

Company number: 07365778

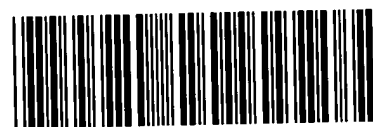


Midsomer Norton
Schools Partnership

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2018

FRIDAY



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COMPANIES HOUSE

Midsomer Norton Schools' Partnership

REFERENCE AND ADMINISTRATIVE DETAILS

Members	J Randles T Wells S Warrener <i>G Edwards (resigned 24.07.18)</i> K Wilson
Trustees	S Warrener (Chair) B Arnold S Baldwin* C Brace <i>G Edwards (resigned 24.07.18)</i> <i>K Ford (resigned 24.07.2018)</i> G Griffith S Mills A Sinden* A Williams (Accounting Officer)* S Wiseman * denotes members of audit committee
All trustees are directors.	
Company Secretary	W Kingwell
<u>Senior Management Team:</u>	
CEO	A Williams
Deputy CEO	M Thompson
Headteacher (Norton Hill)	G Green (appointed 01.09.2017)
Headteacher (Somervale)	J Postlethwaite
Headteacher (St Dunstan's)	K Howard
Headteacher (High Littleton)	G Griffith
Headteacher (Clutton)	E Ennew
Headteacher (Trinity)	M Parsons
Headteacher (Dundry)	M Parsons
Headteacher (Longvernal)	K Courtier
Headteacher (Welton)	J Snell
Headteacher (Farrington Gurney)	D Turrull
Headteacher (Midsomer Norton Primary)	A Randell (joined 1 st September 2017)
Headteacher (Hemington Primary)	N DeChastelain (joined 1 st August 2018)
Executive Business Manager	A Wyatt

Midsomer Norton Schools' Partnership

REFERENCE AND ADMINISTRATIVE DETAILS

Company Name	Midsomer Norton Schools' Partnership
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

TRUSTEES' REPORT

for the year ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1st September 2017 to 31st August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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 Trust was incorporated on 3 September 2010. Norton Hill and Somervale converted to the status of Academy 1st October 2010. Midsomer Norton Schools' Partnership is a Multi Academy Trust consisting of twelve schools at the reporting date:

Secondary Schools:

- Norton Hill School – Academy converter 1.10.2010
- Somervale School – Academy converter 1.10.2010
- St Dunstan's – joined Trust 1.6.2016

Primary Schools:

- High Littleton – joined Trust 1.8.2014
- Clutton – joined Trust 1.3.2015
- Trinity Church School – formerly the Dove Trust. Joined MNSP Trust 1.6.2016
- Dundry School - formerly the Dove Trust. Joined MNSP Trust 1.6.2016
- Longvernal – joined Trust 1.7.2016
- Welton – joined Trust 1.7.2016
- Farrington Gurney – joined Trust 1.4.2017
- Midsomer Norton Primary School – joined Trust 01.09.17
- Hemington Primary School – joined Trust 01.08.18

The MAT also has EFA approval for a 630 place primary free school. There is now a potential site however the 2017 planned opening has been deferred until 2020.

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 three Secondary Schools and a Local Governing Body for each of the Primary Schools which meet between 6 and 12 times a year. 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 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.

**TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018**

There is one Chief Executive Officer for the Trust. The CEO is also the Accounting Officer and works closely with Trustees and the senior staff of the Trust.

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 educational standards, organising the teaching staff, facilities and students.

Connected Organisations, Including Related Party Relationships

The CEO is a member of the Headteacher Board for the South West region and an active OFSTED inspector. The Deputy CEO is also an active OFSTED inspector.

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.

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. Additionally, where specific skills are required, a formal application and interview procedure is initiated to ensure the Board has the full range of skills required. The Local Governing Body can also recruit experts where appropriate to support the leadership of their school.

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

Arrangements for setting pay and remuneration of key management personnel

The arrangements for performance review and pay for the Trust's key management personnel as listed on Page 1 are set out in detail in the Pay Policy and Appraisal policy. In summary, this will be based on the leadership pay spine detailed in the STPCD appropriate to school size. The Trust uses the three stage process for setting pay in line with the STPCD and DFE advice.

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

TRADE UNION FACILITY TIME

Relevant Union Officials

Number of Employees who were relevant union officials during the relevant period	Full time equivalent employee number
nil	Nil

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust is now seven 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.*
- *Positive 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 three secondary schools and nine primary schools for boys and girls located in the local area. The sole activity of the Trust is the operation of the Academies. Post Year End 5 schools have joined the Trust.

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 each 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' Partnership Trust 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 top 20% estimates (or equivalent) as a minimum expectation 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
- KS 2 average points score
- % achieving RWM at KS 2
- Attainment and progress in grammar assessment
- Progress of Pupil Premium and SEN students

Secondary Phase

Key Stage 3

- % attendance of all and groups
- % PA for all and groups
- % making Age Related Expectation
- % exceeding Age Related Expectation
- % meeting or exceeding Age Related Expectation who are designated SEN, PP, higher ability

Attainment at GCSE

- % attendance of all and groups
- % PA for all and groups
- % achieving 5+ in English and maths at GCSEs
- % achieving 4+ in English and maths at GCSE
- % achieving the English Baccalaureate
- The attainment 8 score
- Progress 8 score
- Progress 8 score for E, M, EBAC, Open
- 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

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

Post 16

- Average point score per student
- Average point score per examination entry
- % A*-B (academic and voc-ed)
- % A*-C
- % pass rate
- Retention rate
- Value-added score
- Value-added score for retake E and M
- The above levels for vulnerable pupils
- % attending Russell Group universities
- Average of best 3 A levels

KEY PERFORMANCE INDICATORS

Norton Hill School

Norton Hill is a forward-looking school that gives its pupils the confidence and skills to play a full and active part in a rapidly changing world. We promote the traditional values of hard work, outstanding behaviour, dedicated study and personal challenge in all areas.

Exam Results:

Norton Hill School has had strong results again in 2018 following an excellent year in 2017, which saw it in the top 15% nationally. Year 11 achieved 80% 9-4 in both English and Maths, placing the school in the top 15% of schools in the country on this measure. Progress was very strong with a score of +0.30 placing the school in 'above average' category compared to other schools nationally. On average, children achieved 1/3 of a grade higher at Norton Hill than they did in other schools for every subject they studied. Pupil premium children made similar progress to that of their peers, as did those children with a special educational need. Pupil premium children had a progress 8 score of +0.25, one of the highest in the South West and SEN children scored +0.6, again placing the school in the top few schools in the country for progress. Fantastic news all round and further enhanced by strong A levels results in year 13 where the average grade achieved was a B- with 60% of grades at A*-B compared to the national of 54%. Year 13 results across both academic and non-academic subjects would be described as 'good' in Ofsted terms.

Somervale School

Recent outcomes achieved at Somervale place the school above the national average for pupil attainment and progress. The school's excellence in Arts education has also been recognised with the award of the prestigious Arts Mark Gold standard.

Exam Results:

Somervale School further confirmed its excellent standing with children achieving strong outcomes based on their starting points. Although not as strong as previous years in terms of overall attainment, progress is at the national average, despite some challenging issues faced by the children in year 11 in 2017/8. 45% of youngsters achieved a 9-4 in both English and Maths with a progress 8 score of 0. This positive set of outcomes followed a good year in 2017 and outstanding year in 2016, where progress 8 score was +0.47. Pupil premium children in 2018 had a progress 8 score in line with national for this group and SEN children also saw some better results. A level students achieved record results with the average grade at B-. At key Stage 3, children performed exceptionally well with most hitting challenging targets set, suggesting the school continues to have a very bright future. We expect the current year 11 to again achieve well above national averages in attainment and progress.

