

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 2019

THE FUTURES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr A Fitzpatrick (from 11 September 2019)
Mr P Crisp
Mrs K Ireland
Rev A Randle-Bissell
Dr D Wood
Mr N Coupland

Trustees

Mr P Crisp (Chair of the Board of Trustees to 11 September 2019)
Mr D Belcher
Mr W Copeland (Resigned 11 September 2019)
Mr A Fitzpatrick (Chair of the Board of Trustees from 11 September 2019)
Mr M Moseley
Mr P Thomas (Chief Executive Officer)
Mr F Weston
Ms K Morris
Mr P Heer (Appointed 5 December 2018)
Mrs C Blair (Appointed 29 October 2019)
Mr D Loudon (Appointed 18 October 2019)
Ms E Tomlinson (Appointed 7 November 2019)

Senior management team

- Trust HR Director
- Trust Finance Director
- Trust Development Director
- Chief Executive Officer
- Deputy Chief Executive Officer

Miss C Bayliss
Mr M Baker
Ms E Rowlands
Mr P Thomas
Mr S Toor

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
Stoke Park School
Keresley Newland Primary Academy

Location

Rookery Lane, Coventry, CV6 4GL
Radford Road, Coventry, CV1 4BU
Parkgate Road, Coventry, CV6 4GF
Keresley, Coventry, CV6 2EM
Dane Road, Coventry, CV2 4JW
Keresley, Coventry, CV7 8JZ

Principal

Mr N Clayton
Mr C Jupp
Mrs Z Richards
Mrs N Penlington
Mr P Thomas
Mr P Thomas

THE FUTURES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP St Philips Point Temple Row Birmingham West Midlands B2 5AF
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Bankers	Lloyds Bank plc 30 High Street Coventry CV1 5RE
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Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ
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THE FUTURES TRUST

TRUSTEES' REPORT

The trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the financial statements and auditors' report of The Futures Trust (the trust) for the period 1 September 2018 – 31 August 2019. The trustees confirm that the annual report and financial statements of the trust comply with the current statutory requirements, the requirements of the trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in January 2015.

THE FUTURES TRUST BACKGROUND

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

The MAT 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. President Kennedy School caters 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 1,605 in the school census in 2019.

Barr's Hill School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 October 2015. Barr's Hill School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. Barr's Hill School has a capacity of 875 and a roll of 771 in the school census in 2019.

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 630 and a roll of 691 in the school census in 2019. Keresley Grange Academy has a capacity of 311 and a roll of 294 in the school census in 2019.

Stoke Park School, a nearby secondary school serving a catchment area close to the centre of Coventry, converted to academy status and joined The Futures Trust on 1 October 2017. Stoke Park School caters for learners aged 11 to 19 serving adjacent catchment areas in Coventry. Stoke Park School has a capacity of 1,116 and a roll of 1,014 in the school census in 2019.

Keresley Newland Primary Academy, a small primary school located in Keresley Village, close to President Kennedy School and Keresley Grange Primary School, transferred from NET Academies Trust and joined The Futures Trust on 1 December 2018. Keresley Newland Primary Academy caters for learners aged 3 to 11 serving adjacent catchment areas in Coventry. Keresley Newland Primary Academy has a capacity of 210 and a roll of 139 in the school census in 2019.

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.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Trustees' indemnities

In accordance with normal commercial practice, the trust has purchased insurance to protect trustees, 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.

Method of recruitment and appointment or election of trustees

The trustees are responsible for:

- The strategic management of The Futures Trust
- Agreeing the strategic plans for The Futures Trust including the Development Plans of 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 Chief Executive Officer and holding him or her to account

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 governors are drawn from the community served by the school and are often parents or carers of students who attend the school. Trustees and governors are recruited by advertising in school newsletters, by direct approaches or where specific skills are sought, via Inspiring Governance and Academy Ambassadors.

The method of appointment, election and removal of trustees and governors is set out in The Futures Trust's Articles of Association.

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 an induction 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 and includes key documents such as the Governors' Handbook and Competency Framework for Governance (published by the Department of Education (DfE)) and the most recent Academies Financial Handbook (issued by the Education and Skills Funding Agency (ESFA)). New trustees meet with key personnel from the Central Team to gain an understanding of training opportunities are provided throughout the year at Board meetings and, where appropriate, include education, charity, legal and financial training.

All trustees and governors receive an Induction Pack relevant to the individual school and updates from RSM, legal firm Stone King, the National Governance Association and The Key for School Governors. A thorough Induction and Training Programme for governors and trustees was delivered during the academic year. Training sessions included Governor Induction, Understanding Academic Data, Financial and Budget management and Safeguarding.

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 oversee, the management and administration of the trust and its schools.

The Futures Trust is the only legal entity accountable for all the schools within the trust. The Futures Trust has entered into one set of Articles of Association with the Secretary of State which govern all schools 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 committees which focus on specific matters such as Education and Standards, Finance, Resources, Risk and Audit.

