Company number: 07365778

MIDSOMER NORTON SCHOOLS' PARTNERSHIP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

SATURDAY

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COMPANIES HOUSE

Midsomer Norton Schools' Partnership

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Randles P West T Wells S Warrener G Edwards
Trustees All trustees are directors. All apart from R Nash and M Parsons resigned and were reappointed with effect from 1.3.15.	S Warrener (Chair) S Baldwin* C Brace G Edwards G Griffith S Mills R Nash (resigned 21.1.2015) M Parsons (from 1.3.2015) A Sinden* A Williams (Accounting Officer)* S Wiseman * denotes members of audit committee
Company Secretary	W Kingwell
<u>Senior Management Team:</u>	
CEO and Executive Headteacher	A Williams
Headteacher (High Littleton)	G Griffith
Headteacher (Clutton)	M Parsons
Deputy Headteacher (Clutton)	A Heal
Deputy Headteacher (Norton Hill)	M Thompson
Deputy Headteacher (Norton Hill)	G Green
Deputy Headteacher (Somervale)	M Kenny
Deputy Headteacher (High Littleton)	I Gunning
Executive Business Manager	A Wyatt
Assistant Headteacher (Somervale)	M Ambrose
Assistant Headteacher (Somervale)	C Evans
Assistant Headteacher (Somervale)	K Howard
Assistant Headteacher (Norton Hill)	M Lynch
Assistant Headteacher (Norton Hill)	D McGilloway
Assistant Headteacher (Norton Hill)	D Phillips
Assistant Headteacher (Norton Hill)	K Ward
Assistant Headteacher (Norton Hill)	D Wiltshire
Principal and Registered Office	Charlton Road Midsomer Norton Radstock BA3 4AD
Company Registration Number	07365778
Independent Auditor	RSM UK Audit LLP, Chartered Accountants, Hartwell House 55-61 Victoria Street Bristol BS1 6AD
Bankers	Nat West Bank 3 High Street Midsomer Norton BA3 2ZY
Solicitors	Stone King LLP 13 Queen Square Bath BA1 2HJ

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

The Academy Trust is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter. The charitable company is known as Midsomer Norton Schools' Partnership.

The current Trustees of the Trust are the Directors of the Company.

The schools were originally operated within the local authority of Bath and North East Somerset. The secondary Trust was incorporated on 3 September 2010. The secondary schools converted to the status of Academies on 1 October 2010, High Littleton Primary School converted on 1 August 2014 and Clutton Primary School on 1 March 2015.

The Trust is governed by the rules and regulations set down in its company Articles of Association dated 1 March 2015.

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Trust, approving decisions reserved to Trustees and being involved in appointing key members of staff.

Trustees meet as a Trust Board six times in the year. All decisions reserved to the Trustees are taken by the Trust Board as a whole. Beneath the Trust Board there is one Local Governing Body for the two Secondary Schools and a Local Governing Body for each of the Primary Schools which meet 12 times a year. Six of these meetings focus on education and the remaining six focus on finance and premises. The Local Governing Bodies meet primarily to consider detailed matters and recommend decisions to the Trust Board. They also challenge the senior teams in each school and hold to them to account across a number of key aspects detailed in the Local Governing Body Terms of Reference.

Additionally, working groups with clear Terms of Reference are formed on an ad hoc basis to consider specific issues and make recommendations to the Board.

There is one Chief Executive Officer for the Trust. They are also the Executive Headteacher across the Secondary schools within the Trust. The CEO/Executive Headteacher is also the Accounting Officer and works closely with Trustees and the senior staff of the Trust.

The day-to-day management of the secondary schools rests with the CEO/Executive Headteacher who has overall responsibility for the Trust. The CEO/Executive Headteacher is responsible for establishing senior leadership teams at each school. In the primary phase, there is an individual Headteacher for each Primary school who is responsible for the day-to-day leadership and management of the school.

The Trustees set strategic objectives and educational targets for the Trust with some of these functions delegated to the Local Governing Bodies. Whilst the Local Governing Body may make recommendations the responsibility for strategic decisions rests with the Trust Board.

The Senior Leadership Team at each of the schools is responsible for the day to day operations and in particular for organising the teaching staff, facilities and students.

Connected Organisations, Including Related Party Relationships

During the period the CEO was a Trustee for the Wellsway Multi Academy Trust, however he has now resigned from this Trustee position.

Norton Hill School has been designated as a sponsor school by the DFE and is looking to work with other schools in this capacity.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

The Trustees have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New Trustees will then be sought with these skills, either as additional Trustees or replacements when existing Trustees stand down. It is anticipated that the great majority of new Trustees will be drawn from the local community being either parents or guardians of pupils at the Trust or others that have shown an interest in the future well-being of the Trust and its pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the local community. The Local Governing Body can also recruit experts where appropriate to support the leadership of the three schools.

Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

Risk Management

The Trust has been through a process to assess various risks and to identify and implement strategies for addressing these risks. This process identified various risk categories and their potential operational and financial impact, the probability of such occurrences and hence the overall gross risk. The Trustees have identified clear mechanisms to manage these risks in particular those relating to the specific teaching, provision of facilities and other operational areas of the Trust and its finances. Appropriate and adequate insurance cover is in place as well as an effective system of internal financial controls.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust is now five years old and our original purpose of ensuring ALL the young people in our community have similar opportunities is being realised.