St Dunstan's

St Dunstan's is a special place to learn. The ethos for learning is very strong. This is generated through a skilled and strong team of staff with students that are engaged, well-behaved and focused on learning. St Dunstan's is a small school and this is a strength. Students and families are well-known and the pastoral care is excellent. GCSE classes are often quite

**TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018**

small and this supports the students in achieving very strong value-added outcomes. In 2016 the Progress 8 score was +0.14 and therefore above average. This trend of strong outcomes continued into 2017 and 2018 and has led to the school being judged 'good' by ofsted in all categories. This is exceptionally good news for the school and demonstrates the power of true collaborative working in the MAT.

Exam Results:

St Dunstan's year 11 students were celebrating another strong year in terms of attainment. In 2018 64% of children achieved a grade 4-9 in both English and maths with 40% at grade 5 or above in both subjects. Overall, the school remains in-line with national averages for attainment and progress with a below average intake. Results in a number of subjects were significantly above the national averages and in some cases were in the top 20% nationally. Maths in particular has risen sharply to 74% 4+ with a positive progress 8 jump too. Attendance has continued to improve with a full percentage point rise over the course of the last 12 months placing the school close to the national average at 94%.

High Littleton C of E Primary School

High Littleton is a happy, family school in which pupils and adults are encouraged to have a caring and considerate attitude towards one another. There is a strong Christian ethos of acceptance within the school. The school enjoys a good reputation for providing a broad, balanced, challenging and creative environment, made possible by our highly committed and hardworking team of teachers, support staff, parents and governors.

Exam Results:

High Littleton children achieved some outstanding results in their Key Stage 2 SATs once again. Well done to the children and staff who worked so hard to make this happen. Results in Reading and SPAG were particularly impressive, but all measures were either categorised as significantly above expectation or well above national averages. 86% of children made Age Related Expectation against a national figure of 64%. Astounding progress once again and it wasn't just in year 6 that children performed exceptionally well. Phonics outcomes were above the national rate and Key Stage 1 results were also above the national levels in every measure. In Reception Class, more children made a good level of development compared to the national rate. A great year for children and staff at High Littleton confirming once more that the school is indeed 'outstanding'.

Clutton Primary School

At Clutton Primary School we have high expectations of all our children and staff and encourage everyone to 'be the best they can be'. We believe that children who feel happy, safe and secure learn best. We aim to offer an education that encourages each child to 'be the best they can be.' We strive to make learning fun and our school a place where children love to learn and take pride in their achievements. We recognise individual talents and develop confidence so every child is motivated, inspired and enjoys learning. By working closely with parents and the community we aim to build strong and effective partnerships, which help children to thrive.

Exam Results:

Clutton had another positive year in terms of pupil progress with impressive improvements in year R, Phonics and Year 6. The percentage of children make a Good Level of Development rose 77% to be above national and phonics outcomes were also much improved and again, above national. At KS 1 the percentage of children attaining Age Related Expectation exceeded the national averages and at KS 2, progress was much improved and in-line with national. Overall, a very strong year for the school seeing most performance measures go beyond national rates.

Trinity Church School

The Trinity Church School works with all stakeholders to decide how the school will best meet the needs and interests of the children who attend it. We believe in placing the school at the heart of our community which we serve. The aim and ethos for the school is for all children to aim high, reach for the sky and reach their true potential. Trinity has been on a rapid improvement journey and has moved from 'Special Measures' to 'Good' – a stunning achievement for the school and Trust.

Exam Results:

Trinity Church School and MAT Trustees were delighted by the progress children made this year. In year 6 results moved up to be well-above national rates at 73% ARE in RWM. This is a stunning improvement. In Year R the percentage of

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

children making a Good Level of Development was again in line with national despite well-below national starting points. Phonics outcomes were also pleasing with 83% passing the screening test. Excellent and rapid improvement in just 12 months, across almost all measures.

Dundry Primary School

Dundry School has been serving the community since 1858 and has strong links with the local church. We aim to help our children develop into confident individuals who show respect for others and the world around them. Above all, we will inspire our children to achieve their best in all things.

Exam Results:

Y6 children at Dundry School had some strong individual performances. Attainment fell overall from a high of 85% in 2017 to 50% achieving ARE and RWM. This is partly related to the prior performance of the group which was below that of previous cohorts. Children in Year R made some good gains with 64% reaching a Good Level of Development. In phonics, outcomes also rose sharply so that the school posted results in-line with national outcomes. Once again, parents, staff and the children themselves, should be very proud of their achievements.

Longvernal Primary School

Longvernal Primary is a leading Forest School and are committed to outdoor learning. We greatly believe that Forest School activities are a great benefit to pupils both academically and socially, helping them to grow into confident, well-rounded individuals who aspire to achieving their very best in life. In our role as educators we aim to equip pupils with the skills and confidence to achieve their best in life. We have established ourselves as a hub for promoting learning outside. As a school we are supporting other local schools to become outdoor learners and are facilitating the training for other educational providers to become specialists in this field. Over the next year we are promoting learning everywhere, with a focus on the outdoors, learning around heritage and culture and in the local community. In addition to this we are expanding the roll and taking a bulge class in year R.

Exam Results:

At Longvernal results achieved by children across all key stages were deeply impressive and demonstrated again that this school is on a clear pathway to being outstanding. Key Stage 2 results were again above the national averages with 76% achieving Age Related Expectations in RWM (12% above national). The percentage of children making a Good Level of Development in year R was 76%, again high and above the national rate. At Key Stage 1 progress of children was encouraging and phonics scores at the end of year 1 were in line with national with 80% passing. A superb year for the children and wider community served by Longvernal. Everyone should be incredibly proud of their achievements not only as individuals but as a whole-school.

Welton Primary School

Welton Primary is a popular semi-rural school, set in the heart of the beautiful Welton valley providing an education for children from the ages of four to eleven from 8.55am until 3.15pm Monday-Friday. We are delighted to be part of the Midsomer Norton Schools' Partnership and work closely with the other primary and secondary schools in the Trust for the benefit of the children at Welton. Welton has received positive feedback from the DFE following visits this year and as a result of strong leadership and teaching and learning, as well as support from the MAT, outcomes for children really improved in 2017 a trend continued into 2018.

Exam Results:

At Welton Primary children in Class R made positive progress with 68% of them achieving a Good Level of Development. This progress was matched by the phonics results in Year 1 where 93% of children passed the screening test. Well done to the Early Years Team and other teachers across the school who have helped children make a very positive start to their time at Welton primary. At the other end of the age-range, there were some very pleasing improvements in progress scores with those for reading, writing and maths all being in-line with national rates.

Midsomer Norton Primary School

Now in our second year as a member of the Midsomer Norton Schools' Partnership, we are delighted with the strong collaboration and support within our academy trust. As an inclusive school with a strong community ethos, we see our

**TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018**

location in the heart of Midsomer Norton as integral to our identity. We pride ourselves on the supportive partnerships we create with our parents, other schools and organisations locally.

Exam Results:

At KS 2 results at MNP improved again with positive progress across RWM and an attainment score of 66% up from 50% last year. In Year R the percentage achieving GLD was again above national at 76%. Phonics was also very high at 89% compared to 81% nationally. In KS 1 outcomes fell back slightly, but are still close to national rates.

Farrington Gurney

Farrington Gurney Primary School has served the village and the surrounding community for 160 years, consistently producing high standards of education. Our supportive and welcoming environment allows children of all ages and abilities to achieve their best within a safe, secure and creative environment. There is a strong Christian ethos within the school, in which we encourage pupils and adults to have a caring and considerate attitude towards one another. We recognise and value the uniqueness of every child and encourage them to develop their independence and confidence.