A Local Governing Body oversees each school in the trust. The Local Governing Body is focused on the day to day running of each school 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 Committees, the Chief Executive Officer, Head teacher and the Local Governing Body of each school and the commitments to each other to ensure the success of The Futures Trust.

Local Governing Bodies are responsible for:

- The day to day oversight of the school
- Formulating the school's Development Plan and monitoring educational standards
- Ensuring the school complies with statutory requirements and trust policy
- Reviewing the school's major risks and ensuring that these are managed within agreed limits
- Agreeing and monitoring the school's budget and financial health
- Appointing the school's head teacher in consultation with the trust 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 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)

Organisational structure

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 and committee 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 considered the pay of the CEO and all Head teachers on an annual basis, and delegates the performance management of the trust's Central 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. To that effect, the Board commissioned external independent advice in 2018 regarding Central Team and CEO remuneration and continues to implement this advice.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	6.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	22,228,000
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0%
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Related parties and co-operation with other organisations

All members, trustees and governors complete a business and pecuniary interests declaration form annually which sets out the relationship with The Futures Trust that is not directly related to their duties as trustees. The entries on the Register are checked, confirmed or updated at every meeting. Trustees are required to declare any potential conflicts of interest as they arise and take no further part in any decision relating to the matter declared.

The Register of Business & Pecuniary Interests for members, trustees and governors is available on The Futures Trust's website. The Register of Business & Pecuniary Interests for Local Governing Bodies can also be found on the respective school's website.

OBJECTIVES AND ACTIVITIES

Objects and aims

The charitable objectives for which the trust was formed are set out in its Articles of Association. The MAT's ('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 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 endeavours 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's Strategic Plan, Building Brighter Futures, has four key fundamentals. They are:

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

The four fundamentals are supported by a series of challenging milestones and KPIs to ensure that outcomes are achieved. The Board of Trustees and its Committees 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 schools
- 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

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.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

Educational Achievements and Key Performance Indicators

For the accounting year ending 31 August 2019, The Futures Trust controlled six schools:

President Kennedy School was judged Outstanding in all categories by Ofsted in July 2013.

In 2019, President Kennedy School produced another strong set of Key Stage 4 results with students on average performing one quarter of a GCSE grade better in each of their subjects compared to an average school. Pupil Premium students not only outperformed (all) students nationally but also non-Pupil Premium students nationally in terms of progress.

Standards at GCSE are well above the city average across all headline attainment measures. The standard pass in English and maths was achieved by over 66% of students; 16.2% achieved strong EBACC (5+ in English, Maths, and at least a good pass in two sciences, humanities and MFL) and Attainment 8 score of 4.6 (average grade across the best eight qualifying subjects).

At Level 3, students achieved a 98% pass rate which is in line with the national average. The proportion of students achieving A*/A in academic A levels was the third highest in the city. This is in spite of the school's intake being amongst the most inclusive within the city. The majority of students studying Level 3 Vocational courses achieved the very top grades Distinction and Distinction*. A large number of Professional Pathway students have been accepted onto competitive Degree Courses and apprenticeships.

Attendance at the end of 2018/19 was higher than the national average (94.5%) at 94.7%.

Barr's Hill School was judged Good by Ofsted in September 2018.

In 2019, students made exceptional progress at KS4. Those with higher prior attainment in particular achieved almost a grade higher in each of their subjects when compared to national. Pupil Premium students performed broadly in line with all students nationally in terms of progress which represents significant improvement upon last year.

At Level 3, standards in the small number of academic subjects and the vocational subjects improved upon last year. Pass rates and the proportion of students achieving grades A*-B rose significantly to 89% and 30% respectively at A level.

The quality of teaching continued to improve with consistently high expectations across all subjects.

Attendance at the end of 2018/19 was close to the national average at 94%.

Stoke Park School was judged Special Measures by Ofsted in February 2017 and joined The Futures Trust as a Sponsored School on 1 October 2017.

Standards at GCSE improved significantly from 2018 with rises seen across all the headline attainment measures: 36% achieved strong pass (grade 5+) in English and maths; 11.3% achieving EBacc strong pass and 43.6 at Attainment 8 (average grade across best eight qualifying subjects). Progress made by students was above the national average by almost one fifth of a GCSE grade. Pupil Premium students made more progress from their starting points than (all) students nationally having achieved a positive progress 8 score.

ALPs positive residuals have been secured in A level Art and Maths and in the Applied courses of Business and Sport. Performance was in line with expectation at A level in English Literature, French, Creative Writing and Media and in Applied Health and Social Care.

The quality of teaching continued to improve and by the end of the year was consistently high across the vast majority of subjects.

Attendance at the end of 2018/19 was close to national average at 94.2%.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Parkgate Primary School was judged Good by Ofsted in June 2013.

At KS1 pupils performed broadly in line with national in the proportional achieving the expected standard in Reading and maths. They performed slightly below national in Writing. Overall in the combined Reading and maths measure, pupils made more progress from their starting points than national.

At KS2 pupils performed broadly in line with national in the proportional achieving the expected standard in Writing and maths. They performed less well in Reading. Their overall progress as measured from their starting points was broadly in line with national.

