

Company Registration No. 08678162 (England and Wales)

THE FUTURES TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

THE FUTURES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr P Crisp (Chair of the Board of Trustees)
Mr D Belcher
Mr W Copeland
Mr A Fitzpatrick
Mr M Moseley
Mr I Mubeen (Appointed 14 October 2016 and resigned 18 October 2017)
Mr P Thomas (Chief Executive Officer)
Mr F Weston (Appointed 22 February 2017)

Members

Mr P Crisp
Mrs K Ireland
Rev A Randle-Bissell
Dr D Wood
Mr N Coupland

Senior management team

- Director of Finance	Mr M Baker
- Deputy Headteacher, The Futures Trust	Mr C Jupp
- Director of ICT	Mr I Neal
- Trust Development Director	Ms E Rowlands
- Trust HR Director	Ms C Bayliss
- CEO	Mr P Thomas

Company secretary

Mrs N Field

Company registration number

08678162 (England and Wales)

Registered office

President Kennedy School
Rookery Lane
Coventry
West Midlands
CV6 4GL

Academies operated

President Kennedy School
Barr's Hill School
Parkgate Primary School
Keresley Grange Academy

Location

Rookery Lane, Coventry, CV6 4GL
Radford Road, Coventry, CV1 4BU
Parkgate Road, Coventry, CV6 4GF
Waste Lane, Coventry, CV6 2EM

Principal

Mr P Thomas
Mr S Calvin
Mrs Z Richards
Mrs N Penlington

Independent auditor

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
West Midlands
B2 5AF

THE FUTURES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
30 High Street
Coventry
CV1 5RA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

THE FUTURES TRUST

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

THE FUTURES TRUST BACKGROUND

The Futures Trust is a Multi Academy Trust (MAT) established on 24 July 2015.

The trust was established by the Governing Body of President Kennedy School, an outstanding academy school, serving a catchment area in north west Coventry. The rationale for the conversion of President Kennedy School into a MAT was to work collaboratively with other local schools in order to improve the educational outcomes for young people.

Barr's Hill School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to an academy status and joined The Futures Trust on 1 October 2015. Both President Kennedy School and Barr's Hill School, cater for learners aged 11 to 19 serving adjacent catchment areas in Coventry. President Kennedy School has a capacity of 1,600 and a roll of 1,547 in the school census in 2017. Barr's Hill School has a capacity of 778 and a roll of 672 in the school census in 2017.

Parkgate Primary School and Keresley Grange Academy, two nearby primary schools serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 February 2017. Both Parkgate Primary School and Keresley Grange Academy cater for learners aged from 3 to 11 and serve adjacent catchment areas in Coventry. Parkgate Primary School has a capacity of 708 and a roll of 675 in the school census in 2017. Keresley Grange Academy has a capacity of 315 and a roll of 294 in the school census in 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Futures Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing document of the trust.

The trustees act as directors of the charitable company for the purposes of company law, as well as fulfilling their obligations as trustees for the charitable activities of The Futures Trust. The charitable company is known as The Futures Trust.

Details of the Trustees are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, the trust has purchased insurance to protect Directors, governors and Officers from claims arising from negligent actions, errors or omissions occurring whilst on trust business. The insurance provides cover up to £2,000,000 for any single claim.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Method of recruitment and appointment or election of trustees

The members and trustees are responsible for:

- The strategic management of the The Futures Trust
- Agreeing the strategic plans for The Futures Trust including the Development Plans of academy schools within the trust and monitoring educational standards
- Setting and agreeing trust policy
- Reviewing the trust's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the trust's budget and financial health
- Appointing the CEO and holding him or her to account

The method of appointment and election of trustees and members of Local Governing Bodies is set out in The Futures Trust's Articles of Association.

The Board of Trustees meet at least five times per year.

The Board of Trustees have established procedures that enable regular reviews of mix of skills and experience that should be available to the board. New trustees with the appropriate skills and experience are sought either as replacements for trustees who retire from the board, or as additional trustees. The majority of Local Governing Body members are drawn from the community served by the school and are often parents or carers of students who attend the school. Trustees and members of the Local Governing Bodies are recruited by advertising in school newsletters, by direct approaches or where specific skills are sought, via the Inspiring Governance website.

In accordance with The Futures Trust's Articles of Association, trustees and governors can be elected as follows:

Members can appoint up to 11 Trustees.

Members may appoint Staff Trustees through such process as they may determine. The total number of Trustees (including the Chief Executive Officer) who are employees of The Futures Trust shall not exceed one third of the total number of Trustees.

At least two Parent Local Governors shall be elected to each established Local Governing Body and there shall be a minimum of two Parent Trustees and otherwise such number as the Members shall decide who shall be appointed or elected in accordance with the Articles.

Parent Trustees and Parent Local Governors shall be elected or, if the number of parents, or individuals exercising parental responsibility, standing for election is less than the number of vacancies, appointed (in accordance with the terms of reference determined by the Trustees from time to time).

The elected or appointed Parent Trustees must be a parent, or an individual exercising parental responsibility, of a registered pupil at one or more of the Academies at the time when he is elected or appointed.

Policies and procedures adopted for the induction and training of trustees

Induction and training provided for new trustees is adapted according to their skills and experience. Upon appointment, all trustees receive a welcome pack, the content of which has been approved by the Members. The pack outlines the roles and responsibilities of a Company Director and Charity Trustee. The pack includes key documents such as the Governors' Handbook and Competency Framework for Governance (published by the Department of Education) and the most recent Academies Financial Handbook (issued by the Education & Skills Funding Agency). Training opportunities are provided throughout the year at Board meetings and where appropriate will include education, charity, legal and financial training. All Governors receive an Induction Pack relevant to the individual Academy and updates from RSM and legal firm Stone King. Barr's Hill School and President Kennedy School have shared training opportunities this year. A Trustee and Governor Induction and Training Programme has been launched from 1 September 2017.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

The Futures Trust Governance Framework

The Futures Trust is governed by a Board of Trustees who are responsible for, and oversees, the management and administration of the trust and the academies within the trust.

The Futures Trust is the only legal entity accountable for all the academies within the trust. The Futures Trust has entered into one set of Articles of Association with the Secretary of State which govern all academies in the trust.

The trustees are accountable to external government agencies including the Charity Commission and the Department for Education for the quality of the education they provide and they are required to have systems in place through which they can assure themselves of quality, safety, probity and good practice.

In order to discharge these responsibilities, the trustees appoint individuals to serve on sub-committees which focus on specific matters such as Education and Standards, Finance, Resources, Risk and Audit.

A Local Governing Body oversees each Academy in the trust. The Local Governing Body is focused on the day to day running of each academy specifically the educational outcomes for the pupils it serves.

A Scheme of Delegation outlines the ways in which the trustees fulfil their responsibilities for the leadership and management of The Futures Trust, the respective roles and responsibilities of the Board of Trustees, their sub-committees, the Chief Executive Officer and the Local Governing Body of each Academy and the commitments to each other to ensure the success of The Futures Trust.