The Trust has a philosophy based on:

- *Inspirational Education – broad curriculum, valued qualifications, aspirational teaching, outstanding progression.*
- *Attitudes and values – promoting a strong ethos, providing support and challenge, providing extensive extra-curricular programmes, giving young people the opportunity to lead, engage in team work and develop communication skills.*
- *One Federation, Many Schools – A Trust working to achieve the best for all in our community, quality for all and celebrating different strengths of each school.*

Charitable Objectives

The charitable objectives for which the Trust was established are set down in the governing document dated March 2015 as follows:

The advancement for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies, including without limitation the Academies, offering a broad and balanced curriculum; and which shall include:

- Church of England Schools designated as such which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship (as required by the relevant Funding agreement), and having regard to any advice issued by the Diocesan Board of Education; and
- Other Academies whether with or without a designated religious character;

but in relation to each of the Academies to recognise and support their individual character and respect the different background of each and its links to the local community which it serves.

To promote for the benefit of the inhabitants of Somerset and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Charitable Activities

The principal activity of the Trust is to run two secondary schools and two primary schools for boys and girls located in Midsomer Norton. The sole activity of the Trust is the operation of the Academies. The Trust currently operates four academies – Norton Hill School, Somervale School, High Littleton Primary School and Clutton Primary School.

Public Benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report and in reviewing the activities and achievements of the Trust.

Benefits & Beneficiaries

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

Trustees' Assessment of Public Benefit

In order to determine whether or not the Trust has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of Midsomer Norton Schools' Trust's activities.

STRATEGIC REPORT

Achievements and Performance

The following indicators are used at key milestones in pupils' education: these will be benchmarked against challenging Fischer Family Trust D estimates (or equivalent) to compare the schools to the middle of the top quartile of performance nationally.

Primary Phase

- % attendance
- % of Early Years children making a good level of development
- KS1 average points score
- % making expected progress KS1-2
- Percentage of student achieving a level 4 in reading, writing, SPAG and mathematics
- % making 2 levels of progress
- % making achieving level 5 in reading, writing, SPAG and mathematics
- Attainment and progress in grammar assessment
- Progress of Pupil Premium and SEN students

Secondary Phase

At Key Stage 3

- % Level 5 and above in English
- % Level 5 and above in Mathematics
- % Level 6 and above in English
- % Level 6 and above in Mathematics
- % making 2 levels of progress KS 2 -3

Attainment at GCSE

- % achieving 5+ GCSEs at grade A* - C (or equivalent) including English and Maths
- % achieving the English Baccalaureate
- % achieving A*-C GCSE in English and Maths
- Average total point score per pupil (best eight qualifications) with equivalences
- Average total point score per pupil (best eight qualifications) without equivalences
- % of pupils at the end of KS4 achieving 5 A* - C GCSEs (or equivalent) including English and Maths over the last 3 years
- The above measures for vulnerable pupils

Progress from Year 7 to Year 11

- % of pupils at the end of Key Stage 4 achieving the expected level of progress in English
- % of pupils at the end of Key Stage 4 achieving the expected level of progress in Maths
- % of pupils at the end of Key Stage 4 achieving above the expected level of progress in English
- % of pupils at the end of Key Stage 4 achieving above the expected level of progress in Maths
- The above measures for vulnerable pupils
- From 2016 – progress 8 measure

Post 16

- Average point score per student
- Average point score per examination entry
- % of students achieving 3 or more A levels or the equivalent
- % of students achieving 2 or more A levels or the equivalent
- Average point score per student over the last 3 years
- Average point score per examination entry over the last 3 years
- The above levels for vulnerable pupils
- % attending Russell Group universities

Relationships with Related Parties

Given the nature of the Trust's operations and the composition of the Board of Trustees being drawn from the community, local public and private sector organisations; it is inevitable that transactions will take place with organisations in which a member of the Board of Trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

FINANCIAL REVIEW

Financial Outcome of Activities & Events

The Trust's accounting period is from 1 September 2014 to 31 August 2015.

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

The Trust also received capital grants from the Academies Capital Maintenance Fund. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. Unrestricted income comprises Catering Income, Sports Centre and Other Lettings and Departmental sales.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, 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 problem.

During the financial year 2014/15 successful capital bids were secured to refurbish science labs and replace flooring at Somervale School and also roof lights and toilets at Norton Hill School. The Trust was able to contribute towards these projects from its reserves, thereby enabling larger projects to be achieved. Trust reserves have also been used to fund minor capital projects at the Primary schools to enhance learning environments and facilities.

Reserves Policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Trustees intend to review the reserves policy annually to ensure that this aim is being achieved.

At the balance sheet date, the Trust had free reserves of £433,638.

The Trustees will continue to use reserves to improve school facilities in line with the Premises Development plan.

Investments Policy

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

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

For the year ended 31 August 2015 and in the current economic climate, the Trust's cash held in the Interest Bearing account generated an income of 0.25%.

The Trust also held deposits in a Virgin Charity Account generating an income of 1.0%.

KEY PERFORMANCE INDICATORS

It has been another outstanding and record year at Norton Hill for GCSE results. The school saw students achieve the highest ever outcomes with 73% of the cohort gaining 5 or more GCSEs at A*-C including English and Maths (national 56%), with over a quarter of all grades at A*-A. The school hall was full of smiling faces as eager students collected their results and celebrated in some stunning successes across all subjects. As a specialist Maths school the results achieved in Mathematics were even better than the fantastic scores for 2014, with 84% of children gaining a C or above and 30% of all grades at A*-A. In science 93% of students gained a grade A*-C which places Norton Hill in the top 15% of schools nationally. In English 79% of students achieved a C grade or above, with French and German running close behind at 75% and 71%. In every subject, students have excelled and exceeded the national averages in terms of attainment and progress.