The quality of teaching was consistently high across the Key Stages.

Attendance in 2018/19 was above the national average (95%) at 95.2%.

Keresley Grange Primary School was judged Required to Improve by Ofsted in March 2016.

At KS1 pupils performed broadly in line with national in the proportional achieving the expected standard in Reading, writing and maths. Overall in the combined Reading and maths measure, pupils made more progress from their starting points than national.

At KS2 pupils performed broadly in line with national in the proportional achieving the expected standard in Writing and maths. They performed well below in Reading. Their overall progress as measured from their starting points was below national.

The quality of teaching was consistently high across the Key Stages.

Attendance in 2018/19 was at national average at 95.5%.

Keresley Newland Primary Academy was judged Special Measures by Ofsted in January 2018 and transferred to The Futures Trust as a Sponsored School on 1 December 2018.

At KS1 pupils performed significantly below national in the proportion achieving the expected standard in Reading and maths.

At KS2 pupil attainment was significantly below national in Reading and Writing but in line in Maths. Progress as measured by the distance travelled from KS1 to KS2 by the Year 6 cohort suggests good performance; however, some concern about the accuracy of the KS1 data (four years ago) raises some questions as to the validity of this statement.

The quality of teaching was inconsistent across the Key Stages due to staffing difficulties.

Attendance in 2018/19 was below national average at 92.2%.

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 2019, and the associated expenditure, are shown as restricted funds in the statement of financial activities.

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

During the year ended 31 August 2019, the trust's total expenditure was £27,600k compared to £30,313k total incoming resources including grant funding from the DfE together with other incoming resources. Excluding the impact of schools converted in the year, pension scheme movements and capital funding, expenditure was £24,996k compared to incoming resources of £27,069k.

Total staff costs represent approximately 72% (2018: 60%) of available income. Social security and pension costs have remained stable at 29% (2018: 30%) of wages and salary costs. The increases in staff costs have been driven by nationally agreed pay rises, and by progression within pay scales.

Educational funding received from DfE/ESFA grants during the year was £26.3m (2018: £23.1m), an increase of 13% (2018: 42%) in comparison to the previous year. From the pupil number censuses, total pupil numbers in the relevant years have increased by 8% (2018: 31%).

During the year ended 31 August 2019, there was a decrease in cash of £607k (2018: decrease of £137k). The net movement in cash included a £378k outflow in respect of operating cash flows (2018: £435k) after adjusting for cash transferred in for converting schools), and by outflows of £229k (2018: £572k) in respect of investing activities.

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

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 2019, the trust's reserves totalled £22,365k.

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.

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 schools.

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

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.

Principal risks and uncertainties

For the period ending 31 August 2019, the following significant financial and business risks have been identified and are being managed by the trustees:

- Safeguarding students continues to be the trust's number one priority.
- Securing outstanding educational outcomes for all students given changes to national curriculum and measures of success.
- Recruitment and retention of outstanding teachers and support staff.
- Maintaining the growing reputation of the trust.
- Securing 'Outstanding' Ofsted judgements for all schools.
- Undersubscribed schools and a reduction in funding per learner.
- Increase in teacher salary costs.
- Health and Safety.
- ICT.
- Failure to comply with statutory requirements of the Academies Financial Handbook.
- Brexit related interruption to teaching and learning.
- Large capital projects underway simultaneously across multiple schools.

Trust and individual school Risk Registers are in place and, where appropriate, systems or processes have been established to mitigate the risks each school faces. Internal control risks are reduced by the implementation of procedures for authorisation of all transactions and projects. The Board of Trustees has assessed the major risks to which the trust is exposed, in particular those relating to quality teaching, the provision of facilities and other operational areas including the control of finances. Procedures are in place to ensure compliance with health and safety of staff, visitors and pupils.

The trust has an effective system of internal financial controls which is explained in detail in the Governance Statement.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

Financial and risk management objectives and policies

The trustees have assessed the major risks to which the trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academies within the trust, and its finances. The trustees have implemented a number of systems to assess these risks as well as operational procedures and internal controls to manage these risks. Where significant financial risk remains they have ensured they have adequate insurance cover. The trust is developing an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The trust is party of a PFI agreement in respect of the school buildings at President Kennedy School. This agreement runs to a period of 25 years under terms agreed between the Department of Education and Coventry City Council.

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.

Fundraising

Fundraising has been undertaken through a salaried member of the trust's team. No professional fund-raisers or commercial participator have been engaged.

The trust abides by the Code of Fundraising practice. Fundraising activity in this financial year consisted of applications to grant making trusts and National Lottery funded organisations. No appeals to members of the public have been made.

The fundraising function of the trust is monitored through regular line management, the review of grant applications and the monitoring and evaluation of grants received.

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 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 mail 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, sex or sexual orientation. The trust recognised 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.

THE FUTURES TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

The Members re-appointed RSM UK Audit LLP as the trust's external auditors at its Annual General Meeting on 4 April 2019.