The members of the Local Governing Body are responsible for:

- The day to day oversight of the Academy School
- Formulating the Academy School's Development Plan and monitoring educational standards
- Ensuring the Academy School complies with statutory requirements and trust policy
- Reviewing the Academy school's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the Academy school's budget and financial health
- Appointing the Academy School's headteacher and holding him or her to account

The CEO is the appointed Accounting Officer of The Futures Trust and has the overall responsibility for the day to day financial management of the schools. The CEO has delegated responsibility to specific budget holders for expenditure within strictly controlled limits. These limits are monitored by the trust's Finance Director and items of expenditure with a total BACS payment above £5,000 must be authorised by the CEO.

The head teacher manages the day to day running of the Academy School supported by a leadership team. The leadership team meets regularly to review the school's progress and consider issues, risks and trends which affect the school. The leadership team assist the head teacher to develop and implement school plans. Individual members of the leadership team are allocated specific management responsibility by the head teacher.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Risk Management

The trustees are responsible for the management of risks to which The Futures Trust is exposed. The trust has formulated its own Risk Management Policy and put in place sound systems of internal governance and control.

The controls used by the trust include:

- Formal agendas for trust meetings
- A detailed Scheme of Delegation
- Detailed terms of reference for all committees
- School Development Plans for each school within the trust identifying key strategic planning objectives and the resources required to achieve them
- Budget planning, monitoring and review
- Clear financial delegation levels
- Formal written policies reviewed on a regular basis
- Clear safeguarding and vetting procedures as required by law to protect children and young people
- Rigorous review of educational achievement to ensure continuing high standards
- Comprehensive planning and review of admissions processes
- A risk based programme of audits throughout the year

The trustees, together with the MAT Central team and the leaders of the trust's schools have identified and assessed material financial, operational and strategic risks which, if unmanaged, could impact educational standards, the trust's reputation and/or financial well-being. These are regularly monitored and updated.

A comprehensive list of these risks has been compiled within the trust's 'Risk Register'. Mitigating actions have been identified and policies have been put in place and are reviewed regularly. Risk factors which are beyond the Academy Trust's control such as a rising staff costs and the national funding formula, are monitored and planned for.

A disclosure of the trust's material risks are made within the Strategic Report later in this document.

The Futures Trust recognises potential threats which could lead to business interruption and has created a Business Continuity Plan to ensure that its critical activities can be maintained within agreed recovery time objectives.

The Futures Trust has procured comprehensive insurance cover to ensure that if risks materialise the impact is limited within quantifiable limits.

The Board of Trustees is satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised, however, that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees makes decisions regarding the setting of pay and remuneration for key management personnel working across the Trust. The Board directly considers the pay of the CEO and all Headteachers on an annual basis, and delegates the performance management of the Trust's Senior Management Team to the CEO who makes recommendations to the Board regarding pay. When considering senior pay the Board takes account of the need to secure the knowledge, experience, skills and personal capabilities required to enable the Trust to achieve its educational objectives, the price of such skills in the labour market and the need to ensure equality and the effective use of public money.

OBJECTIVES AND ACTIVITIES

Objects and aims

The charitable objectives for which the trust was formed are set out in its Articles of Association:

The Academy Trust's object ('the Object') is specifically restricted to the following: 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 ('the Academy Trust').

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives, strategies and activities

The Futures Trust Strategic Plan: Building Brighter Futures 2017-2022 was developed throughout 2016/17 and it was approved by the Board of Trustees on 24 May 2017. The Futures Trust is committed to building brighter futures for everybody within its community. The trust is passionate about seeking to raise the horizons and ambitions of our students in order that they move beyond their existing environment. The trust endeavors to make a difference to their lives, and in the most profound sense, through their own ability to make a difference to themselves and others. The trust's decision-making and actions focus upon three clear values:

1. Learners First – teachers and leaders totally focused upon the educational benefit of our learners
2. It's about learning – learners, teachers and leaders focused upon developing and improving their learning
3. No Barriers – no excuses, only support to ensure learners, teachers and leaders maximise their performance

The trust has developed four fundamentals in order to deliver the strategic plan. They are:

1. Exceptional educational experiences
2. Leading, Teaching, Learning and Assessment
3. Investment and Sustainability
4. Leadership and Governance

Each of the fundamentals is supported by a series of challenging milestones and KPIs to ensure that outcomes are achieved. The Board of Trustees will regularly monitor progress against the KPIs.

The Futures Trust is committed to the principle of excellence through collaboration and partnership. Our community is committed to a common desire to learn from each other, share experiences and be mutually supportive in order that outstanding learning outcomes and exceptional educational experiences are provided for all our students. From this shared commitment and belief in mutual support we gain our sense of belonging.

The trust's ambition is to achieve the following:

- Improve upon all school OFSTED ratings and ensure all students go to Outstanding academies
- Students make outstanding progress and achieve targets that place their schools in at least the top 10% in the country
- Students are confident, well rounded and have a clear and strong purpose in life
- Teaching and Leadership are outstanding and sustainable
- Staff are clear about their responsibilities and are motivated, recognised and rewarded appropriately
- Current and prospective parents engage effectively with schools via a well thought through marketing plan
- Develop an extensive and successful enrichment programme
- Invest in buildings and facilities to provide outstanding learning environments

The trust's approach to school improvement is based upon developing and sharing practical strategies that work in the classroom as well as support all students to achieve their potential. The trust is constantly seeking ways to improve the following:

1. Learner Outcomes
2. Teaching and Learning – Quality in the Classroom
3. Communication Skills
4. Support – Systematic Monitoring and Intervention
5. Experience – Curriculum Design
6. Leadership of learning
7. Professional Development

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

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 primary purpose of The Futures Trust is to ensure that students who attend the trust's schools achieve the best possible educational outcomes and life chances beyond school. The students are therefore the beneficiaries of the trust and benefits to students are provided by ensuring the highest standard of teaching and learning in all the trust's schools.

STRATEGIC REPORT

Ensuring the Trust Achieves Value For Money: Achievements and Performance

This section of the report sets out how the Accounting Officer of The Futures Trust and the Board of Trustees have ensured that the trust's use of its resources has provided good value for money during the period.

For the accounting year ending 31 August 2017, The Futures Trust controlled four academy schools: two secondary schools, President Kennedy School judged Outstanding in all categories by Ofsted in July 2013 and Barr's Hill School judged Required to Improve in March 2016; and two primary schools from 1 February 2017, Parkgate Primary judged Good in June 2013 and Keresley Grange Academy judged Required to Improve in March 2016.

For the secondary schools, the trust has set the following core targets for them over the next three years, as set out in the Academy Improvement Plans. They are:

- Improving upon the OFSTED rating of Barr's Hill School to Good as soon as possible and ensure President Kennedy School retains its Outstanding judgement and develops into a transformational school helping other schools improve.
- Students will out perform students from similar contexts as demonstrated by progress (Barr's Hill top 15% and President Kennedy School top 5%)
- Post 16 students perform at, or above, national standards
- Students are confident, well rounded, of strong character and have a clear and strong purpose in life
- Teaching and Leadership are outstanding and sustainable
- Ensuring that staff are clear about their responsibilities and are motivated, recognised and rewarded appropriately
- Engaging current and prospective parents effectively via a well thought through marketing plan
- Developing an extensive and competitively successful enrichment programme
- Seek to further close the gaps in performance between key groups within the schools and especially continue to improve the performance of disadvantaged students

For the primary schools, the following core targets have been set by the trust:

- Close the gap between school attainment and national attainment data in all statutory assessments.
- Improve the overall quality of teaching, so that all teaching is good or better.