Somervale School excelled at GCSE this year with its best results in its history on many key measures. At the 5 A*/C including English and Maths measure, results were up 10% on last year to 62%. Both English and Maths were both well above the national average at 73% A*/C. Most impressive was the progress the students have made since entering the school in Year 7, especially in English and Maths, which should place the school in the top 25% in the country for pupil progress. Academic subjects in particular have seen some impressive outcomes, with History hitting 70% A*-C, Geography at 65% A*-C and Spanish at 81% A*-C

98% of students who wished to enter the Sixth Form got the entry grades required.

Students at Midsomer Norton Sixth Form have continued to buck national trends by achieving the best results ever. They smashed last year's results achieving an average of AAB per student and an average of a B grade per entry. 85% of students achieved A*-C, 63% achieved A*-B and 37% of students achieved either an A* or A grade. Over 40% of students obtained at least ABB Grades. All these measures are above the national averages, some significantly so.

Students have been ambitious in their applications this year with 35% of them accepted at a Russell Group University. This has been assisted by the Sixth Form specialist Russell Group University preparation programme. Universities attracting Midsomer Norton Sixth Form students include Cambridge, Imperial College, Sheffield, Bristol, Exeter, Plymouth, Reading, Southampton, Birmingham and Liverpool.

In the Primary schools there was another very impressive set of results across all measures and all areas of the curriculum. At Key Stage 2 100% of pupils obtained at least a Level 4 in Maths, Writing and Reading. Progress between KS 1 and 2 was also impressive with nearly 100% of children in both primaries making 2 levels of progress in Reading, Writing, SPAG and Mathematics. High Littleton in particular, saw very high progress scores at 101.1, well above the national level of 100. Clutton School saw their progress scores in line with national expectations. Pupil Premium and Special Educational Needs children made progress that was at least in line with their peers at both schools.

PLANS FOR FUTURE PERIODS

Future Strategy

The strategic vision for the Trust is for the best education possible across the four schools, both in terms of Academic rigour and Personal and Social qualities.

The Trust has also been successful in a bid to open a free school primary school. This will be a two form entry school opening in September 2017 and is driven by Basic Need at the request of the Local Authority.

An inspirational education will be provided supported by a broad curriculum, valued qualifications and inspirational teaching. Personal and social qualities will be developed backed by a strong ethos, emphasis on curriculum and an extensive extra-curricular programme.

Future Activities & Events

The results at both Sixth Forms in the Trust provide a solid platform for the Sixth Form which came into being in September 2011. The Midsomer Norton Sixth Form – based across Norton Hill and Somervale sites provides a huge range of courses and opportunities for the young people of our town. Clearly, from this platform they will gain access to the very best opportunities across the country.

Impact of Future Activities & Events

Targets set for 2016 are as follows:

Key Stage 2

To achieve 95% reaching age related expectation (score of 100+) in all Key Stage 2 tests
To achieve value-added that is Sig +

	Norton Hill	Somervale
Key Stage 4		
% achieving 5 or more A* - C grades at GCSE and equivalent, including English & Maths	70	60
% making expected progress in English	80	68
% making expected progress in Maths	80	70
English Baccalaureate	45	25
Attendance	97	96
Progress 8	+0.5	+0.5
(Progress 8 is a new secondary accountability measure aimed at measuring the progress of pupils across a selected set of 8 subjects.)		

Post 16 Targets (Sixth Form)	
Average Total Point Score per student (UCAS points)	To beat FFTD
Average Point Score per entry	To beat FFTD

(FFTD is a non-profit company established in 2001 with links to the Fischer Family Trust. FFT provides data and analyses to all schools and LAs in England and Wales.)

PRINCIPAL RISKS AND UNCERTAINTIES

Somervale School is currently in a falling roll position due to a dip in local demographics. This has been discussed at length at LGB and Trust level with resulting financial projections. The Trust is taking steps to reduce staffing and other costs to balance the budget moving forward.

GOING CONCERN

After making appropriate enquiries, the Trustees have 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.

Funds Held As Custodian

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

Employee Consultation

The Schools have agreements with the main teaching and support staff professional associations and unions (UNISON, UNITE, GMB, ATL, NASUWT, NUT, NAHT, ASCL).

Disabled persons

The Disability Equality Scheme and Accessibility Plan, takes a fundamental step in removing the discriminatory barriers for disabled people at the Midsomer Norton Schools' Partnership. The plan aims to increase the extent to which disabled students can partake in the Academy curriculum as well as improving the physical environment of each academy to increase opportunities for disabled students and staff. The plan also ensures that all students and staff will have access to information in formats that are accessible to them.

The recruitment and selection policy ensures that all potential staff and students will be treated equally throughout the application process.

Auditor

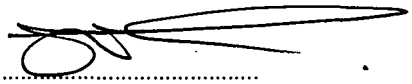
RSM UK Audit LLP has indicated its willingness to continue in office.

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware:

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 17 December 2015 and signed on the board's behalf by:



Mr Stuart Warrener
Chair

17/12/2015

Date

GOVERNANCE STATEMENT (Continued)
for the year ended 31 August 2015

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Midsomer Norton Schools' Partnership 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 Trust Board has delegated the day-to-day responsibility to Alun Williams, 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 Midsomer Norton Schools' Partnership and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings attended	Out of possible
Sarah Baldwin	6	6
Chris Brace	5	6
Guy Edwards	3	6
Gareth Griffith	6	6
Robin Nash	2	2
Simon Mills	6	6
Michelle Parsons (from 1.3.15)	3	3
Andrew Sinden	5	6
Stuart Warrener	6	6
Alun Williams	6	6
Sharon Wiseman	6	6

Following a review of governance and in order to comply with revised DFE roles a separate group of members was established outside of the Trustees. This was effected 1st March 2015.