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 and signed on its behalf by:



Mr A Fitzpatrick

Chair of the Board

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. There were six Board meetings during 2018/19 and one Away Day held on 28 November 2018. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp (Chair of the Board of Trustees to 11 September 2019)	6	7
Mr D Belcher	6	7
Mr W Copeland (Resigned 11 September 2019)	5	7
Mr A Fitzpatrick (Chair of the Board of Trustees from 11 September 2019)	7	7
Mr M Moseley	6	7
Mr P Thomas (Chief Executive Officer)	7	7
Mr F Weston	4	7
Ms K Morris	6	7
Mrs P Heer (Appointed 5 December 2018)	4	4
Mrs C Blair (Appointed 29 October 2019)	0	0
Mr D Loudon (Appointed 18 October 2019)	0	0
Ms E Tomlinson (Appointed 7 November 2019)	0	0

In order to discharge their responsibilities effectively, the Board of Trustees appoint individuals to serve on Committees which focus on specific matters such as education, standards, academic performance, finance and resources, risk and audit.

The Board of Trustees has two Committees:

- Finance, Resources, Audit & Risk Committee
- Education, Standards & Performance Committee

The purpose of the Finance, Resources, Audit & Risk Committee 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.

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

Attendance at meetings in 2018/19 was as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp (Chair of the Board of Trustees to 11 September 2019)	4	5
Mr W Copeland (Resigned 11 September 2019)	3	5
Mr A Fitzpatrick (Chair of the Board of Trustees from 11 September 2019)	5	5
Mr M Moseley	5	5
Mr P Thomas (Chief Executive Officer)	5	5
Ms K Morris	3	5
Mrs P Heer (Appointed 28 February 2019)	3	3

The purpose of the Education, Standards & Performance Committee is to ensure all schools secure a Good or better Ofsted judgement in accordance with the overarching criteria in the Ofsted Inspection Framework for the quality of education, behaviour and attitudes, personal development and leadership and management.

Attendance at meetings in the 2018/19 academic year was as follows:

Trustees	Meetings attended	Out of possible
Mr P Crisp (Chair of the Board of Trustees to 11 September 2019)	1	3
Mr D Belcher	2	3
Mr P Thomas (Chief Executive Officer)	3	3
Mr F Weston	3	3

Governance reviews

Following the Board, Committee and Chair Effectiveness Review in March 2018, all actions are now complete. One action is ongoing which relates to training and information sharing. The Board welcomed the Director of Education & Skills from Coventry City Council to its Board meeting in March 2019 where mutual opportunities to improve the facilities and experiences for our learners, staff and the wider community were discussed. The Board also welcomed RSM, our external auditors to its October 2019 meeting, together with the chairs of the Local Governing Bodies for an information sharing session about developments in the education sector.

In Stoke Park School's 2017 Ofsted Inspection, governance was judged Inadequate and it was recommended that an External Review of Governance be undertaken. This took place in February 2019. The report made a number of recommendations in three areas: ensuring effective use of a strong governing body; validating data provided by the school and appropriate strategic and financial oversight. An action plan was generated and was being monitored by the Local Governing Body.

THE FUTURES TRUST

GOVERNANCE STATEMENT (CONTINUED)

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:

- Enhancing staffing capacity and expertise both within the Central Team and at school 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.
- Providing Exceptional Learning Experiences for our learners:
 - Echo Eternal is a commemorative arts, media and civic engagement project which has gifted schools one of the 112 UK Holocaust survivor's stories filmed by Natasha Kaplinsky for the UK Holocaust Memorial Foundation. Launched in Birmingham on Holocaust Memorial Day January 2018, 14 schools have worked with artists to create 'echoes' to ensure that these stories were forever remembered. Echo Eternal will run for a further two years across the West Midlands ahead of the construction of the new national Holocaust memorial in the gardens of parliament.
 - Artsmark is the creative quality standard for schools, accredited by Arts Council England. Artsmark provides a clear framework for teachers to plan, develop and evaluate arts, culture and creativity across the curriculum. All six schools are participating in this two-year commitment to build a sustainable Arts Programme to address future areas for development to promote an arts rich curriculum. It also highlights how each school will forge relationships with various Arts partners, develop student leadership opportunities and establish CPD opportunities across the trust. The chosen theme across The Futures Trust is *Proud of me, proud of my community and my City*.
 - HealthTec® is an immersive scenario-based learning programme in partnership with the NHS and Public Health England which enables students to work closely with health and social care professionals, bringing learning to life and facilitating an insight into career opportunities with the NHS in both clinical and non-clinical functions. President Kennedy School has been chosen as the pioneering institution and the model will be replicated across Warwickshire, Hereford and Worcestershire.
- Sharing best practice with schools in our trust, the local community and beyond.
- Continuous professional development and learning to develop current and future leaders across the trust
- Investment in infrastructure.
- Reviewing best value procurement of services across the trust to achieve economies of scale and consistent outcomes.
- The trust has invested in improvements to ICT infrastructure to enable staff to work in any location in the trust and perform tasks and communicate seamlessly (single authentication and email platforms).
- A single, transportable and scalable approach for collating and interpreting education data has been developed.

