
Reconciliation of funds						
Total funds brought forward		655	(1,838)	23,032	21,849	22,398
Total funds carried forward	15	655	(3,175)	22,656	20,136	21,849

MYTON SCHOOL TRUST

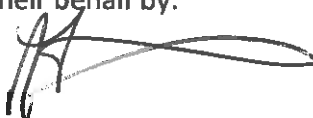
BALANCE SHEET AS AT 31 AUGUST 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	12	22,656	23,032
		<u>22,656</u>	<u>23,032</u>
Current assets			
Debtors	13	295	356
Cash at bank and in hand		859	979
		<u>1,154</u>	<u>1,335</u>
Liabilities			
Creditors: Amounts falling due within one year	14	(499)	(580)
Net current assets		<u>655</u>	<u>755</u>
Total assets less current liabilities		23,311	23,787
Net assets excluding pension liability		<u>23,311</u>	<u>23,787</u>
Defined benefit pension scheme liability	25	(3,175)	(1,938)
Total Net Assets		<u><u>20,136</u></u>	<u><u>21,849</u></u>
Funds of the Academy:			
Restricted funds			
- Fixed asset fund	15	22,656	23,032
- Restricted income fund	15	-	100
- Pension reserve	15	(3,175)	(1,938)
Total restricted funds		<u>19,481</u>	<u>21,194</u>
Unrestricted income fund	15	<u>655</u>	<u>655</u>
Total unrestricted funds		<u>655</u>	<u>655</u>
Total Funds		<u><u>20,136</u></u>	<u><u>21,849</u></u>

The financial statements on pages 28 to 30 were approved by the governors and authorised for issue on 12 December 2016, and are signed on their behalf by:



Mrs D Burley
(Chair)



Mr A Perry
(Accounting Officer)

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

	Notes	2016 £'000	2015 £'000
Net cash (used in)/provided by operating activities	19	(37)	132
Cash flows from investing activities	20	(83)	(89)
Cash flows from financing activities	21	-	-
Change in cash and cash equivalents in the reporting period		<u>(120)</u>	<u>43</u>
 Cash and cash equivalents at 1 September		979	936
Cash and cash equivalents at 31 August	22	<u>859</u>	<u>979</u>

All of the academy trust's activities derive from acquisitions and continuing operations during the above two financial periods.

MYTON SCHOOL TRUST

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

1 STATEMENT OF ACCOUNTING POLICIES: BASIS OF PREPARATION

First time adoption of FRS 102

These financial statements are the first financial statements of Myton School Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Myton School Trust for the year ended 31 August 2016 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

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

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

Going Concern

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

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**

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.

- **Capital grants**

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance sheet in creditors; amounts falling due within one year in deferred income.

- **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 receipt is probable and it can be measured reliably.

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

- **Donations**
Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.
- **Other income**
Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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'.
Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.
- **Transfers of leasehold property**
Leasehold property transferred to the Academy from the local authority at little or no consideration will be revalued at fair value in accordance with FRS 102. This value will be recognised as incoming resources in the Statement of Financial Activities and will be included in the appropriate fixed assets category and depreciated over the life of the lease.

Interest receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

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 allocated on the portion of the asset's use.

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

- **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.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

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

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

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on leasehold land where the lease is more than 20 years. The principal annual rates used for other assets are:

Freehold buildings	50 years
Fixtures, fittings and equipment	5 years
ICT equipment	3 years

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

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.

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

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of the 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.

Fund Accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees. Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The critical judgements that the Trustees have made in the process of applying the Academy Trust's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

In assessing whether there have been any indicators of impairment assets, the Trustees have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial year.

Agency arrangements

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA in creditors.

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

2 GENERAL ANNUAL GRANT (GAG)

Under the funding agreement with the Secretary of State the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016 (See note 15).

3 DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2016 £'000	Total 2015 £'000
Capital grants	-	33	33	32
Other donations	37	32	69	44
	<u>37</u>	<u>65</u>	<u>102</u>	<u>76</u>

The income from donations and capital grants was £102,000 (2015: £76,000) of which £37,000 (2015: £28,000) was unrestricted, £32,000 (2015: £16,000) was restricted and £33,000 (2015: £32,000) was restricted fixed assets.