Exam Results:

2018 was a very impressive year for Farrington Gurney. 100% of children made ARE in RWM with positive progress scores across all of the key subjects at KS2. At KS 1 scores were also at or above national and phonics was 92%. In Year R, the percentage achieving a Good Level of Development remained high at 75%. An excellent year across all measures.

Hemington Primary School

Hemington is a small school in a rural location with 34 children on-roll. Children work in two classes in the original school building. The school has lovely grounds where Forest School work takes place and children are encouraged to learn both in the classroom and by using their immediate environment.

Exam Results:

Hemington joined the Trust in August 2018. The school has very small numbers of children and from their starting points, these children are making positive progress. In year 1 every child passed the phonics screening test and 67% of children hit ARE in the KS1 tests. At KS 2 no children met ARE in RWM, but this was expected and these children did make strong progress from their individual starting points. Given the size of the school and therefore volatility of cohorts, we expect current year 2 and current year 6 to make strong progress this year.

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.

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

FINANCIAL REVIEW

Financial Outcome of Activities & Events

The Trust's accounting period is from 1 September 2017 to 31 August 2018.

Most of the Trust's income is obtained from the Education and Skills Funding Authority ("ESFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

The Trust also received capital grants from the Condition Improvement Fund. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

Total unrestricted and restricted income in the year totalled £20,613,153 (2017 £18,711,467) * This figure excludes assets and liabilities introduced on conversion.

Total unrestricted and restricted expenditure for the year totalled £23,212,820 (2017 £20,921,245)

Staff Costs as a percentage of total income for the year is 69.21% (2017 75.56%)

Unrestricted income comprises Catering Income, Sports Centre and Other Lettings and Departmental sales.

Reserves Policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of each 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 £1,077,681.

At the balance sheet date the pension deficit stands at £8,647,000.

The Reserves Policy requires reserves of at least one month's salary costs for the Trust which equates to approximately £1.5 Million. This has not been achieved in this financial year, however the expansion of the Trust will bring this in line.

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 2018 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 0.50%.

PLANS FOR FUTURE PERIODS

Future Strategy

There is a very good working relationship between all the schools in the Midsomer Norton Schools' Partnership. This combined effort and work is already supporting children to have greater opportunities and produce excellent outcomes.

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

What has also been a pleasure to observe and be part of, are the excellent working relationships between the staff in and across each school. Everyone is willing to give support and help wherever they can – true and positive partnership.

Staff are also benefiting from the collaboration. New roles, promotions and joint CPD have all helped staff feel like they are part of a bigger team, yet striving for the same goals. In Governance we have also seen some significant gains, with training provided from experts and the use of two National Leaders of Governance to ensure all leaders are held to account and children are making excellent progress.

Our vision has always been very clear at the Midsomer Norton Schools' Partnership. We want to ensure that all children attend 'Good' or better schools and that through partnership working, this vision has more chance of becoming a reality. The vast majority of our schools are 'Good' or 'Outstanding' already, but they continue to be innovative and push for even higher standards. Our children deserve the best and all of us working in the Midsomer Norton Schools' Partnership strive to ensure this ambition can be realised.

Impact of Future Activities & Events

Targets set for 2019 are as follows:

MAT School Targets 2018/19
Primary:

School	GLD (71%)	Phonics (81%)	KS 1 phonics catch-up	KS1 R (75%)	KS 1 W (68%)	KS 1M (75%)	KS 2 R (71%)	KS 2 W (76)	KS 2 M (75%)	RWM comb.	Progress KS 2 R	Progress KS 2 W	Progress KS 2 M	Mid year review
HL	70%	92%	33%	82%	74%	78%	92%	88%	88%	88%	+	=	+	
CL	75%	85%	90%	80%	80%	80%	75%	75%	75%	70%	=	=	=	
WE	75%	85%	90%	75%	70%	75%	71%	76%	75%	65%	=	=	=	
LV	75% (100%)	82% (100%)	33% (none)	77% (none)	77% (none)	82% (none)	84% (83%)	74% (83%)	84% (83%)	74% (83%)	+	+	+	
TR	75%	85%	90%	80%	80%	80%	73%	73%	73%	73%	+	+	+	
DU	75%	70%	90%	73%	73%	73%	50%	50%	50%	50%	=	=	=	
FG	75%	86%	100%	92%	83%	83%	93%	86%	86%	86%	>+1	>+1	>+1	
MNP	75%	85%	40% (95% in total)	75%	70%	76%	75%	78%	75%	75%	+	+	+	
HEM	71%	100%	90%	75%	68%	75%	50%	50%	50%	50%	=	=	=	
WEST	75%	85%	90%	77%	75%	77%	75%	75%	75%	72%	+	+	+	
L-on-M	86%	86%	N/A	88%	75%	100%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018
Secondary

School	KS 2-3 E and M	KS 4 basics 9-4	KS 4 basics 9-5	P 8 M	P 8 E	P 8 EBAC	P 8 open	P 8 overall (0)	PP P8 E PP M PP	Upper band P8 E, M, total	SEN P8 E, M, total	Attendance Overall (94.8)	Attendance PP (95)	PA (10%)	PA PP (10%)	Exclusions Total % against cohort	Mid year review
NHS	90%+ on track	83%	60%	0.4	0.4	0.4	0.7	0.5	0.3 0.3 0.3	0.25 0.25 0.25	0.3 0.35 0.33	96%	95%	6%	8%	20% below National	
SVS	90%+ on track	80%	51%	0.25	0.2	0.2	0.63	0.25	0.20 0.10 0.15	0.20 0.21 0.21	0.1 0.1 0.1	95.5%	95%	10%	13%	National	
St Ds	90%+ on track	80%	51%	0.25	0.2	0.2	0.6	0.25	0.20 0.10 0.15	0.20 0.21 0.21	0.1 0.1 0.1	94.7%	94%	10%	13%	National	

Year 13 2018-19 Alps targets against results

KS5 18/19 ALPS Y13 Report - Last Published: 09/10/2018 16:08:38

Cohort Summary	Alps targets	Best 3 A Levels	Alps target
Cohort	196	Best 3 A Levels Avg Pts	42.52
A Level Cohort	138	Best 3 A Levels Avg Grade	B+
Academic Cohort	147		
Vocational Cohort	90	A Level & Other Academic	Alps target
Applied General Cohort	90	Academic APS Per Entry	40.71
		Academic Avg Grade Per Entry	B
Overall	Alps target		
Overall APS Per Entry	37.75	Vocational	Alps target
Overall Avg Grade Per Entry	B-	Vocational APS Per Entry	30.1
		Vocational Avg Grade Per Entry	D-
A Level	Alps target		
A Level APS Per Entry	41.23	Applied General	Alps target
A Level Avg Grade Per Entry	B	Applied General APS Per Entry	30.1

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties which faced the Trust during the period are as follows:

- **Financial** – the Trust has considerable reliance on continued Government funding through the ESFA. There is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- **Failures in governance and/or management** – the risk in this area arises from potential failure to effectively manage the Trust finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- **Reputational** – the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.
- **Safeguarding and child protection** – the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.
- **Staffing** – the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- **Fraud and mismanagement of funds** – the Trust has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to its finances, teaching, facilities and other operational area. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

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.

A detailed Business Continuity plan also exists which covers potential risks.

Fundraising

The Trust held only small fundraising events during the year such as non-uniform days. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of fundraising events.