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 1 September 2018 to 31 August 2019 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 1 September 2018 to 31 August 2019 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 internal audit specialists to perform additional checks.

The internal auditor's 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 internal auditor conducted an appraisal of the trust's system of internal controls focusing on financial management. There were no material control issues and thus no remedial action was required to be taken.

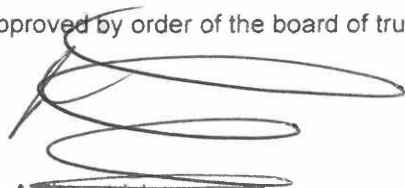
Review of effectiveness

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 11 December 2019 and signed on its behalf by:



Mr A Fitzpatrick
Chair of the Board



Mr P Thomas
Chief Executive 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 terms and conditions of all funding received by the academy trust, 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 2018.

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 2018.

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

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 Academies 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

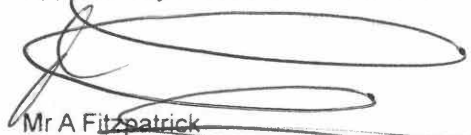
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 11 December 2019 and signed on its behalf by:



Mr A Fitzpatrick
Chair of the Board of Trustees

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

Opinion

We have audited the financial statements of The Futures Trust (the "charitable company") for the year ended 31 August 2019 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 2018 to 2019 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 2019 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 2018 to 2019 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 trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- The information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' 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 Directors' Report or the Strategic Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration 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 20, 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.

Use of our 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

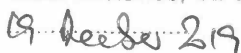
Chartered Accountants

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 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	3	-	16	1,143	1,159	985
Donations - transfer from previous trust	25	70	(364)	2,395	2,101	9,822
Charitable activities:						
- Funding for educational operations	4	-	26,494	-	26,494	23,460
Other trading activities	5	558	-	-	558	598
Investments	6	1	-	-	1	1
Total		<u>629</u>	<u>26,146</u>	<u>3,538</u>	<u>30,313</u>	<u>34,866</u>
Expenditure on:						
Raising funds	7	147	71	-	218	189
Charitable activities:						
- Educational operations	8	-	27,088	750	27,838	25,684
Total	7	<u>147</u>	<u>27,159</u>	<u>750</u>	<u>28,056</u>	<u>25,873</u>
Net income/(expenditure)		482	(1,013)	2,788	2,257	8,993
Transfers between funds	17	-	(45)	45	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(1,840)	-	(1,840)	1,770
Net movement in funds		482	(2,898)	2,833	417	10,763
Reconciliation of funds						
Total funds brought forward		<u>2,088</u>	<u>(10,910)</u>	<u>30,770</u>	<u>21,948</u>	<u>11,185</u>
Total funds carried forward		<u>2,570</u>	<u>(13,808)</u>	<u>33,603</u>	<u>22,365</u>	<u>21,948</u>

THE FUTURES TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£'000	£'000
Fixed assets			
Tangible assets	13	33,419	30,068
Current assets			
Debtors	14	2,679	2,078
Cash at bank and in hand		1,824	2,431
		4,503	4,509
Current liabilities			
Creditors: amounts falling due within one year	15	(1,698)	(1,719)
Net current assets		2,805	2,790
Net assets excluding pension liability		36,224	32,858
Defined benefit pension scheme liability	22	(13,859)	(10,910)
Total net assets		22,365	21,948
Funds of the academy trust:			
Restricted funds	17		
- Restricted fixed asset funds		33,603	30,770
- Restricted income funds		51	-
- Pension reserve		(13,859)	(10,910)
Total restricted funds		19,795	19,860
Unrestricted income funds	17	2,570	2,088
Total funds		22,365	21,948

The financial statements on pages 23 to 46 were approved by the board of trustees and authorised for issue on 11 December 2019 and are signed on their behalf by:

Mr A Fitzpatrick
Chair of the Board

THE FUTURES TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash used in operating activities	20	(115)	(462)
Cash funds transferred on school joining the trust		70	897
		(45)	435
Cash flows from investing activities			
Dividends, interest and rents from investments	1		1
Capital grants from DfE Group	1,143		971
Purchase of tangible fixed assets	(1,706)		(1,544)
Net cash used in investing activities		(562)	(572)
Net decrease in cash and cash equivalents in the reporting period		(607)	(137)
Cash and cash equivalents at beginning of the year		2,431	2,568
Cash and cash equivalents at end of the year		1,824	2,431

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 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 i.e. 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.

Transfer in to the academy trust

On 1 December 2018 Keresley Newland Primary Academy joined the Trust. The transfer into the academy trust involved the transfer of identifiable assets and liabilities and the operation of the schools 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 from Keresley Newland Primary Academy 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 in to trust 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 25.

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 2019

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, when performance-related conditions have been met, 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.

Transfer of assets from existing academies

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. Income equal to the net assets transferred is recognised within donations and capital grant income.