4 FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

DfE/EFA grants

General annual grant (GAG) (note 2)	-	7,762	7,762	7,509
Other grants	-	257	257	232
	<u>-</u>	<u>8,019</u>	<u>8,019</u>	<u>7,741</u>

Other Government grants

Local authority grants	-	187	187	285
Other funding	-	-	-	21
	<u>-</u>	<u>187</u>	<u>187</u>	<u>306</u>

Other income from the academy trust's educational operations

	-	24	24	-
	<u>-</u>	<u>8,230</u>	<u>8,230</u>	<u>8,047</u>

The income from the academy trust's educational operations was restricted for both 2016 and 2015.

5 OTHER TRADING ACTIVITIES

Sundry income	48	-	48	41
Catering contribution	16	-	16	20
Resource sales	9	-	9	13
Lettings	36	-	36	40
Music income	16	-	16	11
	<u>125</u>	<u>-</u>	<u>125</u>	<u>125</u>

The income from the academy trust's other trading activities was unrestricted for both 2016 and 2015.

6 INVESTMENT INCOME

Bank Interest received	6	-	6	6
	<u>6</u>	<u>-</u>	<u>6</u>	<u>6</u>

The income from the academy trust's investment income was unrestricted for both 2016 and 2015.

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

7 EXPENDITURE

	Staff Costs £'000	Non Pay Expenditure Premises £'000	Other Costs £'000	Total 2016 £'000	Total 2015 £'000
Expenditure on raising funds	17	10	56	83	70
Academy's educational operations					
- Direct costs	6,090	498	480	7,068	6,606
- Allocated support costs	922	602	402	1,926	2,103
	<u>7,012</u>	<u>1,100</u>	<u>882</u>	<u>8,994</u>	<u>8,709</u>
	<u>7,029</u>	<u>1,110</u>	<u>938</u>	<u>9,077</u>	<u>8,779</u>

The expenditure was £9,077,000 (2015: £8,779,000) of which £83,000 (2015: £70,000) was unrestricted, £8,496,000 (2015: £8,154,000) restricted and £498,000 (2015: £555,000) restricted fixed assets.

	2016 £'000	2015 £'000
Net income/(expenditure) for the year includes:		
Operating leases rentals:	15	20
Depreciation	498	555
Fees payable to auditor for:		
- audit	<u>9</u>	<u>9</u>

8 CHARITABLE ACTIVITIES

	Total 2016 £'000	Total 2015 £'000
Direct costs – educational operations	7,068	6,606
Support costs – educational operations	<u>1,926</u>	<u>2,103</u>
	<u>8,994</u>	<u>8,709</u>
Analysis of Support costs		
Support staff costs	922	882
Technology costs	93	100
Premises costs	602	651
Other support costs	299	461
Governance	<u>10</u>	<u>9</u>
	<u>1,926</u>	<u>2,103</u>

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

9 STAFF COSTS

	2016	2015
	£'000	£'000
a Staff costs during the year were		
Wages and salaries	5,389	5,198
Social security costs	451	387
Operating costs of defined benefit pension schemes	1,020	885
	<u>6,860</u>	<u>6,470</u>
Supply staff costs	159	77
Staff restructuring costs	10	-
	<u>7,029</u>	<u>6,547</u>
Staff restructuring costs comprise:		
Redundancy payments	-	-
Severance payments	10	-
Other restructuring costs	-	-
	<u>10</u>	<u>-</u>

- b Staff severance payments
Included in staff restructuring costs was a non-statutory/non-contractual severance payment totalling £10,000 (2015: £nil).

- c Staff numbers
The average number of persons (including senior management team) employed by the academy during the year ended 31 August 2016 expressed as full time equivalents was as follows:

	2016	2015
	No	No
Charitable Activities		
Teachers	101	101
Administration and support	84	81
Management	16	16
	<u>201</u>	<u>198</u>

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

	No	No
£60,001 - £70,000	1	3
£70,001 - £80,000	3	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<u>-</u>	<u>1</u>

- e Key management personnel
The key management of the academy trust comprise the trustees and the senior management team as listed on pages 3 and 4. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,005,000 (2015: £931,000).