Further details of the educational results are given on page 11.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

Most of the trust's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

Unrestricted income comprises sports centre, other lettings and departmental sales.

During the year ended 31 August 2017, the trust's total expenditure was £17,215,000 compared to £21,203,000 total incoming resources including grant funding from the Department for Education (DfE) together with other incoming resources.

Across the trust, employee costs as a percentage of income remain less than the 80% benchmark target.

In accordance with correct disclosure requirements, the financial information which is presented in the consolidated statement of financial activities includes assets and liabilities transferred from local authorities upon conversion and transactions in the restricted fixed asset fund. Such presentation can obscure an overview of the operating performance of the trust. Under the accounting standards, 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 trustees consider that the financial position is appropriate in light of the need to balance the immediate expenditure of the trust with their longer term commitments and current cash reserves.

Key Financial Performance Indicators

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

- Employee costs as a percentage of income
- Pupil numbers versus capacity and opportunity cost
- Quarterly management accounts versus budget
- Forecast management accounts up to period end versus budget
- GAG income versus expenditure
- Days lost due to employee absence and percentage of funding spent on supply staff
- Employee and other costs per student benchmarked against national medians
- Average teacher cost benchmarked against national medians
- Average support staff cost benchmarked against national medians
- Monthly cash flow forecasts for each school and for the trust

Financial and risk management objectives and policies

For the period ending 31 August 2017, the following significant financial risks have been identified and are being managed by the trustees:

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Ongoing maintenance costs associated with school buildings

President Kennedy School's swimming pool has been out of action since January 2016. This is due to the breakdown of expensive equipment together with the delay in the school's new school building. Within their Local Plan, Coventry City Council has designated £1.7m section 106 funding to be allocated to refurbish President Kennedy School's swimming pool.

President Kennedy School took ownership of its new school building in August 2017 which was delayed from Easter 2017. The School has incurred significant additional costs arising from this delay and the trust is in discussions with the ESFA regarding recouping these costs.

Barr's Hill School's site is constrained by a lack of space and a steeply sloping site. Some of the school's buildings date back to the 1930s and are in need of replacement. The trust continues to bid for Condition Improvement Funding and divert GAG funding to patch and repair work in order to ensure all buildings remain operational.

Parkgate Primary School and Keresley Grange Academy have secured Condition Improvement Funding to repairs to roofs, toilets and alarm systems. The trust has appointed an experienced Estates Manager to assist its Coventry schools with condition improvement planning.

Local Government Pensions Scheme Deficit and Employer Contributions

Currently, the LGPS is in deficit (there are not sufficient assets to meet liabilities) therefore employers (and employees) are having to make increased contributions to support the deficit. LGPS actuaries revalue the fund and set required contributions every three years. The future assets and liabilities and employer contributions within the LGPS are uncertain and are not within the control of the Governors but assumptions relating to the impact of increased contributions are made and modelled within the trust's financial plans. A full appraisal of the LGPS on the Academy Trust's financial position can be found in the notes to the Financial Statements at the end of this report.

Apprenticeship Levy

From 6 April 2017, the trust will be required to have regard to the Apprenticeship Target. The Target is 2.3% apprenticeship starts each year based on employer headcount, and is to be averaged over the years 2017/18 to 2020/21. The trust will be required on a monthly basis to pay the Apprenticeship Levy via its PAYE scheme and to report to HMRC how much Levy money the Trust owes. The Levy will be 0.5% of the annual pay bill for the trust minus a £15,000 allowance.

National Funding Formula uncertainty

The trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of static pupil led funding at a time of rising inflation and employee costs. Reserves are in place to ensure that the trust is able to preserve cash flow despite this uncertainty.

Reserves policy

The trusts' policy is to generate reserves in order to fund future projects which will improve the educational experiences and outcomes for students. The level and use of reserves are reviewed at least annually by the Board of Trustees.

At 31 August 2017, the trust's reserves totalled £11,185,000.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Investment policy

The Trustees' powers to invest cash reserves are set out in the trust's Memorandum and Articles of Association, which permit the investment of funds that, are not immediately required for educational purposes subject to any restrictions which may from time to time be imposed by law.

Trustees are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Trustees consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Trustees' management of cashflow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

The trust's current policy is to invest in low risk, short term cash deposits. Cash Reserves are currently deposited within Lloyds Bank plc.

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 headline KPIs include:

Ofsted Judgement across all four categories.

GCSE Results:

- Progress 8 based on students' progress measured across eight subjects: English; mathematics; three other EBacc subjects (sciences, computer science, geography, history and languages); and three further subjects, which can be from the range of EBacc subjects, or can be any other approved, high-value arts, academic, or vocational qualification. This illustrates the extent to which the Academy Trust delivers academic progress between Year 7 and Year 11 (GCSE) given the prior attainment of students on entry. Disadvantaged students and high attaining students are critical groups that are measured.
- Attainment 8 – student's average achievement in the same suite of subjects as the Progress 8 measure.
- English and mathematics – the percentage of students achieving a C grade or better in both English (either Language or Literature) and mathematics.
- The EBacc – showing the percentage of students achieving good grades across a range of academic subjects.

A level results:

- Percentage of students attaining:
 - AS A*-B
 - AS A*-E
 - A2 A*-B
 - A2 A*-E
- Progress – a value added progress measure to show how well students have progressed when compared with students with the same Key Stage 4 prior attainment for students taking Level 3 academic (A level) and Applied General (vocational) qualifications.
- Attainment – the average point score per entry measure expressed as a grade. It is the average grade students attain.
- Retention – a measure showing the proportion of students who get to the end of the programme of study that they enrolled on.
- English and maths – an average change in grade measure for students who did not get a good pass in these subjects at GCSE.

Pupil attendance data relative to city and national average.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Educational Results:

In order to secure its mission and aims, the trust undergoes a very thorough budget setting process before the start of the academic year. This process is driven by the known funding available notified by the ESFA, other projected income, the curriculum needs defined to meet our aims and objectives plus strategic initiatives identified by the MAT Central Team or trustees and the needs of the individual curriculum and non-curriculum departments. The trust is able to measure the effectiveness of the allocation of resources as follows:

President Kennedy School

In 2017 President Kennedy School produced another strong set of Key Stage 4 results. The 2017 cohort had a significantly lower prior attainment than national and progress made by students was exceptional between entry at Year 7 and GCSE. The school's Progress 8 figure of +0.67 means that on average students achieve a grade that is two-thirds better in every subject compared to their peers nationally. A total of 41% achieved a strong pass (grade 5+) in English and maths; 21.5% achieving EBACC (5+ in English, Maths, and at least a good pass in two sciences, humanities and MFL); and Attainment 8 is 46.66 points. Progress made by Pupil Premium students is above the national average of all students (e.g. English = 0.74, Maths = 0.23, English Baccalaureate = 0.40, open slots = 0.22).