The Audit committee is a subcommittee of the main Board of Trustees and meets at least once per year. Membership is as follows:

Sarah Baldwin
Andrew Sinden
Alun Williams
Alison Wyatt

The meeting is attended by a representative of the external auditor.

All attended two meetings.

Review of Value for Money

As accounting officer the CEO 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.

VALUE FOR MONEY STATEMENT

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:

Improving educational results across all phases

The Trust has sophisticated monitoring systems for individual students that tracks levels of progress from Reception through to Post 16. Effective targeting including 1:1 tuition, intervention, additional revision classes and support ensures all students, including Pupil Premium students, make as good or better progress than students nationally.

Attendance is significantly above the national average at all four schools.

Financial Governance and Oversight

Financial projections are prepared regularly, 3 to 5 years forward bearing in mind projected demographics. This ensures resource levels, particularly staffing are efficient. Budgets are set on a prudent basis. Detailed management accounts and revised year end forecasts are presented to the Academy Trust on a quarterly basis and any variances to budget explained. Purchases are authorised according to the Trust's purchasing policy and scheme of delegation. Trustees regularly challenge decisions as evidenced by Trust minutes. Cashflow is monitored and surplus cash balances invested in interest bearing deposit accounts.

The schools within the Trust work collaboratively, achieving economies of scale with purchasing of resources. The two secondary schools share a Headteacher and business manager, a very cost effective strategy. A number of other staff work across the schools meaning staffing is deployed very efficiently. The combined sixth form ensures a full range of options and opportunities is available to all students.

During the financial year 2014/15 successful capital bids were secured to refurbish science labs and replace flooring at Somervale School and roof lights and toilets at Norton Hill School. The Trust was able to contribute towards these projects from its reserves, thereby enabling larger projects to be achieved.

The Trust has funded minor capital works at the Primary schools to improve the learning environment and facilities.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Midsomer Norton Schools' Partnership for the year ended 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trust Board 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 Trust 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 year ending 31 August 2015 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 risk and control framework

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

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

The Trust has considered the need for a specific internal audit function and has appointed a Local Authority Officer to act as internal audit. This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Reports are provided three times per year to the Trust. These reports are rigorous and identified no control issues.

Review of effectiveness

As Accounting Officer, the CEO 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 internal auditor.
- The work of the external auditor.
- The work of the executive managers within the 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 and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Trust on 17 December 2015 and signed on its behalf by:

.....
Mr Andrew Sinden
Trustee

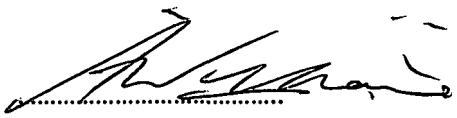
.....
Mr Alun Williams
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the year ended 31 August 2015

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

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

I confirm that no instances of material irregularity, impropriety of funding or 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 the EFA.



Mr Alun Williams
Accounting Officer

17/12/15

Date

STATEMENT OF TRUSTEES' RESPONSIBILITIES
for the year ended 31 August 2015

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

Company law requires the 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:

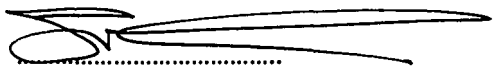
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 grants received from the EFA/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 17 December 2015 and signed on its behalf by:



Stuart Warrener
Chair of Trustees

We have audited the financial statements of Midsomer Norton Schools' Partnership for the year ended 31 August 2015 on pages 15 to 36. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 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.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees (who act as governors for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
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 2015 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 Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006
In our opinion the information given in the Trustees' Annual Report and the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, 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.

RSM UK Audit LLP

KERRY GALLAGHER (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly & UK Audit LLP), Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol, BS1 6AD

Date: 18 December 2015

Midsomer Norton Schools' Partnership

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2015
including Income and Expenditure Account

	Notes	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2015	Year end 31 August 2014
		£	£	£	£	£
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	1	-	(74,308)	779,000	704,692	391,036
Activities for generating funds	2	504,127	498,700	-	1,002,827	926,508
Investment income	3	19,034	-	-	19,034	42,487
Incoming resources from charitable activities:		-	-	-		
Funding for the Trust's educational operations	4	-	10,665,466	191,398	10,856,864	10,528,512
TOTAL INCOMING RESOURCES		523,161	11,089,858	970,398	12,583,417	11,888,543
RESOURCES EXPENDED						
Cost of generating funds:						
Costs of generating voluntary income	5	-	327,778	-	327,778	396,998
Fundraising trading: cost of goods sold and other costs	6	432,104	12,810	-	444,914	418,780
Charitable activities:						
Trust's educational operations	7	-	10,918,152	800,003	11,718,155	10,996,892
Governance costs	8	-	50,330	-	50,330	55,439
TOTAL RESOURCES EXPENDED		432,104	11,309,070	800,003	12,541,177	11,868,109
NET INCOMING RESOURCES BEFORE TRANSFERS		91,057	(219,212)	170,395	42,240	20,434
TRANSFERS						
Gross transfers between funds		-	(835,808)	835,808	-	-
NET INCOME FOR THE YEAR		91,057	(1,055,020)	1,006,203	42,240	20,434
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains (losses) on defined benefit pension schemes		-	(211,000)	-	(211,000)	(340,000)
NET MOVEMENT IN FUNDS		**91,057**	**(1,266,020)**	**1,006,203**	**(168,760)**	**(319,566)**
RECONCILITATION OF FUNDS						
BALANCES BROUGHT FORWARD AT 1 SEPTEMBER		342,581	(563,037)	26,459,874	26,239,418	26,588,984
FUND BALANCES CARRIED FORWARD AT 31 AUGUST		**433,638**	**(1,829,057)**	**27,466,077**	**26,070,658**	**26,239,418**

The net movement in funds for the year arises from the charitable Trust's continuing operations.