MYTON SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)****10 RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES**

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Headteacher and other staff trustees receive remuneration in respect of their service as employees. Other trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as trustees. The value of trustee's remuneration and other remuneration was as follows:

E P MacIntyre (Headteacher and
Accounting Officer) – (retired 31 May 2016)

Remuneration	£85,000 - £90,000	(2015: £115,000 - £120,000)
Employers pension contributions	£10,000 - £15,000	(2015: £15,000 - £20,000)

A Perry (Interim Headteacher and
Accounting Officer) – (appointed 1 June 2016)

Remuneration	£20,000 - £25,000	(2015: £nil)
Employers pension contributions	£0 - £5,000	(2015: £nil)

A Hawkes (Staff Governor)

Remuneration	£45,000 - £50,000	(2015: £40,000 - £45,000)
Employers pension contribution	£5,000 - £10,000	(2015: £5,000 - £10,000)

P Mayor (Staff Governor)

Remuneration	£15,000 - £20,000	(2015: £25,000 - £30,000)
Employers pension contributions	£0 - £5,000	(2015: £0 - £5,000)

During the year ended 31 August 2016, travel and subsistence expenses totalling £570 (2015: £1,405) were reimbursed to 2 governors (2015: 2 governors).

Other related party transactions including trustees are set out in note 27.

11 TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees' and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The cost of this insurance is included within the total insurance cost.

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

12 TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	Furniture & Equipment	Total
Cost	£'000	£'000	£'000
At 1 September 2015	24,398	717	25,115
Additions	80	42	122
Disposals	-	-	-
At 31 August 2016	24,478	759	25,237
Depreciation			
At 1 September 2015	1,561	522	2,083
Charged in year	378	120	498
Disposals	-	-	-
At 31 August 2016	1,939	642	2,581
Net book value			
At 31 August 2016	22,539	117	22,656
At 31 August 2015	22,837	195	23,032

13 DEBTORS

	2016 £'000	2015 £'000
Trade debtors	10	81
VAT recoverable	84	80
Other debtors	3	3
Prepayments and accrued income	198	192
	295	356

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	199	206
Other taxation and social security	130	115
Other creditors	89	103
Accruals and deferred income	81	156
	499	580
Deferred Income		
Deferred income at 1 September 2015	40	38
Resources deferred in the year	40	40
Amounts released from previous years	(40)	(38)
Deferred income at 31 August 2016	40	40

At the balance sheet date the academy was holding funds received in advance for 2016/17 for devolved formula capital £19,000 (2015: £19,000), rates relief income £20,000 (2015: £20,000) and lettings income £1,000 (2015: £1,000).

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

15 FUNDS

The income funds of the academy comprise the following balances of grants to be applied for specific purposes:

	Balance at 1 September 2015	Incoming Resources	Resources Expended	Gains, Losses & Transfer	Balance at 31 August 2016
	£'000	£'000	£'000	£'000	£'000
Restricted general funds					
General annual grant (GAG) (note i)	39	7,762	(7,797)	(4)	-
Pupil premium grant (note ii)	-	206	(206)	-	-
Year 7 catch up grant (note iii)	-	20	(20)	-	-
Special needs grant – WCC (note iv)	-	149	(149)	-	-
Other grants – DfE / EFA (note v)	61	32	(93)	-	-
Other grants / donations (note vi)	-	93	(93)	-	-
	<u>100</u>	<u>8,262</u>	<u>(8,358)</u>	<u>(4)</u>	<u>-</u>
Restricted fixed asset funds					
Fixed assets (note vii)	23,032	33	(498)	89	22,656
	<u>23,032</u>	<u>33</u>	<u>(498)</u>	<u>89</u>	<u>22,656</u>
Restricted pension scheme liability					
Pension reserve (note viii)	(1,938)	-	(138)	(1,099)	(3,175)
Total restricted funds	<u>21,194</u>	<u>8,295</u>	<u>(8,994)</u>	<u>(1,014)</u>	<u>19,481</u>
Total unrestricted funds	655	168	(83)	(85)	655
Total funds	<u>21,849</u>	<u>8,463</u>	<u>(9,077)</u>	<u>(1,099)</u>	<u>20,136</u>