At Level 3, students achieved a 98% pass rate which is in line with the national figure.

Overall, 58% of the students achieved A*-B grades across the academic and vocational academic courses. In the academic courses 40% of students achieved A*-B grades. The vast majority of students studying Level 3 Vocational courses achieved the very top grade Distinction*. A large number of students from these courses have been accepted onto competitive Degree Courses.

Barr's Hill School

The results at Barr's Hill School were disappointing. The 2017 cohort had a significantly lower prior attainment than national and progress made by students was exceptional between entry at Year 7 and GCSE. Standards at GCSE were significantly below the national average and the progress made by students was below national average as demonstrated by the Progress 8 measure of -0.48. A total of 12% achieved a strong pass (grade 5+) in English and maths; 1% achieving EBACC (5+ in English, Maths, and at least a good pass in two sciences, humanities and MFL); and Attainment 8 is 30.58 points. Progress made by Pupil Premium students is significantly below the national average at -0.79. Performance at GCSE has meant fewer students have entered Post 16 Select for the academic year 2017-2018.

At A-level, performance at A*/A, A*-B and A*-E declined. Of particular concern was that 74% of students achieved A-E grades, down from 95% in 2016.

Keresley Grange Academy

The percentage of pupils achieving a Good Level of Development at the end of the Early Years Foundation Stage is in line with national average. The percentage of pupils achieving the expected standard in phonics increased for the second year in succession and is now 14% points above the national figure.

The percentage of pupils achieving age related expectations at the end of Key Stage 1 in reading, writing and mathematics combined increased by 5% point. The percentage of pupils achieving age related expectations in each individual subject also increased (e.g. 3% points in reading, 10% points in writing and 2% points in mathematics). Attainment is now close to national standards.

The percentage of pupils achieving age related expectations at the end of Key Stage 2 in reading, writing and mathematics combined increased by 7% points compared to the national increase of 8% points. Rates of progress increased in reading and writing, however, fell for mathematics and is below the national average.

The school is making good progress towards national standards, securing improved consistency in the quality of teaching and learning and improving its Ofsted judgement.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Parkgate Primary School

The percentage of pupils achieving a Good Level of Development at the end of the Early Years Foundation Stage fell by 6% and is now below the national average by 3% points. The percentage of pupils achieving the expected standard in phonics increased for the second year in succession and is now only 1% point below the national figure.

The percentage of pupils achieving age related expectations at the end of Key Stage 1 in reading, writing and mathematics combined increased by 1% point however, the gap to national widened by 3% points. This pattern was mirrored within reading and mathematics. Writing remained unchanged.

The percentage of pupils achieving age related expectations at the end of Key Stage 2 in reading, writing and mathematics combined increased by 9% points compared to the national increase of 8% points. The gap to national therefore narrowed by 1% point but remains well below the national average. Rates of progress increased in all subjects, however, remains significantly below national for reading and is below for mathematics. Writing progress is above zero, only marginally above the national average.

The school improved its performance this year and has put good measures in place to strengthen performance and secure improved consistency in the quality of teaching and learning.

Careers Guidance & Destinations

The trust delivers highly effective support and guidance to all students across all three Key Stages. The trust employs its own careers professionals in both schools who ensure that students from Year 12 upwards are engaged in work placements and are prepared thoroughly for employment. Both schools enjoy a very high degree of success placing students into higher education, apprenticeships or employment.

Plans for future periods

The trust remains committed to building brighter futures for everybody within our community and improving the educational outcomes, destinations and life chances for those students that attend its academy schools.

The trustees are committed to a policy of measured strategic expansion of the number of primary and secondary academies which are welcomed into the trust. Particular priority will be given to new academies in Coventry and adjacent counties.

The Futures Trust believes in ensuring that each academy maintains and develops its individual character and uniqueness whilst also sharing a commitment to collaboration and the mutual support for all academies in the trust especially those that are in need of assistance at any particular time.

At a time of heightened regulation and increasingly constrained resources, it is essential that schools work together to share business best practice and benefit from economies of scale in areas such as H.R., ICT, facilities, finance and procurement. The Futures Trust will continue to develop effective and efficient professional business services that are fit for purpose, compliant with standards required from academy schools and add real value to the educational outcomes for the young people served by each and every school.

The trust has invested funding received from the Regional Academy Growth Fund into the development of a trust-wide HR Management Information System. The system will provide a more agile and higher quality functionality for recruitment, succession planning and talent management across the trust.

A review of the trust's ICT Operating Model was undertaken in 2016/17 and a trust-wide strategy and offer for new and current academies will be undertaken in 2017/18.

Following a competitive tender exercise, the trust appointed a new catering provider to work across the four schools in the trust. This has resulted in better quality catering for students and staff at a lower cost.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

These include:

- Safeguarding students
- Securing outstanding educational outcomes for all students given changes to national curriculum and measures of success
- Recruitment and retention of outstanding teachers
- Maintaining the growing reputation of the trust
- Securing 'Outstanding' Ofsted judgements for all academies
- Rising employee costs
- LGPS deficit and the volatility of employer contributions
- Maintaining ageing buildings
- Uncertainty regarding the National Funding Formula
- Failure to comply with statutory requirements

GOING CONCERN

After making appropriate enquiries, the Board of Trustees 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.

EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

The Trust consults employees and their recognised representatives regarding matters of concern to them, and employees are kept informed and given the opportunity to provide feedback on specific matters directly by management. The Trust has a range of policies in place in relation to personnel matters which are made available to staff in each of the Trust's schools, and the Trust encourages and values employee voice and participation. Forums for communication include staff briefings, school portals, meetings with representatives, website postings, training and professional development activities, exit interviews and direct email and hard copy communications.

The Trust is committed to equality of opportunity and values diversity and the different contributions that the people who become members of our staffing community are able to make. All staff are selected on the basis of their knowledge, experience, skills, abilities and potential, and are chosen because they will successfully and positively add value, raise standards and bring the Trust's values to life. The Trust's recruitment, selection, retention and professional development activities are implemented with due regard to the Equality Act 2010, the Equality Duty and the duty to make reasonable adjustments, and no person will be discriminated against on the basis of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex or sexual orientation. The Trust recognises that people's needs will change throughout their working lives and is committed to developing and delivering working practices and policies that are responsive to this.

AUDITOR

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

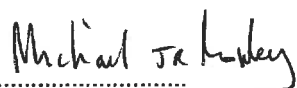
THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Statement as to disclosure of information to auditor

The trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The trustees' report is approved by order of the board of trustees and the strategic report (included therein) is approved by the board of trustees in their capacity as the directors at a meeting on 20/12/2019 and signed on its behalf by:



.....
Mr M Moseley
Trustee

THE FUTURES TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Futures 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 trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Futures Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Governors' Responsibilities. Attendance during the year at meetings of the Board of Trustees were as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp (Chair of the Board of Trustees)	4	5
Mr D Belcher	5	5
Mr W Copeland	5	5
Mr A Fitzpatrick	5	5
Mr M Moseley	5	5
Mr I Mubeen (Appointed 14 October 2016 and resigned 18 October 2017)	2	5
Mr P Thomas (Chief Executive Officer)	5	5
Mr F Weston (Appointed 22 February 2017)	2	5

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Governance reviews

The Futures Trust Strategic Plan 2017 – 2022 was developed during 2016/17 and approved by the Board of Trustees on 24 May 2017. The Board participated in three strategy sessions during the academic year and in May 2017, the trustees considered the development of a future governance structure, size and scale of the MAT, how the Trust governed itself and the schools in the MAT, whether the current governance structure should be tweaked or whether an evolving model over time would be preferable as the MAT expanded. The governance structure would be underpinned by the trust's vision and values.