TRUSTEES' REPORT (Continued)
for the year ended 31 August 2018

Funds Held As Custodian Trustee on Behalf of Others

Although the Trust maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose, the Trust does not hold, and the 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).

The Trust's policy is to consult and discuss with employees matters likely to affect employees' interests. The Trust holds regular meetings with employee to inform them of the Trust's performance and regularly sends written communication to all employees detailing Trust updates and plans. Employees are encouraged to contribute suggestions on Trust development and to take opportunities offered for resulting career progression.

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

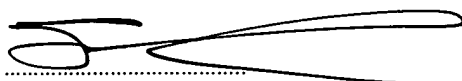
RSM UK Audit LLP has indicated its willingness to continue in office.

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
- each Trustee has 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 ~~14~~ December ~~2017~~ and signed on the board's behalf by:
20 2018



Mr Stuart Warrener
Chair

20/12/18.
Date

**GOVERNANCE STATEMENT
for the year ended 31 August 2018**

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 7 times during the year. Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of possible
Bob Arnold	5	7
Sarah Baldwin	7	7
Chris Brace	6	7
Guy Edwards (resigned 24.07.2018)	2	7
Keith Ford (resigned 24.07.2018)	3	7
Gareth Griffith	6	7
Simon Mills	6	7
Andrew Sinden	6	7
Stuart Warrener	5	7
Alun Williams	7	7
Sharon Wiseman	4	7

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
William Kingwell

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 as an average across the trust is significantly higher than the national average.

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 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. Benchmarking to compare the financial performance of schools in the Trust to other academies has been presented to the Trust. 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. A number of staff work across the schools meaning staffing is deployed very efficiently. The Midsomer Norton Sixth Form ensures a full range of options and opportunities is available to all students.

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 2018 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 2018 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:

**GOVERNANCE STATEMENT (continued)
for the year ended 31 August 2018**

- 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 LGBs 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 continues to use the Local Authority to act as internal auditors. 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.

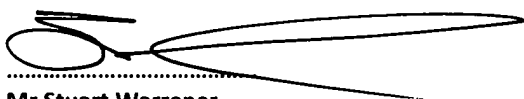
Review of effectiveness

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:

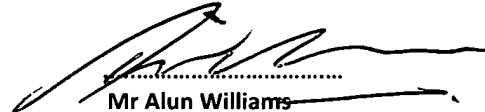
- The work of the internal auditor.
- The work of the external auditor.
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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 20 December 2018 and signed on its behalf by:



Mr Stuart Warrenner
Chair




Mr Alun Williams
Accounting Officer

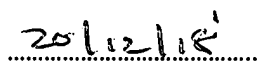
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the year ended 31 August 2018**

As accounting officer of the Midsomer Norton Schools' Partnership I have considered my responsibility to notify the Trust and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA 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 2017.

I confirm that I and the board of trustees are not able to identify any material irregular or improper use of all 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 2017.

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 ESFA.


.....
Mr Alun Williams
Accounting Officer


.....
Date

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
for the year ended 31 August 2018**

The trustees (who act as governors of Midsomer Norton Schools' Partnership and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published 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:

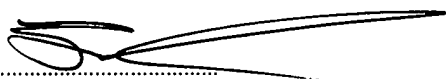
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards FRS 102 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 ESFA/DFE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 20 December 2018 and signed on its behalf by:



Stuart Warrener
Chair of Trustees

Opinion on financial statements

We have audited the financial statements of Midsomer Norton Schools' Partnership (the "academy trust") for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 2017 to 2018 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 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

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Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the charity, 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Trustees' responsibilities set out on page 21, the governors (who act as trustees for the charitable activities of the charitable company 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 governors 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 governors 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 governors 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 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.

RSM UK Audit LLP

Kerry Gallagher (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Date **21 December 2018**

Midsomer Norton Schools' Partnership

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2018
including Income and Expenditure Account

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Year end 31 August 2017 £
INCOME FROM:						
Transfer from local authority on conversion	32	-	(289,407)	2,516,863	2,227,456	227,318
Donations and Capital Grants	2	-	-	904,831	904,831	687,525
Funding for the Trust's educational operations	3	-	17,756,808	-	17,756,808	16,207,778
Teaching Schools		-	66,000	-	66,000	-
Other Trading Activities	4	185,465	308,171	-	493,636	467,365
Other income from Academy Trust's educational operations		677,281	703,609	-	1,380,890	1,337,902
Investment income	5	10,688	-	-	10,688	10,897
TOTAL		873,434	18,545,181	3,421,694	22,840,309	18,938,785
EXPENDITURE ON:						
Raising funds:	7	856,176	624,517	-	1,480,693	1,303,935
Charitable activities:						
Teaching Schools		-	23,738	-	23,738	-
Trust's educational operations	8	-	20,578,460	1,129,929	21,708,389	19,617,310
TOTAL		856,176	21,226,715	1,129,929	23,212,820	20,921,245
NET INCOME/(EXPENDITURE) FOR THE YEAR		17,258	(2,681,534)	2,291,765	(372,511)	(1,982,460)
TRANSFERS						
Gross transfers between funds		-	357,210	(357,210)	-	-
OTHER RECOGNISED GAINS AND (LOSSES)						
Actuarial gains /(losses) on defined benefit pension schemes		-	2,192,000	-	2,192,000	644,000
NET MOVEMENT IN FUNDS		17,258	(132,324)	1,934,555	1,819,489	1,338,460
RECONCILIATION OF FUNDS						
Total funds brought forward	20	1,060,423	(8,395,108)	39,332,963	31,998,278	33,336,738
Total funds carried forward	20	1,077,681	(8,527,432)	41,267,518	33,817,767	31,998,278

BALANCE SHEET
As at 31 August 2018

Company Number: 07365778

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	14	41,267,518	39,332,963
CURRENT ASSETS			
Stock	15	4,332	5,489
Debtors	16	406,852	454,034
Cash at bank and in hand		2,029,573	2,873,794
		<u>2,440,757</u>	<u>3,333,317</u>
CREDITORS: Amounts falling due within one year	17	(1,228,408)	(1,231,862)
NET CURRENT ASSETS		<u>1,212,349</u>	<u>2,101,455</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,479,867</u>	<u>41,434,418</u>
CREDITORS: Amounts falling due after more than one year	18	(15,100)	(21,140)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>42,464,767</u>	<u>41,413,278</u>
Defined benefit pension scheme liability	28	(8,647,000)	(9,415,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>33,817,767</u>	<u>31,998,278</u>
THE FUNDS OF THE TRUST			
Restricted income funds			
General fund	21	119,568	1,019,892
Pension reserve	21	(8,647,000)	(9,415,000)
Fixed asset fund	21	41,267,518	39,332,963
Total restricted funds			
Unrestricted funds			
General fund	21	1,077,681	1,060,423
Total funds		<u>33,817,767</u>	<u>31,998,278</u>

The financial statements on pages 25 to 52 were approved by the Trustees and authorised for issue on 20th December 2018, and are signed on their behalf by



Mr Stuart Warrenner
Chair

STATEMENT OF CASH FLOWS
for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	24	(1,268,672)	(341,680)
Cash flows from investing activities	26	430,491	59,860
Cash flows from financing activities	25	(6,040)	(6,040)
Change in cash and cash equivalents in the reporting period		(844,221)	(287,860)
Cash and cash equivalents at 1 September 2017	27	2,873,794	3,161,654
Cash and cash equivalents at 31 August 2018	27	2,029,573	2,873,794

**ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

BASIS OF PREPARATION

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Midsomer Norton Schools' Partnership Academy Trust meets the definition of a public benefit entity under FRS 102.