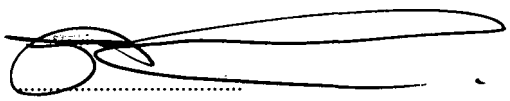
No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the Statement of Financial Activities.

All of the Academy trust's activities derive from continuing operations in the above two financial periods.

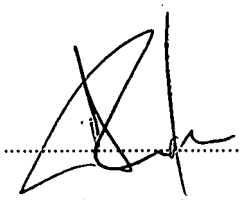
BALANCE SHEET
As at 31 August 2015 **Company Number: 07365778**

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	13	27,466,077	26,459,874
CURRENT ASSETS			
Stock	14	3,714	2,615
Debtors	15	239,462	454,968
Cash at bank and in hand		2,463,366	2,865,373
		2,706,542	3,322,956
CREDITORS: Amounts falling due within one year	16	(803,741)	(765,152)
NET CURRENT ASSETS		1,902,801	2,557,804
TOTAL ASSETS LESS CURRENT LIABILITIES		29,368,878	29,017,678
CREDITORS: Amounts falling due after one year	17	(33,220)	(39,260)
NET ASSETS EXCLUDING PENSION LIABILITY		29,335,658	28,978,418
Defined benefit pension scheme liability	22	(3,265,000)	(2,739,000)
NET ASSETS INCLUDING PENSION LIABILITY		26,070,658	26,239,418
THE FUNDS OF THE TRUST			
Restricted income funds			
General fund	18	1,435,943	2,175,963
Pension reserve	18	(3,265,000)	(2,739,000)
Inherited fixed asset fund	18	27,466,077	26,459,874
Unrestricted funds			
General fund	18	433,638	342,581
		26,070,658	26,239,418

The financial statements on pages 15 to 35 were approved by the Trustees and authorised for issue on 17 December 2015, and are signed on their behalf by



Mr Stuart Warrener
Chair



Mr Andrew Sinden
Trustee

CASH FLOW STATEMENT
for the year ended 31 August 2015

	Notes	2015 £	2014 £
NET CASH FLOW FROM OPERATING ACTIVITIES	A	307,232	861,377
Returns on investments and servicing of finance	B	19,034	42,487
Capital expenditure and financial investment	C	(728,273)	(1,333,387)
Decrease in Cash		**(402,007)**	**(429,523)**

A Reconciliation of net income to net cash inflow from operating activities

Net income	42,240	20,434
Investment income	(19,034)	(42,487)
Depreciation	800,002	743,608
(Gain)/loss on disposal of fixed assets	-	16,153
Decrease/(increase) in stock	(1,099)	632
Decrease/(increase) in debtors	215,506	750,921
(Decrease)/Increase in creditors	(74,985)	(178,413)
FRS 17 pension cost less contributions payable (note 22)	235,000	198,000
FRS 17 pension finance income (note 22)	80,000	80,000
Impact of transfer upon conversion	(779,000)	(459,293)
Capital grants from DfE	(191,398)	(268,178)
Net cash inflow/(outflow) from operating activities	307,232	861,377

B Returns on investments and servicing finance

Bank interest received	19,034	42,487
Net cash inflow from operating activities	19,034	42,487

C Capital expenditure and financial investment

Purchase of tangible fixed assets	(919,671)	(1,601,565)
Capital grants from DfE	191,398	268,178
Receipts from sale of fixed assets	-	-
Net cash inflow/(outflow) from Capital expenditure and financial investment	(728,273)	(1,333,387)

ANALYSIS OF CHANGES IN NET FUNDS

	At 01-Sep 2014	Cash Flows	At 31 Aug 2015
Cash in hand and at bank	**2,865,373**	**(402,007)**	**2,463,366**

ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2015

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies: Accounts Direction 2014 to 2015 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

INCOMING RESOURCES

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

GRANTS RECEIVABLE

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

OTHER INCOME

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service. Included in other income are assets and liabilities transferred from local authority upon conversion.

INTEREST RECEIVABLE

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

RESOURCES EXPENDED

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred on the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

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 General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose.

TANGIBLE FIXED ASSETS

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold Buildings	2% pa
Plant & Machinery/Astroturf	10% pa
Computer & Office equipment	33% pa

TAXATION

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

LEASED ASSETS

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

PENSIONS BENEFITS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 22, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

AGENCY ARRANGEMENTS

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

STOCK

Catering stock is valued at the lower of cost or net realisable value.

CONVERSION OF NEW ACADEMIES

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Clutton Primary School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Midsomer Norton Schools Partnership Limited. The amounts have been recognised under the appropriate balance sheet categories with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1 VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Assets and liabilities inherited from the local authority upon conversion	-	66,142	-	66,142	391,036
Tangible Fixed Assets	-	-	779,000	779,000	-
FRS17 Pension Liability on conversion	-	(146,000)	-	(146,000)	-
Other donation income	-	5,550	-	5,550	-
	-	(74,308)	779,000	704,692	391,036

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Sundry lettings, services and hire of facilities	96,144	-	-	96,144	88,076
Student teacher training	-	10,155	-	10,155	14,432
Computer Assisted Purchase scheme	-	12,810	-	12,810	8,591
Fees charged for music tuition	-	38,559	-	38,559	39,582
Catering income	404,190	-	-	404,190	382,939
Other income	-	67,165	-	67,165	25,800
Departmental and miscellaneous sales	3,793	-	-	3,793	9,703
Trips income	-	370,011	-	370,011	357,385
	504,127	498,700	-	1,002,827	926,508

3 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Bank interest receivable on short term cash deposits	19,034	-	-	19,034	42,487
	19,034	-	-	19,034	42,487