An External Review of Governance was undertaken at Barr's Hill School in April 2017 and the recommendations from that report were presented to the Local Governing Body in May 2017.

An action plan was developed, and presented to the LGB at the last meeting of the academic year in June 2017, which focuses on:

- The recruitment, development and training of committed governors;
- Review, clarify, refine and agree the responsibilities of, and lines of accountability between, the multiple people and committees involved in running the school;
- Create a single set of documents with a defined role and relationship to each other that communicate the vision and the plan and enable progress to be monitored; and
- Gain greater understanding of the strategic levers that drive the financial sustainability of the school and use them to stabilise the financial position.

It is anticipated that all actions will be completed by the Spring 2018 when the NLG will review progress against the EGR.

A trust-wide Governance and Effectiveness review will be conducted during March 2018.

The Finance, Resources, Audit and Risk Sub-Committee is a sub-committee of the Board of Trustees. Its purpose is to exercise responsibility for, and oversight of, the finances, assets and staff within the Trust and its academies. In addition, the Committee shall oversee all systems of governance and internal control and ensure risk management processes and audit functions are in place and fit for purpose across the trust and its academies.

During the year Mr Baker, a part qualified ACCA accountant with over 25 years of financial management experience, advised the Trust. Attendance at meetings in the year is as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp (Chair of the Board of Trustees)	3	5
Mr W Copeland	4	5
Mr A Fitzpatrick	5	5
Mr M Moseley	5	5
Mr I Mubeen (Appointed 14 October 2016 and resigned 18 October 2017)	2	5
Mr P Thomas (Chief Executive Officer)	5	5

Review of value for money

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

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

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Staffing To Add Value

The Futures Trust has enhanced staffing capacity and expertise both within the Central Team and at Academy level to ensure that it is well placed to deliver the best possible outcomes for students and deliver sustainable growth and leadership quality for the trust as a whole.

- Despite a national shortage of teachers, the trust continues to attract good quality teaching in most subject disciplines. Core subjects in the two secondary schools have been strengthened. Both primary schools have considerably improved their teaching workforce.
- The CEO is a designated National Leader of Education and there are two senior leaders who are Ofsted trained and periodically undertake inspections.
- The trust employs six designated Specialist Leaders of Education, a senior leader developing a professional learning community across the schools and has developed a structured Career Stage professional development programme of which the impact will increasingly become apparent. From across the schools there are six teachers undertaking Masters level research, ten staff working towards becoming 'Teaching Leaders Fellows' five staff on various SSAT Aspirant courses and twelve staff undertaking the National Qualification of Middle Leadership.
- The trust is committed to developing a quality professional learning environment focused upon leadership of learning, succession planning and quality in the classroom.

Additional Initiatives Which Add Value for Learners

During 2016/17, the trust has implemented new initiatives and programmes to directly benefit learning outcomes for students:

- Free Easter and Summer Schools for year 6 students in advance of joining President Kennedy School.
- Free 'Seven for Year 7' activities programme for year 6 students in advance of joining Barr's Hill School.
- University taster days for students from Year 7 upwards
- Highly successful Vocational Curriculum at Post 16 at both Barr's Hill and President Kennedy School
- Enhanced Behaviour for Learning programme incorporating 'character education'
- High Attainers programme
- STEM clubs and Duke of Edinburgh Awards Scheme
- KS4 data monitoring and targeted intervention at GCSE at both Barr's Hill and President Kennedy School
- Professionally led careers and guidance programmes at both Barr's Hill and President Kennedy School
- Educational visits to destinations both home and abroad
- Exceptional opportunities have been provided to students from President Kennedy School who enabled the school to achieve World Class Schools status

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Sharing Best Practice With Other Schools

- The Trust has deployed resources to enable other local schools to support them in their drive to improve teaching and learning outcomes for their students.
- The trust operate regular Big 6 collaborative reviews at senior and middle leader level focused upon:
 - Student Progress: accuracy of predictions and actions including Pupil Premium and Higher Attaining students; data analysis; lists and performance in class.
 - Teaching and learning: diagnose required issues; evaluate effectiveness of teaching and learning; intervention and support provided for students; have challenging conversations.
 - Work scrutiny: weekly evaluation by faculties and hubs leading to discussions with teachers and subsequent actions for improvement.
 - Learning walks: daily evaluation by all in SLT/ faculties and subsequent actions for improvement.
 - Student Voice: integral to all informal work and formal through intervention and assertive mentoring.
 - Leadership of Learning.
- A number of teachers from President Kennedy School have regularly worked with staff in local primary and secondary schools in order to raise standards of teaching and learning in their classrooms.
- The trust had hosted workshops sharing outstanding teaching and learning practice for senior leaders from schools from all over the country and leaders from other Multi Academy Trust's.
- The trust has launched its own School to School offer and has supported several schools who are seeking to improve standards both in the classroom and within business functions such as HR and Finance.
- The two secondary schools in the trust are individual members of the Coventry Secondary Head Teachers Partnership. The CEO is Chair of a School Improvement Partnership of six schools.
- The two primary schools in the trust are individual members of a network of Coventry Primary Head Teachers.
- President Kennedy School was designated a 'National Support School' in 2014 and has supported many schools in the East and West Midlands throughout 2016-2017 either by hosting visits and sharing good practice or by leading training in particular schools.
- Barr's Hill School have offered support to a local school in improving the quality of teaching in creative subjects.
- President Kennedy School has been awarded Teaching School status and initial actions have focused upon appointing 17 SLEs as well as a teaching community of over five schools across three local authorities.

Investment in Infrastructure: New School Build Project

The trust secured a new school building for President Kennedy School within the Priority Schools Building Programme and the new school is occupied from September 2017.

Best Value Procurement

The Trustees and officers apply the principles of best value when making any spending decisions. Decisions are taken on a 'students first' basis; deployment of resources must be evaluated in terms of achieving the very best educational outcomes for students.

The trust follows policies and procedures which ensure that best value is secured in exchange for public resources. A highly skilled Finance Team oversees all ordering and procurement activities. Orders and contracts must be supported by written quotations before the decision is taken to proceed. A register of established and reliable suppliers is used and any deviation from the list must be justified to the Finance Director.

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Approval	Procurement	Best Value Process
Board of Trustees	£300K + Competitive Tender unless light touch	EU Tender
TFT FRC	£164k, £176-£300K goods and services £589k services used solely to deliver education (e.g. staff salaries)	EU Tender
CEO	£30-£164K	3 quotations minimum or formal tender (framework)
HT & FD	£20-£30K	3 quotations
HT	£5-£20K	3 quotations
SBM	£2-£5K	Approved suppliers with benchmarking to prove value
Budget Holder	£0-£2K	Approved suppliers with benchmarking to prove value

The trust is a member of the Crescent Purchasing Consortium and the Crown Purchasing framework and uses both to secure and benchmark significant contracts.