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 2019

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:

Freehold buildings	50 years
Long leasehold property	50 years
Fixtures, fittings and equipment	10 years
Motor vehicles	5 years

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

Liabilities

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

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 2019

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, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions 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 2019

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 24.

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 22, 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 2019. 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.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

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 2019 £'000	Total 2018 £'000
Capital grants	-	1,143	1,143	971
Other donations	-	16	16	14
	-	1,159	1,159	985

The income from donations and capital grants was £1,159,000 (2018: £985,000) of which £16,000 was restricted (2018: £14,000) and £1,143,000 was restricted fixed assets (2018: £971,000).

4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	22,312	22,312	21,145
Other DfE group grants	-	3,948	3,948	2,019
	-	26,260	26,260	23,164
Other government grants				
Local authority grants	-	234	234	296
	-	26,494	26,494	23,460

The income from funding for educational operations was £26,494,000 (2018: £23,460,000) of which £26,494,000 was restricted (2018: £23,460,000).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Lettings income	14	-	14	96
Event income	82	-	82	72
Other income	462	-	462	430
	<u>558</u>	<u>-</u>	<u>558</u>	<u>598</u>

The income from other trading activities was £558,000 (2018: £598,000) of which £558,000 was unrestricted (2018: £598,000).

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Other investment income	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>

The income from funding for investment income was £1,000 (2018: £1,000) of which £1,000 was unrestricted (2018: £1,000).

7 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2019 £'000	Total 2018 £'000
		Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	71	-	147	218	189
Academy's educational operations					
- Direct costs	18,116	-	1,652	19,768	18,149
- Allocated support costs	4,041	1,809	2,220	8,070	7,535
Total costs	<u>22,228</u>	<u>1,809</u>	<u>4,019</u>	<u>28,056</u>	<u>25,873</u>

The expenditure on raising funds was £218,000 (2018: £189,000) of which £147,000 was unrestricted (2018: £189,000) and £71,000 was restricted (2018: £nil).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure (Continued)

Net income/(expenditure) for the year includes:	2019 £'000	2018 £'000
Operating lease rentals	196	196
Depreciation of tangible fixed assets	750	627
Net interest on defined benefit pension liability	284	294
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	27	30
- Other services	7	5
	<u> </u>	<u> </u>

8 Charitable activities

	2019 £'000	2018 £'000
Direct costs		
Educational operations	19,768	18,149
Support costs		
Educational operations	8,070	7,535
	<u>27,838</u>	<u>25,684</u>

The expenditure on charitable activities was £27,838,000 (2018: £25,684,000) of which £nil was unrestricted (2018: £1,232,000), £27,088,000 was restricted (2018: £23,825,000) and £750,000 was restricted fixed assets (2018: £627,000).

	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	4,041	3,865
Depreciation	750	627
Technology costs	461	500
Premises costs	1,059	979
Other support costs	1,698	1,400
Governance costs	61	164
	<u>8,070</u>	<u>7,535</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	16,357	14,873
Social security costs	1,553	1,408
Pension costs	3,640	3,114
Staff costs - employed	21,550	19,395
Agency staff costs	628	1,191
Staff restructuring costs	50	108
Total staff expenditure	22,228	20,694

Staff restructuring costs comprise:

Severance payments	50	108
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Included in staff restructuring costs are contractual severance payments totalling £50,000. Individually, the payments were: £21,000 made on 30/04/2019, £21,000 made on 30/04/2019 and £8,000 made on 31/05/2019.

There were no non-statutory/non-contractual severance payments made during the year.

Staff numbers

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

	2019 Number	2018 Number
Teachers	272	210
Administration and support	170	185
Management	39	36
	481	431

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Staff (Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	5	9
£70,001 - £80,000	3	2
£80,001 - £90,000	3	2
£120,001 - £130,000	1	1

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 £874,400 (2018: £809,903).

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 3.5% of the GAG income received by the academy.

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
President Kennedy School	393	213
Barr's Hill School	137	114
Parkgate Primary School	82	70
Keresley Grange Academy	38	35
Stoke Park School	190	136
Keresley Newland Primary Academy	22	-
	862	568

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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 only receives remuneration in respect of services they provide undertaking the role of principal under their contract of employment, and not in respect of their services as trustee. Other trustees were not paid any remuneration.

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

The CEO received remuneration of £125,000 in 2019 (2018: £125,000) and is accruing retirement benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £20,600 (2018: £20,600).

No Governors were reimbursed expenses during the period (2018: 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 2019 was £2,034 (2018: £2,217). The cost of this insurance is included in the total insurance cost.

13 Tangible fixed assets

	Freehold buildings	Long leasehold property	Fixtures, fittings and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2018	17,658	13,262	679	21	31,620
Transfer on school joining trust	-	2,395	-	-	2,395
Additions	532	982	182	10	1,706
At 31 August 2019	18,190	16,639	861	31	35,721
Depreciation					
At 1 September 2018	566	870	114	2	1,552
Charge for the year	364	294	86	6	750
At 31 August 2019	930	1,164	200	8	2,302
Net book value					
At 31 August 2019	17,260	15,475	661	23	33,419
At 31 August 2018	17,092	12,392	565	19	30,068

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, Keresley Grange Academy and Keresley Newland Primary 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 (2018: £nil).