GOING CONCERN

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

INCOME

All incoming resources are recognised when the Academy Trust has entitlement to the funds, receipt is probable 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 donations and capital grants 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.

ACCOUNTING POLICIES (continued)
for the year ended 31 August 2018

EXPENDITURE

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.

Raising funds are costs incurred in attracting donations, and those incurred in trading activities that raise funds.

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

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 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 Skills & Funding Agency.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education & Skills 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:

Land	0% pa
Buildings (inc Astroturf)	2% pa
Plant & Machinery	10% pa
Computer & Office equipment	33% pa
Computer Software	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.

ACCOUNTING POLICIES (continued)
for the year ended 31 August 2018

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 24, 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 ESFA. Related payments received from the ESFA 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 ESFA.

STOCK

Catering stock is valued at the lower of cost or net realisable value and is measured using the FIFO basis.

FINANCIAL INSTRUMENTS

As the academy only has basic financial instruments it has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, to all of its financial instruments.

Financial instruments are recognised when the academy becomes party to the contractual provisions of the instrument.

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

ACCOUNTING POLICIES (continued)
for the year ended 31 August 2018

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the SOFA

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the SOFA.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including trade and other payables and bank loans, that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled or they expire.

Cash and cash equivalents

Cash and cash equivalents includes cash and short term highly liquid investments with a short maturity period.

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 Midsomer Norton Primary School and Hemington 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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.

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:

Critical accounting judgements:

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme (TPS). In the judgment of the Governors, the school does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme.

Critical accounting estimates:

Local Government Pension Scheme

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 assumption used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

Useful economic lives of tangible assets

The annual depreciation charge is sensitive to any changes in the estimated useful life and residual values of the tangible assets. The useful economic lives and residual value is assessed on an annual basis and are amended only when evidence shows a change in the estimated economic lives or residual life. Criteria used to assess the economic life and residual value includes technological advancement, economic utilisation, physical condition of the asset and future investments.

Fair values on conversion of new academies

The fair value of assets and liabilities realised on the conversion of new academies into the Midsomer Norton Schools' Partnership is based on valuations provided by external organisations such as county councils. Calculations as to the valuation include criteria such as the expected life of the assets and liabilities, recoverability and future cash flows.

2 DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Capital Grants	-	904,831	904,831	660,821
Donations	-	-	-	26,704
	-	904,831	904,831	914,843

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

3 FUNDING FOR ACADEMY TRUST’S EDUCATIONAL OPERATIONS	Unrestricted funds	Restricted funds	Total 2018	Total 2017	
	£	£	£	£	
General Annual Grant	-	16,445,527	16,445,527	15,295,930	
Other Government Grants	-	1,311,281	1,311,281	911,848	
	-	17,756,808	17,756,808	16,207,778	
4 OTHER TRADING ACTIVITIES	Unrestricted funds	Restricted funds	Total 2018	Total 2017	
	£	£	£	£	
Sundry lettings, services and hire of facilities	142,470	-	142,470	160,385	
Student teacher training	-	17,370	17,370	13,305	
Other Income	-	290,801	290,801	258,201	
Departmental and miscellaneous sales	42,995	-	42,995	35,474	
Fees charged for music tuition	-	31,282	31,282	47,752	
Catering income	677,281	-	677,281	705,777	
Trips income	-	672,327	672,327	584,373	
	862,746	1,011,780	1,874,526	1,831,971	
5 INVESTMENT INCOME	Unrestricted funds	Restricted funds	Total 2018	Total 2017	
	£	£	£	£	
Bank Interest receivable on short term cash deposits	10,688	-	10,688	10,897	
	10,688	-	10,688	10,897	
6 EXPENDITURE	Staff costs	Premises	Other	Total 2018	Total 2017
	£	£	£	£	£
Expenditure on raising funds	334,857	-	521,319	856,176	780,188
Trust’s educational operations					
- Direct costs	13,170,593	-	2,459,341	15,629,934	14,309,342
- Allocated support costs	2,271,918	975,155	1,759,382	5,006,455	5,307,968
- Teaching Schools	23,738	-	-	23,738	
	15,801,106	975,155	4,740,042	21,516,303	20,397,498
				2018	2017
				£	£
Operating lease rentals				30,044	26,075
Depreciation				1,129,929	1,163,781
Cost of stock as an expense				415,007	252,032
Fees payable to auditor for:					
- audit				25,900	22,500
- other services				2,100	2,100

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

7 EXPENDITURE ON RAISING FUNDS	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Trips Expenditure	-	624,517	624,517	523,747
Catering	726,342	-	726,342	687,138
Sports centre lettings and event costs	86,839	-	86,839	57,576
Cost of Departmental sales	42,995	-	42,995	35,474
	856,176	624,517	1,480,693	1,303,935
8 SCHOOL EXPENDITURE - TRUST'S EDUCATIONAL OPERATIONS	Unrestricted funds	Restricted funds	Total 2018	Total 2017
	£	£	£	£
Direct costs:				
Teaching and educational support staff costs	-	13,170,593	13,170,593	11,974,395
Direct depreciation	-	1,103,099	1,103,099	1,126,117
Educational consumables	-	649,789	649,789	711,710
Examination fees	-	262,572	262,572	212,632
Direct staff development	-	48,131	48,131	57,420
External educational provision and supplies	-	395,750	395,750	227,068
	-	15,629,934	15,629,934	14,309,342
Allocated support costs:				
Support staff costs	-	2,295,656	2,295,656	1,922,359
Depreciation	-	26,830	26,830	37,644
Utilities	-	268,985	268,985	269,135
Other occupancy costs	-	118,738	118,738	120,709
Cleaning	-	39,440	39,440	70,297
Communications	-	55,966	55,966	48,227
Professional fees	-	525,611	525,611	495,542
Marketing	-	32,639	32,639	47,227
Recruitment	-	37,301	37,301	64,040
Other employment costs	-	87,941	87,941	60,828
Rates	-	117,892	117,892	110,880
Repairs and maintenance	-	387,632	387,632	397,982
Insurance	-	161,206	161,206	109,904
Technology costs	-	358,666	358,666	334,178
Staff development	-	30,391	30,391	24,810
Other support costs	-	408,589	408,589	176,866
Pension scheme	-	1,072,000	1,072,000	961,000
Governance Costs	-	76,710	76,710	56,290
	-	6,102,193	6,102,193	5,307,968
	-	21,732,127	21,732,127	19,617,310

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

9 STAFF COSTS	2018	2017
	No	No
The average monthly number of persons employed by the Trust (including governors) during the year was as follows:		
Teachers	197	191
Administration and support	353	340
Management	33	27
	<u>583</u>	<u>558</u>
Expressed as full-time equivalents:		
Teachers	178	172
Administration and support	199	181
Management	31	26
	<u>408</u>	<u>379</u>
	2018	2017
	£	£
Staff costs for the above persons:		
Wages and salaries	12,574,880	11,202,006
Social security costs	1,114,563	1,003,549
Pension costs - defined benefit schemes:		
Teachers' pension scheme	1,360,255	1,244,065
Operating costs of Pension Scheme	756,809	703,603
Apprenticeship Levy	19,222	17,616
	<u>15,806,497</u>	<u>14,170,839</u>
	2018	2017
	£	£
Included in wages and salaries are the following staff restructuring costs:		
Redundancy payments	42,363	-
Severance Pay	29,532	33,224
	<u>71,895</u>	<u>33,224</u>
Included in the severance payment are non-statutory/non-contractual payments of £10,700 (2017: £13,476) these relate to two members of staff (2017:3). Individually the payments were £10,000 made on 30.9.2017 and £700 made on 31.3.2018.		
The number of employees whose emoluments for the year exceeded £60,000 fell within the following ranges:	2018	2017
	No	No
£60,001 - £70,000	5	4
£70,001 - £80,000	2	4
£80,001 - £90,000	1	0
£130,000 - £140,000	0	1
£140,000 - £150,000	1	0

Eight of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018 Pension contributions for these staff amounted to £104,357 (2017: £99,247).