Reviewing Controls and Mitigating Risk

The trust's Finance, Resources, Audit and Risk Sub-Committee acts as the Audit Committee. The Committee reviews the trust's risk register and identifies areas that require further review or mitigating action.

The Finance, Resources, Audit and Risk Sub-Committee received regular budget reports which are scrutinised to ensure the most effective use of resources to meet the objectives of the Trust.

The trustees have appointed specialists from ASCL, to undertake specified internal audit work. In addition, specialist health and safety audits have also been commissioned.

Insurance cover is procured via tender and is reviewed annually with the provider to ensure that risk is mitigated within defined limits.

The trust ensures that all surplus cash balances are invested in interest bearing accounts with well-established UK banks to maximise interest earning potential whilst minimising counterparty risk.

The Board of Trustees review the reserve levels of the trust regularly. The review includes a five year income and expenditure forecast which encompasses stress testing of funding levels and staff costs.

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the trust for the period ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has previously considered the need for a specific internal audit function and decided not to appoint an internal auditor; instead the trustees appointed ASCL's internal audit specialist to perform additional checks.

The reviewers role includes giving advice on financial matters and performing a range of checks on the MAT's financial systems. On an annual basis, the internal auditor reports to the trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

The reviewers conducted an appraisal of the trust's system of internal controls focusing on financial management. No material weaknesses were found.

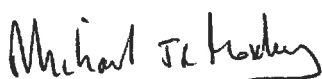
Review of effectiveness

As Accounting Officer, the Chief Executive Officer 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 reviewer
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance and resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 20/12/2017 and signed on its behalf by:



Mr M Moseley
Trustee



Mr P Thomas
Chief Executive Officer / Accounting Officer

THE FUTURES TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr P Thomas
Accounting Officer

20/12/2017

THE FUTURES TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

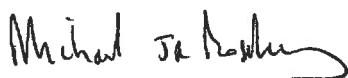
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 20/12/2017 and signed on its behalf by:



Mr M Moseley
Trustee

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST

Opinion on financial statements

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE FUTURES TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 23, the trustees (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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Oxtoby (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham

West Midlands, B2 5AF



THE FUTURES TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	-	-	1,095	1,095	100
Donations - transfer from local authority on conversion	26	815	(2,758)	5,013	3,070	3,723
Charitable activities:						
- Funding for educational operations	4	-	16,667	-	16,667	12,805
Other trading activities	5	366	-	-	366	274
Investments	6	5	-	-	5	6
Total		<u>1,186</u>	<u>13,909</u>	<u>6,108</u>	<u>21,203</u>	<u>16,908</u>
Expenditure on:						
Raising funds	7	186	-	-	186	214
Charitable activities:						
- Educational operations	8	-	16,679	350	17,029	13,174
Total	7	<u>186</u>	<u>16,679</u>	<u>350</u>	<u>17,215</u>	<u>13,388</u>
Net income/(expenditure)		1,000	(2,770)	5,758	3,988	3,520
Transfers between funds		-	(290)	290	-	-
Other recognised gains/(losses)						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	766	-	766	(2,266)
Net movement in funds		1,000	(2,294)	6,048	4,754	1,254
Reconciliation of funds						
Total funds brought forward		<u>1,013</u>	<u>(7,138)</u>	<u>12,556</u>	<u>6,431</u>	<u>5,177</u>
Total funds carried forward		<u>2,013</u>	<u>(9,432)</u>	<u>18,604</u>	<u>11,185</u>	<u>6,431</u>

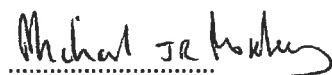
THE FUTURES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	13		17,911		12,556
Current assets					
Debtors	14	1,553		524	
Cash at bank and in hand		2,568		1,584	
		<u>4,121</u>		<u>2,108</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(1,162)		(1,095)	
Net current assets			<u>2,959</u>		<u>1,013</u>
Net assets excluding pension liability			<u>20,870</u>		<u>13,569</u>
Defined benefit pension scheme liability	23		(9,685)		(7,138)
Net assets			<u><u>11,185</u></u>		<u><u>6,431</u></u>
Funds of the academy trust:					
Restricted funds	18				
- Restricted fixed asset funds			18,604		12,556
- Restricted income funds			253		-
- Pension reserve			(9,685)		(7,138)
Total restricted funds			<u>9,172</u>		<u>5,418</u>
Unrestricted income funds	18		<u>2,013</u>		<u>1,013</u>
Total funds			<u><u>11,185</u></u>		<u><u>6,431</u></u>

The financial statements on pages 26 to 49 were approved by the board of trustees and authorised for issue on ~~2012.2013~~ 2017 and are signed on their behalf by:



Mr M Moseley
Trustee

THE FUTURES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
Cash flows from operating activities			
Net cash (used in) provided by operating activities	21	(239)	389
Cash funds transferred on conversion		815	275
		<u>576</u>	<u>664</u>
Cash flows from investing activities			
Dividends, interest and rents from investments	5	6	
Capital grants from DfE and ESFA	1,095	100	
Purchase of tangible fixed assets	(692)	(149)	
		<u>408</u>	<u>(43)</u>
Net cash provided by/(used in) investing activities			
		<u>984</u>	<u>621</u>
Net increase in cash and cash equivalents in the reporting period			
		<u>1,584</u>	<u>963</u>
Cash and cash equivalents at beginning of the year			
		<u>2,568</u>	<u>1,584</u>
Cash and cash equivalents at end of the year			
		<u><u>2,568</u></u>	<u><u>1,584</u></u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

General information

The Futures Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

Basis of preparation

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

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Parkgate Primary School and Keresley Grange School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 26.

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.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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.

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

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

Donations

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

Other income

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

Expenditure

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

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

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 to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Land and buildings	50 years
Long leasehold property	50 years
Fixtures, fittings and equipment	10 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Leased assets

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

Financial instruments

The academy trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the academy trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

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

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'), which are multi-employer 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 projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income. Actuarial gains and losses are recognised immediately as other comprehensive income.

Fund accounting

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

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

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

Agency arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 25.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

2 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Trustees have reviewed the financial statements and consider that there are no critical judgements applied in these financial statements other than the assumptions detailed above, and the use of the going concern basis of accounting.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	1,095	1,095	100

The income from donations and capital grants was £1,095,000 (2016: £100,000) of which £1,095,000 was restricted fixed assets (2016: £100,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	14,206	14,206	11,690
Other DfE / ESFA grants	-	2,143	2,143	962
	-	16,349	16,349	12,652
Other government grants				
Local authority grants	-	318	318	153
	-	16,667	16,667	12,805

The income from funding for educational operations was £16,667,000 (2016: £12,805,000) of which £16,667,000 was restricted (2016: £12,805,000).