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Debtors	2019 £'000	2018 £'000
Trade debtors	27	13
Other debtors	356	417
Prepayments and accrued income	2,296	1,648
	<u>2,679</u>	<u>2,078</u>
	<u>2,679</u>	<u>2,078</u>
15 Creditors: amounts falling due within one year	2019 £'000	2018 £'000
Trade creditors	946	993
Other taxation and social security	389	375
Other creditors	344	319
Accruals and deferred income	19	32
	<u>1,698</u>	<u>1,719</u>
	<u>1,698</u>	<u>1,719</u>
16 Financial instruments	2019 £'000	2018 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	383	1,102
	<u>383</u>	<u>1,102</u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,310	1,344
	<u>1,310</u>	<u>1,344</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	22,312	(22,236)	(45)	31
Other DfE / ESFA grants	-	3,948	(3,928)	-	20
Other government grants	-	234	(234)	-	-
Other restricted funds	-	16	(16)	-	-
Pension reserve	(10,910)	(364)	(745)	(1,840)	(13,859)
	<u>(10,910)</u>	<u>26,146</u>	<u>(27,159)</u>	<u>(1,885)</u>	<u>(13,808)</u>
Restricted fixed asset funds					
Transfer on conversion	27,916	2,395	-	-	30,311
DfE group capital grants	2,854	1,143	(750)	45	3,292
	<u>30,770</u>	<u>3,538</u>	<u>(750)</u>	<u>45</u>	<u>33,603</u>
Total restricted funds	<u>19,860</u>	<u>29,684</u>	<u>(27,909)</u>	<u>(1,840)</u>	<u>19,795</u>
Unrestricted funds					
General funds	2,088	629	(147)	-	2,570
Total funds	<u>21,948</u>	<u>30,313</u>	<u>(28,056)</u>	<u>(1,840)</u>	<u>22,365</u>

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

Restricted general funds

This fund represents grants received for the Academy Trust's operational activities and development. This includes the pension reserve which represents the potential liability due by the Academy Trust at the year end.

Restricted fixed asset funds

This fund represents the net book value of fixed assets that the Academy Trust has purchased out of grants received and have been transferred on conversion.

Unrestricted funds

The unrestricted funds represent funds available to the trustees to apply for the general purposes of the Academy Trust.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2019.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds (Continued)

Funds prior year

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	187	21,145	(20,750)	(582)	-
Other DfE / ESFA grants	66	2,019	(2,085)	-	-
Other government grants	-	296	(296)	-	-
Other restricted funds	-	14	(14)	-	-
Pension reserve	(9,685)	(2,315)	(680)	1,770	(10,910)
	<u>(9,432)</u>	<u>21,159</u>	<u>(23,825)</u>	<u>1,188</u>	<u>(10,910)</u>
Restricted fixed asset funds					
Transfer on conversion	17,252	11,240	(576)	-	27,916
DfE group capital grants	1,352	971	(51)	582	2,854
	<u>18,604</u>	<u>12,211</u>	<u>(627)</u>	<u>582</u>	<u>30,770</u>
Total restricted funds	<u>9,172</u>	<u>33,370</u>	<u>(24,452)</u>	<u>1,770</u>	<u>19,860</u>
Unrestricted funds					
General funds	2,013	1,496	(1,421)	-	2,088
Total funds	<u>11,185</u>	<u>34,866</u>	<u>(25,873)</u>	<u>1,770</u>	<u>21,948</u>

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

17 Funds (Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
President Kennedy School	1,763	447
Barr's Hill School	220	275
Parkgate Primary School	714	798
Keresley Grange Academy	(57)	61
Stoke Park School	486	820
Keresley Newland Primary Academy	70	-
Central services	(575)	(313)
Total before fixed assets fund and pension reserve	2,621	2,088
Restricted fixed asset fund	33,603	30,770
Pension reserve	(13,859)	(10,910)
Total funds	22,365	21,948

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
President Kennedy School	6,168	1,305	172	1,926	9,571	9,036
Barr's Hill School	2,762	839	73	889	4,563	4,815
Parkgate Primary School	2,173	506	38	609	3,326	3,286
Keresley Grange Academy	1,011	253	28	257	1,549	1,505
Stoke Park School	4,208	1,090	129	995	6,422	5,640
Keresley Newland Primary Academy	526	146	7	91	770	-
Central services	480	108	34	287	909	799
	17,328	4,247	481	5,054	27,110	25,081

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 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 2019 are represented by:				
Tangible fixed assets	-	-	33,419	33,419
Current assets	2,570	1,749	184	4,503
Creditors falling due within one year	-	(1,698)	-	(1,698)
Defined benefit pension liability	-	(13,859)	-	(13,859)
Total net assets	2,570	(13,808)	33,603	22,365