4 SCHOOL OPERATING INCOME

	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
From the Department for Education:					
GAG allocation for current year	-	10,206,400	-	10,206,400	9,890,656
Capital grants	-	-	191,398	191,398	268,178
Other grants and government funding	-	459,066	-	459,066	369,678
	-	10,665,466	191,398	10,856,864	10,528,512

5 COSTS OF GENERATING VOLUNTARY INCOME	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Trips expenditure	-	327,778	-	327,778	396,998
		327,778	-	327,778	396,998

6 FUNDRAISING TRADING: COST OF GOODS SOLD AND OTHER COSTS	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Catering	387,128	-	-	387,128	364,191
Sports centre lettings and event costs	41,183	-	-	41,183	36,295
Computer Assisted Purchase scheme costs	-	12,810	-	12,810	8,591
Cost of Departmental sales	3,793	-	-	3,793	9,703
	432,104	12,810	-	444,914	418,780

RESOURCES EXPENDED	2015	2014
	£	£
Net incoming/(outgoing) resources for the year is stated after charging:		
Operating leases:		
plant and machinery	4,103	3,261
other	9,648	687
Fees payable to RSM UK Audit LLP and its associates for:		
Audit	18,875	18,650
Academies Annual Return Audit	1,525	1,500
(Profit)/Loss on disposal of fixed assets	-	16,153

7 SCHOOL OPERATING COSTS

	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Direct costs					
Teaching and educational support staff costs	-	7,502,328	-	7,502,328	7,167,988
Direct depreciation	-	-	770,295	770,295	734,129
Educational consumables	-	371,384	-	371,384	361,061
Examination fees	-	230,359	-	230,359	197,902
Direct staff development	-	22,105	-	22,105	15,943
External educational provision and supplies	-	200,170	-	200,170	154,862
	-	8,326,346	770,295	9,096,641	8,631,885
Allocated support costs					
Support staff costs	-	1,118,634	-	1,118,634	1,040,280
Depreciation	-	-	29,708	29,708	9,479
Utilities	-	198,684	-	198,684	191,742
Other occupancy costs	-	79.098	-	79,098	74,961
Cleaning	-	27,220	-	27,220	14,713
Communications	-	32,219	-	32,219	31,382
Professional fees	-	197,811	-	197,811	138,787
Marketing	-	42,110	-	42,110	30,191
Recruitment	-	25,610	-	25,610	44,788
Other employment costs	-	34,050	-	34,050	43,433
Rates	-	66,643	-	66,643	53,179
Repairs and maintenance	-	233,688	-	233,688	217,960
Insurance	-	111,861	-	111,861	103,626
Technology costs	-	153,515	-	153,515	152,819
Staff development	-	18,291	-	18,291	16,164
Other support costs	-	83,372	-	83,372	67,503
Pension scheme	-	169,000	-	169,000	134,000
	-	2,591,806	29,708	2,621,514	2,365,007
		10,918,152	800,003	11,718,155	10,996,892

8 GOVERNANCE COSTS

	Unrestricted Funds	Restricted Funds: General	Restricted Funds: Fixed Assets	Total 2015	Total 2014
	£	£	£	£	£
Staff costs	-	18,797	-	18,797	15,163
Audit fees	-	22,186	-	22,186	24,351
Other costs	-	9,347	-	9,347	15,925
	-	50,330	-	50,330	55,439

The Trust strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved.

9 STAFF COSTS

	2015 No.	2014 No.
The average monthly number of persons employed by the Trust (including governors) during the year was as follows:		
Teachers	137	139
Administration and support	172	162
Management	15	14
	324	315
Expressed as full-time equivalents:		
Teachers	128	132
Administration and support	103	103
Management	15	14
	246	249
Staff costs for the above persons:		
Wages and salaries	7,256,428	6,915,883
Social security costs	510,337	495,556
Pension costs - defined benefit schemes:		
Teachers' pension scheme	716,369	695,206
Local government pension scheme	369,030	295,535
	8,852,164	8,402,180

The number of employees whose emoluments for the year exceeded £60,000 fell within the following ranges:

£60,001 - £70,000	2	3
£70,001 - £80,000	1	1
£110,001 -£120,000	1	1

Three of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £36,153 (2014: £43,771).

One of the above employees participated in the Local Government Pension Scheme. Pension contributions for this member of staff amounted to £12,003 (2014: £10,623)

10 TRUSTEES REMUNERATION AND EXPENSES

The Principal and staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. Trustee remuneration included employer pension contributions.

The value of Trustees remuneration and other benefits was as follows

	2015	2014
A Williams (Principal & Trustee)		
Remuneration	115,500	109,000
Employers pension contributions	16,285	15,369
M Parsons (Trustee)		
Remuneration	25,686	-
Employers pension contributions	3,622	-
G Griffith (Trustee)		
Remuneration	53,963	598
Employers pension contributions	7,609	4,239

During the year ended 31 August 2015, travel and subsistence expenses totalling £756 (2014: £335) were reimbursed to 3 Trustees (2014: 1). Related party transactions involving the Trustees are set out in note 23.

11

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 £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,869 (2014: £1,892).

The cost of this insurance is included in the total insurance cost.