10 KEY MANAGEMENT PERSONNEL

The Trust's key management personnel comprise of the Trustees and senior management team detailed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,123,237 (2017: £937,192).

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

11 CENTRAL SERVICES

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

- human resources
- financial services
- legal support services
- education support services
- ICT support services
- premises support services

The Trust charges for these services on a flat percentage of GAG income (4%). The actual amounts charged during the year were as follows:

	2018	2017
	£000	£000
Norton Hill Academy	271	274
Somervale Academy	93	98
St Dunstan's Academy	65	67
High Littleton Academy	22	9
Clutton Academy	18	20
Dundry Academy	17	19
Trinity Academy	34	15
Longvernal Academy	21	20
Welton Academy	26	27
Farrington Gurney Academy	15	6
Midsomer Norton Academy	40	-
Hemington Academy	-	-
	688	555

12 TRUSTEES REMUNERATION AND EXPENSES

The Principal and staff Trustee 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 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

	2018	2017
	£	£
A Williams (Principal & Trustee)		
Remuneration	146,400	136,400
Employers pension contributions	24,127	22,479
M Parsons (Trustee) (resigned 11.5.2017)		
Remuneration	-	43,400
Employers pension contributions	-	7,152
G Griffith (Trustee)		
Remuneration	62,275	59,264
Employers pension contributions	10,263	9,767

During the year ended 31 August 2018, travel and subsistence expenses totalling £1,908 (2017: £1,618) were reimbursed to 2 Trustees (2017: 3). Related party transactions involving the Trustees are set out in note 29.

13 TRUSTEES' AND OFFICERS' INSURANCE

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

14

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Plant & Machinery £	Office equipment £	Computer Software £	Total £
COST						
At 1 September 2017	36,139,272	6,598,308	477,587	1,657,699	52,745	44,925,611
Additions	319,529	22,176	10,244	131,256	64,416	547,621
On conversion to academies	-	2,516,863	-	-	-	2,516,863
Disposals	-	-	-	(1,116,265)	(2,955)	(1,119,220)
At 31 August 2018	36,458,801	9,137,347	487,831	672,690	114,206	46,870,875
DEPRECIATION						
At 1 September 2017	3,790,062	189,991	201,041	1,375,009	36,545	5,592,648
Charge for the year	755,448	137,515	44,892	171,149	20,925	1,129,929
Disposals	-	-	-	(1,116,265)	(2,955)	(1,119,220)
At 31 August 2018	4,545,510	327,506	245,933	429,893	54,515	5,603,357
NET BOOK VALUE						
At 31 August 2018	31,913,291	8,809,841	241,898	242,797	59,691	41,267,518
At 31 August 2017	32,349,210	6,408,317	276,546	282,690	16,200	39,332,963

15 STOCK	2018	2017
	£	£
Catering stock	4,332	5,489
16 DEBTORS	2018	2017
	£	£
Trade debtors	13,159	33,577
Prepayments & Accrued income	356,378	291,786
Other Debtors	37,315	128,671
	406,852	454,034

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

17 CREDITORS: Amounts falling due within one year	2018	2017
	£	£
Other loans	6,040	6,040
Trade creditors	18,828	295,395
Other taxation and social security costs	276,524	256,961
Other creditors	47,691	38,112
Accruals and deferred income	879,325	635,354
	1,228,408	1,231,862

Deferred Income	2018	2017
	£	£
Deferred income at 1 September	373,188	378,251
Released from previous years	(373,188)	(378,251)
Resources deferred in the year	417,134	373,188
Deferred income at 31 August	417,134	373,188

Deferred income relates to school trips, UFSM, Free School, other government grants, capital income and trips income.

18 CREDITORS: Amounts falling due after more than one year	2018	2017
	£	£
Other loans	15,100	21,140
	15,100	21,140

Included in creditors is an interest free Salix loan agreed with the EFA totalling £21,140 to be repaid over 3 years.

19 FINANCIAL INSTRUMENTS	2018	2017
	£	£
Financial assets that are debt instruments		
Measured at amortised cost:		
Trade debtors	13,159	33,577
Other debtors	37,315	128,671
Accrued Income	130,827	144,199
	181,301	306,447
Financial liabilities measured at amortised cost:		
Other loans	6,040	6,040
Trade creditors	18,828	295,395
Other creditors	47,691	38,112
Accruals	462,195	262,166
	534,754	601,713

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
20 THE FUNDS OF THE CHARITY					
Restricted General Funds					
General Annual Grants (GAG)	1,019,892	17,167,900	(18,425,434)	357,210	119,568
Other Government Grants	-	1,377,281	(1,377,281)	-	-
Pension Reserve	(9,415,000)	(352,000)	(1,072,000)	2,192,000	(8,647,000)
	(8,395,108)	18,193,181	(20,874,715)	2,549,210	(8,527,432)
Restricted fixed asset funds					
Transfer on conversion	-	2,516,863	-	-	2,516,863
Capital Grants	39,332,963	904,831	(1,129,929)	(357,210)	38,750,655
	39,332,963	3,421,694	(1,129,929)	(357,210)	41,267,518
Total restricted funds	30,937,855	21,614,875	(22,004,644)	2,192,000	32,740,086
Total unrestricted funds	1,060,423	873,434	(856,176)	-	1,077,681
Total of funds	31,998,278	22,488,309	(22,860,820)	2,192,000	33,817,767

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
THE FUNDS OF THE CHARITY					
Restricted General Funds					
General Annual Grants (GAG)	1,849,112	17,181,431	(18,016,296)	5,645	1,019,892
Other Government Grants	-	911,848	(911,848)	-	-
Pension Reserve	(8,952,000)	(146,000)	(961,000)	644,000	(9,415,000)
	(7,102,888)	17,947,279	(19,889,144)	649,645	(8,395,108)
Restricted fixed asset funds					
Transfer on conversion	-	-	-	-	-
Capital Grants	39,511,548	990,821	(1,163,761)	(5,645)	39,332,963
	39,511,548	990,821	(1,163,761)	(5,645)	39,332,963
Total restricted funds	32,408,660	18,938,100	(21,052,905)	644,000	30,937,855
Total unrestricted funds	928,078	912,533	(780,188)	-	1,060,423
Total of funds	33,336,738	19,850,653	(21,833,093)	644,000	31,998,278

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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

THE FUNDS OF THE CHARITY	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted General Funds					
General Annual Grants (GAG)	1,849,112	34,349,331	(36,441,730)	362,855	119,568
Other Government Grants	-	2,289,129	(2,289,129)	-	-
Pension Reserve	(8,952,000)	(498,000)	(2,033,000)	2,836,000	(8,647,000)
	<u>(7,102,888)</u>	<u>36,140,460</u>	<u>(40,763,859)</u>	<u>3,198,855</u>	<u>(8,527,432)</u>
Restricted fixed asset funds					
Transfer on conversion	-	2,516,863	-	-	2,516,863
Capital Grants	39,511,548	1,895,652	(2,293,690)	(362,855)	38,750,655
	<u>39,511,548</u>	<u>4,412,515</u>	<u>(2,293,690)</u>	<u>(362,855)</u>	<u>41,267,518</u>
Total restricted funds	32,408,660	40,552,975	(43,057,549)	2,836,000	32,740,086
Total unrestricted funds	928,078	1,785,967	(1,636,364)	-	1,077,681
Total of funds	33,336,738	42,338,942	(44,693,913)	2,836,000	33,817,767