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	30,068	30,068
Current assets	2,088	1,719	702	4,509
Creditors falling due within one year	-	(1,719)	-	(1,719)
Defined benefit pension liability	-	(10,910)	-	(10,910)
Total net assets	2,088	(10,910)	30,770	21,948

19 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	196	196
Amounts due between one and five years	545	653
Amounts due after five years	2,420	2,560
	3,161	3,409

There is a PFI contract in place for a school building at the President Kennedy site, which is subject to a supplementary agreement with the Secretary of State for Education. Total commitments under the contracts are £135,000 (2018: £135,000) within 1 year and £540,000 (2018: £540,000) between 1 and 5 years, and £2.56m (2018: £2.7m) in over 5 years.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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

	2019 £'000	2018 £'000
Net income for the reporting period (as per the statement of financial activities)	2,257	8,993
Adjusted for:		
Net surplus on conversion / transfer into academy	(2,101)	(9,822)
Capital grants from DfE and other capital income	(1,143)	(971)
Interest receivable	(1)	(1)
Defined benefit pension scheme costs less contributions payable	461	386
Defined benefit pension scheme finance cost	284	294
Depreciation of tangible fixed assets	750	627
Movements in working capital:		
(Increase) in debtors	(601)	(525)
(Decrease)/increase in creditors	(21)	557
Net cash used in operating activities	(115)	(462)

21 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 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.

22 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) and Warwickshire Pension Fund (WPF). Both are multi-employer defined benefit schemes.

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

Contributions amounting to £343,165 (2018: £233,126) were payable to the schemes at 31 August 2019 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.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations (Continued)

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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to the TPS in the period amounted to £1,548,000 (2018: £1,542,849).

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.

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 19.3% 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	2019 £'000	2018 £'000
Employer's contributions	1,347	1,152
Employees' contributions	283	241
Total contributions	1,630	1,393

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increases in salaries	2.30 - 3.70	3.8
Rate of increase for pensions in payment/inflation	2.20 - 2.90	2.3
Discount rate for scheme liabilities	1.80 - 1.85	2.65

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	20.9 - 21.4	21.9
- Females	23.2 - 23.6	24.4
Retiring in 20 years		
- Males	22.4 - 22.6	24.1
- Females	25.0 - 25.1	26.7

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	5,029	3,987
Government bonds	726	453
Other bonds	471	233
Cash/liquidity	284	236
Property	708	511
Other assets	1,138	879
Total fair value of assets	8,356	6,299

The actual return on scheme assets was £499,000 (2018: £71,000).

Amount recognised in the statement of financial activities

	2019 £'000	2018 £'000
Current service cost	1,580	1,538
Net interest cost	284	294
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	228	-
Total operating charge	2,092	1,832

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	17,209
Obligations acquired on transfer in	953
Current service cost	1,580
Interest cost	474
Employee contributions	283
Actuarial loss	2,149
Benefits paid	(661)
Plan introductions, benefit changes, curtailments and settlements	228
At 31 August 2019	22,215

Changes in the fair value of the academy trust's share of scheme assets	2019 £'000
At 1 September 2018	6,299
Assets acquired on transfer in	589
Interest income	190
Return on plan assets (excluding net interest on the net defined pension liability)	309
Employer contributions	1,347
Employee contributions	283
Benefits paid	(661)
At 31 August 2019	8,356

23 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 Board. Services at cost during the year amounted to £3,300 (2018: £1,250). At the year end £nil (2018: £nil) was outstanding.

Services at cost to Curee Ltd, a related party through virtue of control, amounted to £nil (2018: £4,674). At the year end £nil (2018: £nil) was outstanding.

24 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 £59,305 (2018: £76,376) and disbursed £38,159 (2018: £37,538). An amount of £59,984 (2018: £38,838) is included in other creditors relating to undistributed funds that is repayable to ESFA.

THE FUTURES TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Transfer of existing academy into the academy trust

On 1 December 2018 the Keresley Newland Primary Academy transferred into the academy trust and all of the operations, assets and liabilities were transferred to The Futures Trust 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 into the trust.

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 transfer
Keresley Newland Primary Academy	Keresley, Coventry, CV7 8JZ	1 December 2018

	2019 £'000
Net assets transferred:	
Leasehold land and buildings	2,395
Cash	70
Pension scheme deficit	(364)
	<u>2,101</u>

	Unrestricted Funds £'000	Restricted funds:		Total 2019 £'000
Funds surplus/(deficit) transferred:	£'000	General £'000	Fixed asset £'000	£'000
Fixed assets funds	-	-	2,395	2,395
Cash	70	-	-	70
LGPS pension funds	-	(364)	-	(364)
	<u>70</u>	<u>(364)</u>	<u>2,395</u>	<u>2,101</u>

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 2018 to 2019, to obtain limited assurance about whether the expenditure disbursed and income received by The Futures Trust during the period 1 September 2018 to 31 August 2019 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 2018 to 31 August 2019 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 2018 to 2019 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 2018, 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 2018 to 2019.

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 2018 to 31 August 2019 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 2018 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher 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 2018 to 2019.

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.

Use of our report

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 Futures Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.



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Dated: 19 October 2019