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Lettings income	42	-	42	39
Other Income	277	-	277	156
Event income	47	-	47	79
	366	-	366	274

The income from other trading activities was £366,000 (2016: £274,000) of which £366,000 was unrestricted (2016: £274,000).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Other investment income	5	-	5	6

The income from funding for investment income was £5,000 (2016: £6,000) of which £5,000 was unrestricted (2016: £6,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds	102	84	-	186	214
Academy's educational operations					
- Direct costs	11,221	-	853	12,074	9,702
- Allocated support costs	2,372	1,067	1,516	4,955	3,472
Total support costs	13,695	1,151	2,369	17,215	13,388

The expenditure on raising funds was £186,000 (2016: £214,000) of which £186,000 was unrestricted (2016: £214,000).

Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Operating lease rentals	54	30
Depreciation of tangible fixed assets	350	252
Net interest on defined benefit pension liability	187	172
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	25	18
- Other services	5	2

8 Charitable activities

	2017 £'000	2016 £'000
All from restricted funds:		
Direct costs - educational operations	12,074	9,702
Support costs - educational operations	4,955	3,472
	17,029	13,174

The expenditure on educational operations was £17,029,000 (2016: £13,174,000) of which £- was unrestricted (2016: £18,000), £16,679,000 was restricted (2016: £12,904,000) and £350,000 was restricted fixed assets (2016: £252,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities (Continued)

	2017 £'000	2016 £'000
Analysis of support costs		
Support staff costs	2,372	1,614
Depreciation and amortisation	350	252
Technology costs	285	222
Premises costs	717	468
Other support costs	1,009	879
Governance costs	222	37
	<u>4,955</u>	<u>3,472</u>

9 Staff

Staff costs

Staff costs during the year were:

	2017 £'000	2016 £'000
Wages and salaries	10,278	8,388
Social security costs	982	713
Operating costs of defined benefit pension schemes	2,019	1,390
	<u>13,279</u>	<u>10,491</u>
Total staff costs	13,279	10,491
Supply staff costs	395	197
Staff restructuring costs	21	44
	<u>13,695</u>	<u>10,732</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totaling £20,000 (2016: £Nil). The ESFA provides the trust with delegated authority to approve individual staff severance payments, provided that any non-statutory/non-contractual elements are less than £50,000. All of the payments made by the trust were in accordance with these requirements. Individually the payments were: £8,000, £12,000.

Staff numbers

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

	2017 Number	2016 Number
Teachers	163	138
Administration and support	120	101
Management	29	25
	<u>312</u>	<u>264</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff (Continued)

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	6	4
£70,001 - £80,000	3	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £738,917 (2016: £636,983).

10 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services
- others as arising.

The trust charges for these services based on 2.5% of the GAG income received by the academy.

The amounts charged during the year were as follows:

	Total £'000
President Kennedy School	204
Barr's Hill School	115
Parkgate Primary School	40
Keresley Grange Academy	20
	<u> </u>
	379
	<u> </u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Trustees' remuneration and expenses

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

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

The CEO received remuneration of £122,500 in 2017 (2016: £120,000) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £20,188 (2016: £19,776)

No Governors were reimbursed expenses during the period (2016: none).

There were no staff trustees in 2017 (2016: none).

12 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £752 (2016: £528). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Land and buildings	Long leasehold property	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2016	5,249	7,665	217	13,131
Transfer on conversion	-	5,013	-	5,013
Additions	369	20	303	692
At 31 August 2017	5,618	12,698	520	18,836
Depreciation				
At 1 September 2016	91	457	27	575
Charge for the year	170	154	26	350
At 31 August 2017	261	611	53	925
Net book value				
At 31 August 2017	5,357	12,087	467	17,911
At 31 August 2016	5,158	7,208	190	12,556

The long leasehold properties are leased from The Council of the City of Coventry, relating to the land and buildings at the President Kennedy School, Parkgate Primary School and Keresley Grange Academy and are leased for a period of 125 years for a peppercorn rent, if demanded. No such charges have been made in the current year (2016: £nil).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

14 Debtors	2017	2016
	£'000	£'000
Trade debtors	18	5
Other debtors	269	104
Prepayments and accrued income	1,266	415
	<u>1,553</u>	<u>524</u>
	<u><u>1,553</u></u>	<u><u>524</u></u>
15 Creditors: amounts falling due within one year	2017	2016
	£'000	£'000
Trade creditors	594	225
Other taxation and social security	276	220
Other creditors	147	495
Accruals and deferred income (see note 16)	145	155
	<u>1,162</u>	<u>1,095</u>
	<u><u>1,162</u></u>	<u><u>1,095</u></u>
16 Deferred income	2017	2016
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	80	-
	<u>80</u>	<u>-</u>
Deferred income at 1 September 2016	-	-
Amounts deferred in the year	80	-
	<u>80</u>	<u>-</u>
Deferred income at 31 August 2017	<u><u>80</u></u>	<u><u>-</u></u>
Deferred income relates to funding received in advance from the DfE for Stoke Park School, which joined the trust on 1 October 2017.		
17 Financial instruments	2017	2016
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	287	118
	<u>287</u>	<u>118</u>
Carrying amount of financial liabilities		
Measured at amortised cost	806	421
	<u>806</u>	<u>421</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
Restricted general funds					
General Annual Grant	-	14,206	(13,729)	(290)	187
Other DfE / ESFA grants	-	2,143	(2,077)	-	66
Other government grants	-	318	(318)	-	-
Pension reserve	(7,138)	(2,758)	(555)	766	(9,685)
	<u>(7,138)</u>	<u>13,909</u>	<u>(16,679)</u>	<u>476</u>	<u>(9,432)</u>
Restricted fixed asset funds					
Transferred on conversion	12,556	5,013	(317)	-	17,252
DfE / ESFA capital grants	-	1,095	(33)	290	1,352
	<u>12,556</u>	<u>6,108</u>	<u>(350)</u>	<u>290</u>	<u>18,604</u>
Total restricted funds	<u>5,418</u>	<u>20,017</u>	<u>(17,029)</u>	<u>766</u>	<u>9,172</u>
Unrestricted funds					
General funds	1,013	1,186	(186)	-	2,013
	<u>1,013</u>	<u>1,186</u>	<u>(186)</u>	<u>-</u>	<u>2,013</u>
Total funds	<u>6,431</u>	<u>21,203</u>	<u>(17,215)</u>	<u>766</u>	<u>11,185</u>

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

Under the funding agreement with the secretary of state, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other restricted general funds were funded by government grants or donations from sponsors.

Restricted fixed asset funds were funded by government grants or sponsor donations.