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

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Analysis of Academies by fund balance

	Total 2018 £000	Total 2017 £000
Fund balances at 31 August 2018 were allocated as follows:		
High Littleton	(14,907)	8,466
Norton Hill	904,909	1,405,617
Somervale	(488,695)	(198,801)
Clutton	(56,206)	(62,797)
St Dunstan's	(6,269)	216,060
Trinity	462,623	376,091
Dundry	92,910	42,160
Welton	127,268	190,236
Longvernal	211,275	76,529
Farrington Gurney	(1,257)	26,754
Midsomer Norton	(34,402)	-
Total before fixed assets and pension reserve	<u>1,197,249</u>	<u>2,080,315</u>
Restricted fixed asset fund	41,267,518	39,332,963
Pension reserve	(8,647,000)	(9,415,000)
Total	<u>33,817,767</u>	<u>31,998,278</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:	Teaching and Educational	Other Support Staff	Other Costs		Total	2017
	Support Costs	Costs	Educational Supplies	(Excluding Depreciation)		
	£	£	£	£	£	£
Norton Hill	6,779,236	764,455	642,103	896,107	9,081,901	8,434,217
Somervale	2,216,995	455,699	165,597	133,766	2,972,057	2,863,235
St Dunstan's	1,582,059	327,080	172,601	139,816	2,221,556	2,225,522
High Littleton	668,389	157,138	44,388	42,113	912,028	743,482
Clutton	560,832	131,852	37,246	35,336	765,266	653,507
Trinity	645,341	151,719	42,858	40,660	880,578	890,284
Dundry	299,623	70,441	19,898	18,878	408,840	388,315
Longvernal	676,071	158,944	44,898	42,597	922,510	828,722
Welton	714,485	167,975	47,450	45,017	974,927	866,607
Farrington Gurney	345,718	81,278	22,959	21,782	471,737	378,844
Midsomer Norton Academy Trust	1,025,631	241,126	68,113	64,621	1,399,491	-
	15,514,380	2,707,707	1,308,111	1,480,693	21,010,891	18,272,735

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 and Skills 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 2018. Funds are set aside for capital projects, as prioritised by the Trust.

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. The same principle has been applied to the acquisition of St Dunstan's Academy and The Dove Family Trust.

Transfer between Funds

The method of accounting for fixed assets purchased from GAG or other ESFA 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.

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS 2018

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds 2018	Total funds 2017
	£	£	£	£	£
Tangible fixed assets	-	-	41,267,518	41,267,518	39,332,963
Current assets	1,077,681	1,363,076	-	2,440,757	3,333,317
Current liabilities	-	(1,228,408)	-	(1,228,408)	(1,231,862)
Non-current liabilities	-	(15,100)	-	(15,100)	(21,140)
Provisions for liabilities and charges	-	(8,647,000)	-	(8,647,000)	(9,415,000)
	1,077,681	(8,527,432)	41,267,518	33,817,767	31,998,278

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2017

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds 2017 £	Total funds 2016 £
Tangible fixed assets	-	-	39,332,963	39,332,963	39,511,547
Current assets	1,060,423	2,272,894	-	3,333,317	4,084,903
Current liabilities	-	(1,231,862)	-	(1,231,862)	(1,280,532)
Non-current liabilities	-	(21,140)	-	(21,140)	(27,180)
Provisions for liabilities and charges	-	(9,415,000)	-	(9,415,000)	(8,952,000)
	<u>1,060,423</u>	<u>(8,395,108)</u>	<u>39,332,963</u>	<u>31,998,278</u>	<u>33,336,738</u>

22 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.

23 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2018, the total of the Trust's future minimum lease payments under non-cancellable operating leases was:	2018 £	2017 £
Amounts due in one year	26,042	26,835
Amounts due between one and five years	21,147	17,759
Amounts due after five years	21,147	12,864
	<u>68,336</u>	<u>57,458</u>

24 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net income	(372,511)	(1,982,460)
Adjusted for:		
Depreciation	1,129,929	1,163,761
Cash received on conversion	(62,593)	(43,318)
Capital grants from DfE and other capital income	(904,831)	(660,821)
Interest receivable	(10,688)	(10,897)
Defined benefit pension scheme obligation on conversion	352,000	146,000
Defined benefit pension scheme cost less contributions payable	845,000	780,000
Defined benefit pension scheme finance cost	227,000	181,000
(Increase)/Decrease in stock	1,157	7,033
(Increase)/Decrease in debtors	47,182	456,692
Increase/(Decrease) in creditors	(3,454)	(48,670)
Impact of transfer upon conversion	(2,516,863)	(330,000)
Net cash provided by Operating Activities	(1,268,672)	(341,680)

25 CASH FLOWS FROM FINANCING ACTIVITIES

	2018 £	2017 £
Repayment of borrowings	(6,040)	(6,040)
Net cash provided by financing activities	(6,040)	(6,040)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

26 CASH FLOWS FROM INVESTING ACTIVITIES	2018	2017
	£	£
Dividends, interest and rents from investments	10,688	10,897
Purchase of tangible fixed assets	(547,621)	(655,176)
Capital grants from DfE/ESFA	904,831	660,821
Cash received on conversion	62,593	43,318
Net cash provided by/ (used) in investing activities	430,491	59,860

27 ANALYSIS OF CASH AND CASH EQUIVALENTS	As at 31	As at 31
	August 2018	August 2017
	£	£
Cash in hand and at bank	2,029,573	2,873,794
Total Cash and Cash Equivalents	2,029,573	2,873,794

28 PENSION & SIMILAR OBLIGATIONS

The 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, through Peninsula Pensions (managed by Somerset County Council) and Avon Pension Fund (managed by Bath & North East Somerset Council, "BANES"). Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2016.

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

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 2016 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

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 2016 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 2016 and of the LGPS 31 March 2016.

The pension costs paid to TPS in the period amounted to £1,360,245 (2017: £1,244,065).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £971,075 of which employer's contributions total £756,808 and employees' contribution totalled £214,267. The agreed rates for future years are 13.1% - 22.8% for employers and between 5.5% and 9.9% for employees.

The deficit is £8,647,000 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.

- The LGPS obligation relates to employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Trust at the balance sheet date.

Principal actuarial assumptions – Bath & North East Somerset County Council

	As at 31 August 2018	As at 31 August 2017
Rate of increase in salaries	3.6%	3.7%
Rate of increase in pensions in payment	2.2%	2.2%
Discount rate	2.8%	2.4%
Inflation assumption - rpi	N/A	N/A
- cpi	2.1%	2.2%

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

28 PENSION & SIMILAR OBLIGATIONS (continued)

Sensitivity analysis - BANES

	Central	Sensitivity 1 +0.1% p.a. discount rate	Sensitivity 2 +0.1% p.a. inflation	Sensitivity 3 +0.1% p.a. pay growth	Sensitivity 4 1 year increase in life expectancy
	£000s	£000s	£000s	£000s	£000s
Liabilities	13,789	13,498	14,086	13,860	14,030
Assets	(6,725)	(6,725)	(6,725)	(6,725)	(6,725)
Deficit	7,064	6,773	7,361	7,135	7,305
Projected service cost for next year	1,079	1,048	1,111	1,079	1,100
Projected Net interest cost for next year	187	185	195	189	194

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

	2018 Years	2017 Years
Retiring today:		
Males	23.6	23.5
Females	26.1	26.0
Retiring in 20 years:		
Males	26.2	26.0
Females	28.8	28.7