12 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015	2014
	£	£
Reconciliation of net income to net cash (outflows)/ inflows	307,232	861,377
Returns on investments and servicing of finance	19,034	42,487
Capital expenditure and financial investment	(728,273)	(1,333,387)
Increase/(Decrease) in cash in the year	(402,007)	(429,523)
Net funds at 01 September	2,865,373	3,294,896
Net funds at 31 August	2,463,366	2,865,373

13 TANGIBLE FIXED ASSETS	Freehold Land & Buildings £	Leasehold Land & Buildings £	Astroturf £	Plant & Machinery £	Computer & Office Equipment £	Total £
COST						
At 1 September 2014	27,274,739	445,000	44,728	258,248	1,138,175	29,160,890
Additions	343,549	-	477,724	33,716	172,216	1,027,205
Assets inherited upon conversion		779,000				779,000
At 31 August 2015	27,618,288	1,224,000	522,452	291,964	1,310,391	30,967,095
DEPRECIATION						
At 1 September 2014	1,867,320	478	-	105,603	727,615	2,701,016
Charged in year	536,566	11,970	4,473	20,862	226,131	800,002
At 31 August 2015	2,403,886	12,448	4,473	126,465	953,746	3,501,018
NET BOOK VALUE						
At 31 August 2015	25,214,402	1,211,552	517,979	165,499	356,645	27,466,077
At 31 August 2014	25,407,419	444,522	44,728	152,645	410,560	26,459,874

14 STOCK	2015 £	2014 £
Catering stock	3,714	2,615

15 DEBTORS	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	52,801	5,387
Prepayments & Accrued income	155,441	278,048
Other Debtors	31,220	171,533
	239,462	454,968

16 CREDITORS	2015	2014
	£	£
Amounts falling due within one year:		
Trade creditors	74,663	25,498
Other taxation and social security costs	155,268	152,200
Other creditors	28,665	47,288
Accruals and deferred income	545,145	540,166
	803,741	765,152

Deferred Income	2015	2014
	£	£
Deferred income at 1 September	111,284	86,009
Net movement in the year	95,812	25,275
Deferred income at 31 August	207,096	111,284

At the balance sheet date the Academy Trust was holding funds received in advance relating to a Devolved Schools Grant from the Local Authority and Devolved Capital.

17 CREDITORS	2015	2014
	£	£
Amounts falling due after one year:		
Other loans	33,220	39,260
	33,220	39,260
Analysis of loans		
Other loans	39,260	42,280
Included in current liabilities	(6,040)	(3,020)
	33,220	39,260
Loan maturity analysis		
In more than one year but not more than two years	6,040	6,040
In more than two years but not more than five years	18,120	18,120
In more than five years	9,060	15,100
	33,220	39,260

Included in creditors is an interest free Salix loan agreed with the EFA totalling £39,260, to be repaid over six years.

18 THE FUNDS OF THE CHARITY

	Balance at 1 Sept 2014	Incoming Resources	Outgoing Resources	Actuarial Gains	Transfers Between funds	Balance at 31 August 2015
Restricted income funds:						
General Annual Grant fund	2,175,963	10,776,792	(10,681,004)	-	(835,808)	1,435,943
Other grants & government funding	-	459,066	(459,066)	-	-	-
Pension reserve	(2,739,000)	(146,000)	(169,000)	(211,000)	-	(3,265,000)
Inherited fixed asset fund	26,459,874	970,398	(800,003)	-	835,808	27,466,077
	25,896,837	12,060,256	(12,109,073)	(211,000)	-	25,637,020
Unrestricted income funds:						
General fund	342,581	523,161	(432,104)	-	-	433,638
	26,239,418	12,583,417	(12,541,177)	(211,000)	-	26,070,658

Analysis of Academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:	**Total £000**
High Littleton Academy	42,595
Norton Hill Academy	1,930,170
Somervale Academy	(154,829)
Clutton Academy	51,645
Total before fixed assets and pension reserve	1,869,581
Restricted fixed asset fund	27,466,077
Pension reserve	(3,265,000)
Total	26,070,658

Analysis of academies by cost

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

	Teaching and Educational Support Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (Excluding Depreciation) £	Total £
High Littleton Academy	395,716	166,622	23,700	16,002	602,040
Norton Hill Academy	5,125,172	1,565,998	586,028	331,829	7,609,027
Somervale Academy	1,812,155	675,238	184,727	99,278	2,771,398
Clutton Academy	191,390	65,278	7,458	8,618	272,744
Central services	-	-	-	696,965	696,965
Academy Trust	7,524,433	2,473,136	801,913	1,152,692	11,952,174

General Annual Grant (GAG) represents the core funding for the educational activities of the academies that has been provided to the Trust via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Trust. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015. Funds are set aside for capital projects, specifically additional classroom space at High Littleton Primary School.

FUNDS OF THE CHARITY (continued)

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the Trust upon conversion by the local authority which represent the school sites inherited from the local authority including the Land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

Transfer between Funds
The method of accounting for fixed assets purchased from GAG or other EFA recurrent grants is to show the purchase as a fixed asset on the balance sheet and transfer an amount equal to the purchase of fixed assets from the restricted general fund to the restricted fixed asset fund.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund	Restricted Fund	Restricted Fixed Assets Fund	Pension Scheme Liability	Net Assets
Fund balances at 31 August 2014 are represented by:					
Tangible Assets	-	-	27,466,077	-	27,466,077
Current Assets	433,638	2,272,904	-	-	2,706,542
Creditors due < 1 year	-	(803,741)	-	-	(803,741)
Creditors due > 1 year	-	(33,220)	-	-	(33,220)
Pension Liability	-	-	-	(3,265,000)	(3,265,000)
Total	433,638	1,435,943	27,466,077	(3,265,000)	26,070,658

20 MEMBERS' LIABILITY
Midsomer Norton Schools' Trust is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

21 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2015, the Trust was committed to make the following payments during the next year under non-cancellable operating leases as follows:	2015 £	As restated 2014 £
Expiring within one year	-	-
Expiring within two to five years	4,103	4,103
Expiring after five years	9,648	8,237
	13,751	12,340

22 PENSION & SIMILAR OBLIGATIONS

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

The pension costs paid to TPS in the period amounted to £716,369 (2014: £695,206).