The material fund transfer between the GAG fund and the Restricted Fixed Asset fund represents unspent grant which is for capital purposes.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (Continued)

Funds prior year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
Restricted general funds					
General Annual Grant	-	11,690	(11,641)	(49)	-
Other DfE / ESFA grants	-	962	(962)	-	-
Other government grants	-	153	(153)	-	-
Pension reserve	(2,923)	(1,801)	(148)	(2,266)	(7,138)
	<u>(2,923)</u>	<u>11,004</u>	<u>(12,904)</u>	<u>(2,315)</u>	<u>(7,138)</u>
Restricted fixed asset funds					
Transferred on conversion	7,410	5,349	(252)	49	12,556
	<u>7,410</u>	<u>5,349</u>	<u>(252)</u>	<u>49</u>	<u>12,556</u>
Total restricted funds	<u>4,487</u>	<u>16,353</u>	<u>(13,156)</u>	<u>(2,266)</u>	<u>5,418</u>
Unrestricted funds					
General funds	690	555	(232)	-	1,013
	<u>690</u>	<u>555</u>	<u>(232)</u>	<u>-</u>	<u>1,013</u>
Total funds	<u>5,177</u>	<u>16,908</u>	<u>(13,388)</u>	<u>(2,266)</u>	<u>6,431</u>

Total funds analysis by academy

Fund balances at 31 August were allocated as follows:	Total 2017 £'000	Total 2016 £'000
President Kennedy School	298	489
Barr's Hill School	1,063	524
Parkgate Primary School	843	-
Keresley Grange Academy	79	-
Central services	(17)	-
Total before fixed assets fund and pension reserve	<u>2,266</u>	<u>1,013</u>
Restricted fixed asset fund	18,604	12,556
Pension reserve	(9,685)	(7,138)
Total funds	<u>11,185</u>	<u>6,431</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2017 £'000	Total 2016 £'000
President						
Kennedy School	5,974	1,472	110	1,180	8,736	8,625
Barr's Hill School	2,875	981	101	987	4,944	4,763
Parkgate Primary School	1,218	247	18	315	1,798	-
Keresley Grange Academy	563	99	20	141	823	-
Central services	119	143	54	72	388	-
	<u>10,749</u>	<u>2,942</u>	<u>303</u>	<u>2,695</u>	<u>16,689</u>	<u>13,388</u>

19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	17,911	17,911
Current assets	2,093	1,335	693	4,121
Creditors falling due within one year	(80)	(1,082)	-	(1,162)
Defined benefit pension scheme liability	-	(9,685)	-	(9,685)
Total net assets	<u>2,013</u>	<u>(9,432)</u>	<u>18,604</u>	<u>11,185</u>
	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	12,556	12,556
Current assets	1,013	1,095	-	2,108
Creditors falling due within one year	-	(1,095)	-	(1,095)
Defined benefit pension scheme liability	-	(7,138)	-	(7,138)
Total net assets	<u>1,013</u>	<u>(7,138)</u>	<u>12,556</u>	<u>6,431</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Commitments under operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	48	53
Amounts due between one and five years	145	193
	<u>193</u>	<u>246</u>

In addition, the Academy Trust has entered into a PFI contract for a new school building at the President Kennedy site.

21 Reconciliation of net income to net cash flow from operating activities

	2017 £'000	2016 £'000
Net income for the reporting period (as per the statement of financial activities)	3,988	3,520
Adjusted for:		
Net surplus on conversion to academy	(3,070)	(3,723)
Capital grants from DfE/ESFA and other capital income	(1,095)	(100)
Interest receivable	(5)	(6)
Defined benefit pension scheme cost less contributions payable	368	(24)
Defined benefit pension scheme finance cost	187	172
Depreciation of tangible fixed assets	350	252
Movements in working capital:		
(Increase) in debtors	(1,029)	(262)
Increase in creditors	67	560
Net cash (used in)/provided by operating activities	<u>(239)</u>	<u>389</u>

22 Members' liability

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

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and of the LGPS 31 March 2016.

Contributions amounting to £233,126 (2016: £169,768) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

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.

Valuation of the Teachers' Pension Scheme

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

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fee), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to the TPS in the period amounted to £1,072,997 (2016: £ 885,000).

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

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.8% for employers and 5.5 - 12.5% 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 Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	644	529
Employees' contributions	180	132
Total contributions	824	661

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 August 2017 by a qualified independent actuary.

	2017 %	2016 %
Rate of increases in salaries	4.2	3.75
Rate of increase for pensions in payment/inflation	2.7	2.0
Discount rate for scheme liabilities	2.6	2.2
Inflation assumption (CPI)	2.7	2.0

The assumed life expectations on retirement age 65 are:

	2017 Years	2016 Years
Retiring today		
- Males	21.8	23.1
- Females	24.3	25.8
Retiring in 20 years		
- Males	24.0	25.3
- Females	26.6	28.1

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2017 Fair value £'000	2016 Fair value £'000
Equities	2,485	1,070
Government bonds	287	125
Other bonds	151	154
Cash/liquidity	195	116
Property	287	143
Other assets	521	194
Total fair value of assets	3,926	1,802

The actual return on scheme assets was £729,000 (2016: £251,000).

Amount recognised in the statement of financial activities	2017 £'000	2016 £'000
Current service cost	1,012	505
Net interest cost	187	172
Total operating charge	1,199	677

Changes in the present value of defined benefit obligations	2017 £'000
At 1 September 2016	8,940
Obligations acquired on conversion	3,346
Current service cost	1,012
Interest cost	241
Employee contributions	180
Actuarial gain	(91)
Benefits paid	(17)
At 31 August 2017	13,611

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

23 Pension and similar obligations (Continued)

Changes in the fair value of the academy trust's share of scheme assets	2017 £'000
At 1 September 2016	1,802
Assets acquired on conversion	588
Interest income	54
Return on plan assets (excluding net interest on the net defined pension liability)	675
Employer contributions	644
Employee contributions	180
Benefits paid	(17)
At 31 August 2017	3,926

24 Related party transactions

Key management personnel remuneration is disclosed in note 9.

Weston Education became a related party from 22 February 2017 when a trustee was appointed to the Trust. Services from 22 February amounted to £2,400. At the year end £nil was outstanding.

25 Agency arrangements

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £48,416 (2016: £76,000) and disbursed £48,416 (2016: £76,000).

26 Conversion to an academy

On 1 February 2017 Parkgate Primary School and Kersely Grange School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Futures Trust from the West Midlands Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion
Parkgate Primary School	Parkgate Road, Coventry, CV6 4GF	1 February 2017
Keresley Grange Academy	Waste Lane, Coventry, CV6 2EM	1 February 2017

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

26 Conversion to an academy (Continued)

Net assets transferred:				2017 £'000
Freehold land and buildings				5,013
Cash				815
LGPS pension surplus/(deficit)				(2,758)
				<u>3,070</u>
				<u>3,070</u>
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	5,013	5,013
LGPS pension funds	-	(2,758)	-	(2,758)
Other funds	815	-	-	815
	<u>815</u>	<u>(2,758)</u>	<u>5,013</u>	<u>3,070</u>
	<u>815</u>	<u>(2,758)</u>	<u>5,013</u>	<u>3,070</u>

27 Post balance sheet events

Stoke Park School joined the Trust on 1 October 2017.

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 9 August 2017 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by The Futures Trust during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2016 to 2017 Part 9: Regularity Reporting. We are independent of The Futures Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of The Futures Trust's accounting officer and trustees

The accounting officer is responsible, under the requirements of The Futures Trust's funding agreement with the Secretary of State for Education dated 9 August 2017 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Futures Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2016 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2016 to 2017.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

This report is made solely to The Futures Trust and the ESFA in accordance with the terms of our engagement letter dated 9 August 2017. Our work has been undertaken so that we might state to the The Futures Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the The Futures Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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Dated: 21 December 2017.