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

	Value at 31 August 2018		Value at 31 August 2017	
	%	£'000	%	£'000
Equities	49.5	2,636	49.5	2,663
Bonds	7.7	827	7.7	414
Property	8.8	625	8.8	473
Cash	3.6	256	3.6	194
Gilts	11.2	780	11.2	602
Other	19.2	1,601	19.2	1,033
Total market value of assets		6,725		5,379
Present value of scheme liabilities		(13,789)		(13,020)
Deficit in the scheme		(7,064)		(7,641)

Principal actuarial assumptions – Somerset County Council

	As at 31 August 2018	As at 31 August 2017
Rate of increase in salaries	3.8%	4.2%
Rate of increase in pensions in payment	2.3%	2.7%
Discount rate	2.65%	2.6%
Inflation assumption - rpi	N/A	N/A
- cpi	2.3%	2.7%

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

28 PENSION & SIMILAR OBLIGATIONS (continued)Sensitivity analysis - SCC

	£000s	£000s	£000s
	+0.1%	0.0%	(0.1%)
Adjustment to discount rate			
- Present value of total obligation	2,810	2,878	2,947
- Projected service cost	139	142	145
Adjustment to long term salary increase			
- Present value of total obligation	2,883	2,878	2,873
- Projected service cost	142	142	142
Adjustment to pension increases and deferred revaluation			
- Present value of total obligation	2,942	2,878	2,816
- Projected service cost	145	142	139
	+ 1 year	None	(1 year)
Adjustment to life expectancy assumptions			
- Present value of total obligation	2,975	2,878	2,784
- Projected service cost	147	142	138

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

	2018 Years	2017 Years
Retiring today:		
Males	24.0	23.9
Females	25.2	25.1
Retiring in 20 years:		
Males	26.3	26.2
Females	27.5	27.4

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

	Value at 31 August 2018		Value at 31 August 2017	
	%	£'000	%	£'000
Equities	72	932	71	834
Bonds	-	-	-	-
Property	9	115	9	106
Cash	5	62	4	51
Gilts	5	69	6	64
Other	9	117	10	116
Total market value of assets		1,295		1,171
Present value of scheme liabilities		(2,878)		(2,945)
Deficit in the scheme		(1,583)		(1,774)

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

28 PENSION & SIMILAR OBLIGATIONS (continued)

Analysis of the amount charged to the Statement of Financial Activities	2018 £'000	2017 £'000
As staff costs:		
Current service cost	1,336	1,175
Administration expenses	18	15
Losses on curtailments	-	-
Inherited deficit on transferred members	-	-
Total operating charge	1,354	1,190
As finance costs:		
Expected return on assets	(176)	(120)
Interest on liabilities	403	301
Other finance costs	227	181
Total pension costs	1,581	1,371
Analysis of changes in the present value of defined benefit obligations:	2018 £'000	2017 £'000
Opening defined benefit obligations	16,044	14,178
Acquired on conversion	554	225
Business combinations	394	365
Members' contributions	213	184
Current service cost	1,366	1,175
Past service benefit	13	(56)
Losses on curtailments	-	-
Interest cost	403	301
Actuarial experience loss/(gain)	(2,126)	(244)
Benefits paid	(194)	(84)
Closing defined benefit obligations	16,667	16,044
Analysis of changes in the fair value of plan assets:	2018 £'000	2017 £'000
Opening fair value of assets	6,629	5,226
Acquired on conversion	202	79
Business combinations	-	79
Employer contributions	933	696
Members' contributions	213	184
Expected return	176	120
Actuarial experience gain/(Loss)	79	344
Administration Expense	(18)	(15)
Benefits paid	(194)	(84)
Closing fair value of assets	8,020	6,629

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

29 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.

30 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA, there was a balance carried forward of £22,400. In the year it received £26,064 and disbursed £19,555 with therefore an amount of £28,908 at the 31 August 2018 which is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £1,303 has been recognised in income and expenditure in the Statement of Financial Activities.

31 CAPITAL COMMITMENTS

	2018	2017
	£	£
Contracted for, but not provided for in the financial statements	-	-

32 SCHOOLS TRANSFERRED IN

On 1 September 2017 Midsomer Norton 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. On 1 August 2018 Hemington 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 Somerset County Council for £nil consideration.

Both transfers have 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	-	-	2,516,863	2,516,863
- Other tangible fixed assets	-	-	-	-
Surplus inherited	62,593	-	-	62,593
LGPS pension (deficit)	-	(352,000)	-	(352,000)
Net assets/(liabilities)	62,593	(352,000)	2,516,863	2,227,456

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

33 POST BALANCE SHEET EVENTS

Westfield Primary School joined the Trust on 1st October 2018. (Pupils 380)
 Leigh on Mendip First School joined the Trust on 1st November 2018. (Pupils 48)
 St John's joined the Trust on 1st Dec 2018. (Pupils 460)
 Shoscombe joined the Trust on 1st December 2018. (Pupils 97)
 Wellow joined the Trust on 1st December 2018. (Pupils 111)

34 TEACHING SCHOOL TRADING ACCOUNT

		2017/2018	2016/2017
Income			
	Direct Income	66,000	-
	Other Income	-	-
		<u>66,000</u>	<u>-</u>
Total Income			
Expenditure			
	Direct Costs	22,738	-
	Other direct costs	1,000	-
	Total direct costs	<u>23,738</u>	<u>-</u>
Total Expenditure			-
Transfers between funds excluding depreciation			
Surplus/(Deficit) from all sources		42,262	-
Teaching school balances at 1 September 2017		-	-
Teaching school balances at 31 August 2018		<u>42,262</u>	<u>-</u>

COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2017
including Income and Expenditure Account

	Notes	General Unrestricted Funds £	General Restricted Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Year end 31 August 2016 £
INCOME FROM:						
Donations and Capital Grants	2	-	(75,978)	990,821	914,843	12,090,511
Other Trading Activity	3	195,859	271,506	-	467,365	310,404
Investment income	4	10,897	-	-	10,897	18,426
Funding for the Trusts educational operations	5		16,207,778		16,207,778	12,297,505
Other Income from Academy Trusts Educational Operations	6	705,777	632,125	-	1,337,902	895,405
TOTAL		912,533	17,035,431	990,821	18,938,785	25,612,251
EXPENDITURE ON:						
Raising funds:						
Cost of donations and capital grants	8	-	523,747	-	523,747	413,255
Cost of goods sold and other costs	9	780,188	-	-	780,188	501,234
Charitable activities:						
Trust's educational operations	10	-	18,453,549	1,163,761	19,617,310	14,164,710
TOTAL		780,188	18,977,296	1,163,761	20,921,245	15,079,171
NET INCOME/(EXPENDITURE) FOR THE YEAR		132,345	(1,941,865)	(172,940)	(1,982,460)	10,533,080
TRANSFERS						
Gross transfers between funds		-	5,645	(5,645)	-	-
OTHER RECOGNISED GAINS AND (LOSSES)						
Actuarial gains /(losses) on defined benefit pension schemes		-	644,000	-	644,000	(3,267,000)
NET MOVEMENT IN FUNDS		132,345	1,292,220	(178,585)	1,338,460	7,266,080
RECONCILIATION OF FUNDS						
BALANCES BROUGHT FORWARD AT 1 SEPTEMBER	21	928,078	(7,102,888)	39,511,548	33,336,738	26,070,658
FUND BALANCES CARRIED FORWARD AT 31 AUGUST	21	1,060,423	(8,395,108)	39,332,963	31,998,278	33,336,738