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

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

PENSION & SIMILAR OBLIGATIONS (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £483,107, of which employer's contributions total £369,030 and employees' contribution totalled £114,077. The agreed rates for future years are 13.1% for employers and between 5.5% and 9.9% for employees.

The deficit is £3,265,000 to be recovered over 20 years.

The Academy Trust also makes additional contributions in addition to normal funding levels. These annual deficit recovery contributions were calculated to be paid over a period of 20 years from 1 September 2014.

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.

	As at 31 August 2015	As at 31 August 2014
Rate of increase in salaries	3.8%	3.7%
Rate of increase in pensions in payment	2.3%	2.2%
Discount rate	4.0%	4.0%
Inflation assumption - rpi	N/A	N/A
- cpi	2.3%	2.2%

PENSION & SIMILAR OBLIGATIONS (continued)

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

	2015 Years	2014 Years
Retiring today:		
Males	23.4	23.3
Females	25.9	25.8
Retiring in 20 years:		
Males	25.8	25.7
Females	28.8	28.7

The assets in the scheme and the expected rate of return were:

	Value at 31 August 2015		Value at 31 August 2014	
	%	£'000	%	£'000
Equities	55.6	1,582	55.1	1,186
Bonds	11.3	321	10.7	230
Property	8.1	230	7.6	164
Cash	2.2	63	3.3	71
Gilts	9.0	256	8.6	185
Other	13.8	392	14.7	316
Total market value of assets		2,844		2,152
Present value of scheme liabilities		(6,109)		(4,891)
Deficit in the scheme		(3,265)		(2,739)

Analysis of the amount charged to the Statement of Financial Activities	2015 £'000	2014 £'000
As staff costs:		
Current service cost	457	345
Past service cost	-	-
Losses on curtailments	-	-
Inherited deficit on transferred members	-	-
Total operating charge	457	345
As finance costs:		
Expected return on assets	99	90
Interest on liabilities	(105)	(170)
Other finance costs	(6)	(80)
Total pension costs	451	265

PENSION & SIMILAR OBLIGATIONS (continued)

Analysis of changes in the present value of defined benefit obligations:	**2015 £'000**	**2014 £'000**
Opening defined benefit obligations	4,891	3,453
Upon conversion to academy status	310	194
Members' contributions	113	100
Current service cost	457	345
Past service benefit	-	-
Losses on curtailments	-	-
Interest cost	204	170
Actuarial experience loss/(gain)	103	629
Benefits paid	31	-
Closing defined benefit obligations	6,109	4,891

The estimated value of employer contributions for the year ended 31 August 2016 is £386,000

Analysis of changes in the fair value of plan assets:	**2015 £'000**	**2014 £'000**
Opening fair value of assets	2,152	1,332
Upon conversion to academy status	164	50
Employer contributions	359	291
Members' contributions	113	100
Expected return	99	90
Actuarial experience gain/(Loss)	(66)	289
Administration Expense	(8)	
Benefits paid	31	-
Closing fair value of assets	2,844	2,152

Reconciliation of the movement in scheme deficit over the year:	**2015 £'000**	**2014 £'000**
Deficit in scheme at the beginning of the year	(2,739)	(2,121)
Upon conversion to academy status	(146)	(144)
Movement in year:		
Current service cost	(448)	(345)
Past service benefit	-	-
Losses on curtailments	-	-
Employer contributions	359	291
Other finance income	(80)	(80)
Actuarial loss	(211)	(340)
Deficit in scheme at the end of the year	(3,265)	(2,739)

PENSION & SIMILAR OBLIGATIONS (continued)

3 year History of experience adjustments	2015 £'000	2014 £'000	2013 £'000
Plan assets at fair value	2,844	2,152	1,332
Defined benefit obligation	(6,109)	(4,891)	(3,453)
Deficit	(3,265)	(2,739)	(2,121)
Experience adjustments on plan assets	(108)	289	94
Experience adjustments on plan liabilities	-	-	-

23 RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Somer Valley FM – a radio station in which Mr Kenny (Deputy Head teacher) is a Director received payments from the Trust totalling £10,000 for advertising on the station within the year, there were no amounts outstanding at 31 August 2015 (2014: £nil).

The Trust purchased food supplies from L&F Jones Limited totalling £167,952 within the year, a company in which Mrs Jenni Randles (Governor) is married to a Director. There were no amounts outstanding at 31 August 2015 (2014: £nil).

The Trust purchased Computer repair services from EyeTech I.T Limited totalling £75 within the year, a company in which Mr Simon Mills (Trust Director) is a Director. There were no amounts outstanding at 31 August 2015 (2014: £nil).

24 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA, there was a balance carried forward of £18,021. In the year it received £24,233 and disbursed £22,256 with therefore an amount of £18,787 at the 31 August 2015 which is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £1,211 has been recognised in income and expenditure in the Statement of Financial Activities.

25 CAPITAL COMMITMENTS

	2015 £	2014 £
Contracted for, but not provided for in the financial statements	-	492,253

26 CONVERSION TO AN ACADEMY TRUST

On 1 March 2015 Clutton Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Midsomer Norton Schools Partnership Ltd from Bath & North East Somerset Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total £
Tangible fixed assets				
- Leasehold land and buildings	-	-	779,000	779,000
- Other tangible fixed assets	-	-	-	-
Budget surplus on LA funds	-	66,142	-	66,142
LGPS pension (deficit)	-	(146,000)	-	(146,000)
Net (assets/(liabilities)	-	(79,858)	779,000	699,142