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

15 FUNDS (cont'd)

Notes

- (i) General Annual Grant must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it would carry forward at 31 August 2016 (see note 2).
- (ii) Pupil premium grant has been used to support children from low income families placed at the Academy.
- (iii) Year 7 catch-up grant was used for individual and small-group tuition for year 7 pupils to promote improvements with literacy and numeracy.
- (iv) Special needs grant from WCC has been used to support pupils with learning or behavioural issues by providing teaching and teaching assistant support.
- (v) Other grants from DfE / EFA previously represented Pupil Premium, Pupil premium catch-up which are now disclosed separately plus grants received from WCC.
- (vi) Other grants / donations from WCC and other providers.
- (vii) Restricted fixed assets were funded by government grants, a transfer from General Annual Grant (GAG) of £4,000 (2015: £95,000), a transfer from the unrestricted fund of £85,000 (2015: £nil) and by WCC donating Academy land and buildings on a freehold basis upon converting to Academy status.
- (viii) The pension reserve represents the deficit on the Local Government Pension Scheme (see note 25).

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Funds balances at 31 August 2016 are represented by:

	Unrestricted Funds £'000	Pension Restricted Funds £'000	General Restricted Funds £'000	Fixed Assets Restricted Funds £'000	Total £'000
Tangible fixed assets	-	-	-	22,656	22,656
Current assets	655	-	499	-	1,154
Current liabilities	-	-	(499)	-	(499)
Pension scheme liability	-	(3,175)	-	-	(3,175)
	<u>655</u>	<u>(3,175)</u>	<u>-</u>	<u>22,656</u>	<u>20,136</u>

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

17 CAPITAL COMMITMENTS

	2016	2015
	£'000	£'000
Contracted for, but not provided in the financial statements	784	Nil
Authorised by governors, but not yet contracted	Nil	Nil

18 COMMITMENTS UNDER OPERATING LEASES

Operating leases

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

	2016	2015
	Other	Other
	£'000	£'000
Operating leases which expire		
- Within one year	11	15
- Within two to five years	36	13
	<u>47</u>	<u>28</u>

19 RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016	2015
	£'000	£'000
Net expenditure for the reporting period (as per the statement of financial activities)	(614)	(525)
Adjusted for:		
Depreciation (note 12)	498	555
Capital grants from DfE and other capital income	(33)	(32)
Interest receivable	(6)	(6)
Defined benefit pension scheme cost less contributions payable (note 25)	65	89
Defined benefit pension scheme finance cost (note 25)	73	67
Decrease/(increase) in debtors	61	(60)
(Decrease)/increase in creditors	(81)	44
Net cash (used in)/provided by operating activities	<u>(37)</u>	<u>132</u>

20 CASH FLOWS FROM INVESTING ACTIVITIES

	2016	2015
	£'000	£'000
Interest received	6	6
Purchase of tangible fixed assets	(122)	(127)
Capital grants from DfE/EFA	33	32
Net cash used in investing activities	<u>(83)</u>	<u>(89)</u>

21 CASH FLOWS FROM FINANCING ACTIVITIES

	2016	2015
	£'000	£'000
Net cash (used in)/provided by financing activities	<u>-</u>	<u>-</u>

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

22 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2016 £'000	At 31 August 2015 £'000
Cash in hand and at bank	859	979
Total cash and cash equivalents	<u>859</u>	<u>979</u>

23 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- a) the value at that time of the academy's site and premises and other assets held for the purpose of the academy: and
- b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

24 MEMBERS' LIABILITY

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

25 PENSION AND SIMILAR OBLIGATIONS

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

The total pension cost to the Academy during the year ended 31 August 2016 was £1,020,000 (2015: £885,000) of which £639,000 (2015: £504,000) relates to the TPS and £381,000 (2015: £381,000) relates to LGPS.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

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

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the year amounted to £639,000 (2015: £504,000).

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

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

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in a separate trustee administered funds. The total contributions made for the year ended 31 August 2016 was £450,000 (2015: £451,000) of which employers contributions totalled £381,000 (2015: £381,000) and employees contributions totalled £69,000 (2015: £70,000). The agreed contributions for future years are 17.1% (2015: 17.1%) for employers and 5.5% to 8.5% (2015: 5.5% to 8.5%) for employees.

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 liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions

The major assumptions used by the actuary were:

	At 31 August 2016 % per annum	At 31 August 2015 % per annum
Discount rate	2.0%	3.7%
Salary increases	4.1%	4.5%
Pension increase	2.1%	2.6%

Sensitivity analysis for the principal assumptions used to measure the scheme liabilities were as follows:

	At 31 August 2016 Approx %	At 31 August 2016 Approx £'000	At 31 August 2015 Approx %	At 31 August 2015 Approx £'000
	Increase to Employers Liability		Increase to Employers Liability	
Discount rate reduced by 0.5% per annum	12%	690	12%	451
Assumed pension increased by 0.5% per annum	8%	432	6%	233
Salary growth increased by 0.5% per annum	4%	235	6%	204
Life expectancy at retirement increased by 1 year	3%	166	3%	110

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

25 PENSION AND SIMILAR OBLIGATIONS (cont'd)

The mortality assumptions used were as follows:

	2016 years	2015 years
Longevity at age 65 retiring today		
- Men	22.4	22.4
- Women	24.4	24.4
Longevity at age 65 retiring in 20 years		
- Men	24.3	24.3
- Women	26.6	26.6

The Academy's share of the assets in the scheme were:

	Fair Value at 31 August 2016 £'000	Fair Value at 31 August 2015 £'000
Equity instruments	1,528	1,098
Debt instruments	540	395
Property	259	206
Cash	23	17
Total market value of assets	<u>2,350</u>	<u>1,716</u>
Present value of scheme liabilities		
- Funded	(2,350)	(1,716)
- Unfunded	(3,175)	(1,938)
Total liabilities	<u>(5,525)</u>	<u>(3,654)</u>
Deficit in the scheme	<u>(3,175)</u>	<u>(1,938)</u>

The actual return on the scheme assets in the year was £349,000 (2015: £61,000).

Amounts recognised in the Statement of Financial Activities

	2016 £'000	2015 £'000
Current service cost	308	314
Net interest cost	73	67
Total operating charge	<u>381</u>	<u>381</u>

MYTON SCHOOL TRUST**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)****25 PENSION AND SIMILAR OBLIGATIONS (cont'd)**

	2016	2015
	£'000	£'000
Changes in deficit during the period		
Deficit in the scheme at 1 September 2015	1,938	1,758
Movement in year:		
- Employer service cost (net of employee contributions)	308	314
- Employer contributions	(243)	(225)
- Expected return on scheme assets	(69)	(56)
- Interest cost	142	123
- Actuarial losses	1,099	24
Deficit in the scheme at 31 August 2016	3,175	1,938

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

	2016	2015
	£'000	£'000
Scheme liabilities at 1 September 2015	3,654	3,144
Current service cost	308	314
Interest cost	142	123
Contributions by scheme participants	69	70
Benefits paid	(27)	(26)
Actuarial losses	1,379	29
Scheme liabilities at 31 August 2016	5,525	3,654

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

	2016	2015
	£'000	£'000
Fair value of scheme assets at 1 September 2015	1,716	1,386
Interest income	69	56
Actuarial gains	280	5
Contributions by employer	243	225
Benefits paid	(27)	(26)
Contributions by scheme participants	69	70
Fair value of scheme assets at 31 August 2016	2,350	1,716

26 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £20,317 (2015: £19,977) and disbursed £13,570 (2015: £11,164), with therefore an amount of £6,747 (2015: £8,813) repayable by the Academy Trust at the 31 August 2016 which is included in other creditors. In addition to this, the Academy Trust had a balance brought forward on these funds of £37,851 (2015: £29,038) resulting in a total creditor at 31 August 2016 of £44,598 (2015: £37,851).

MYTON SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 (cont'd)

27 RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. During the year ended 31 August 2016 or 31 August 2015 there were no such transactions.

28 EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no material adjusting or non adjusting events arising after the balance sheet date.

29 EXPLANATION OF TRANSITION TO FRS 102

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

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/ (expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds	1 September 2014 £'000	31 August 2015 £'000
Total funds under previous UK GAAP	22,398	21,849
Total funds reported under FRS 102	22,398	21,849
Reconciliation of net income/(expenditure)		31 August 2015 £'000
Net income/(expenditure) previously reported under UK GAAP		(497)
Change in recognition of LGPS interest cost		(28)
Net movement in funds reported under FRS 102		(525)

Explanation of the transitional adjustments

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2015 or 31 August 2016. The effect of the change has been to increase the debit to expense by £28,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.