

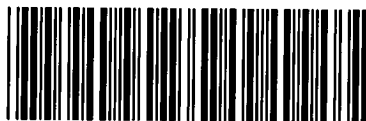
Company Registration Number: 07728112 (England & Wales)

**THE PARTNERSHIP TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

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**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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<b>Members</b>	Marian Bodman (resigned 20 July 2017) Anthony Caisley (appointed 20 July 2017) Nick Jones Steve Murphy
<b>Trustees</b>	David Gregory CBE, Chief Executive and Accounting Officer (resigned 19 October 2017) David Tilling, Executive Principal Nick Jones, Chair of Trustees Karen Haines, Chair of Local Governing Body at Hayesdown First School Elizabeth Allom (resigned 9 October 2017) Eleanor Clark (appointed 20 March 2017, resigned 19 October 2017) Richard Denning Amanda Lear (resigned 4 October 2016) Dr Hilary Macaulay (appointed 4 October 2016) Steve Murphy Fiona Randle
<b>Company registered number</b>	07728112
<b>Company name</b>	The Partnership Trust
<b>Principal and Registered office</b>	Longfellow Road Radstock Bath BA3 3AL
<b>Company secretary</b>	Suzy Dinning
<b>Chief executive officer</b>	David Gregory
<b>Senior management team</b>	David Tilling, Executive Principal - The Partnership Trust David Gregory CBE, CEO - The Partnership Trust Suzy Dinning, Director of Business
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
<b>Bankers</b>	National Westminster 3 High Street Midsomer Norton Bath BA3 2ZY
<b>Solicitors</b>	Stone King Solicitors 13 Queen Square Bath BA1 2HJ

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2017**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 5 primary and 2 special academies in Bath and North East Somerset. It's academies have a combined pupil capacity of 1,406 and had a roll of 1,076 in the school census on 31 March 2017.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of The Partnership Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Partnership Trust.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

The Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- Chair of Trustees (appointed by the Board);
- Up to 9 Trustees who are appointed by members;
- Up to 3 Trustees who are appointed by the Bath & Wells Diocese.

Trustees currently consist of 7 Chairs of Local Governing Body's, 4 independent Trustees and the Executive Principal. With effect from 1 September 2017, the Executive Principal is not a trustee.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Policies and Procedures Adopted for the Induction and Training of Trustees**

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. The Trustee induction tends to be done informally and is tailored specifically to the individual.

**Organisational Structure**

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish working groups to perform specific tasks over a limited timescale.

There are eight committees as follows;

- Local Governing Body at Fosse Way School;
- Local Governing Body at Hayesdown First School;
- Local Governing Body at The Mendip School;
- Local Governing Body at Nunney First School;
- Local Governing Body at Moorlands Federation (joined 1st March 2017);
- Local Governing Body at Marksbury CofE Primary School (joined 1st July 2017);
- Local Governing Body at Farmborough Church Primary School (joined 1st November 2017, post year end); and,
- Audit Committee.

The following decisions are reserved to the Members: to consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher/Principal, to ratify the Annual Development Plan and budget.

The Trustees are responsible for setting Trust policy, adopting an annual plan and budget, proposed by each local governing body, approving the statutory accounts, monitoring the Schools by the use of budgets and other data, and making major decisions about the direction of each School, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of each School to the Headteacher/Principal and Senior Leadership Team (SLT). The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Trust comprises of eight schools – Fosse Way School, The Mendip School, Hayesdown First School, Nunney First School, Moorlands Junior School, Moorlands Infant School and Marksbury CofE Primary School. Farmborough Church Primary School joined the Academy Trust post year end on the 1st November 2017. Each School has its own Governing Body responsible for day to day operations and management of the school's budget. The Trust Board comprises of Chairs of Governors from each School, Trustees appointed by members and the Chief Executive Officer (CEO).

The Chief Executive Officer is the Accounting Officer.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees consist of the Board of Trustees, and the strategic leadership team comprise the Key Management Personnel of the Trust in charge of directing, controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year, in respect of their role as a Trustee.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of Key Management Personnel is reviewed annually and normally increased in accordance with average earnings and for performance.

The Trustees benchmark against pay levels in other Academies of a similar size. The benchmark is the mid-point of the range paid for similar roles adjusting as appropriate for any additional responsibilities.

**Connected Organisations, including Related Party Relationships**

Westfield School has use of the Fosse Way School's swimming pool facilities and there is an informal shared use agreement between them and the School.

The Trust has strong collaborative links with local primary/secondary schools which form part of the Norton Radstock Partnership.

Norton Hill (A5) – informal agreement to provide a learning environment for a small group of students who have Aspergers to study for GCSE's and A levels.

Pre-School nurseries operate on the sites of Hayesdown, Moorlands Infant and Nunney First Schools. The Schools have close working relationships with these organisations.

The Bath & Mendip Partnership Teaching School acts as a focal point for staff & school development across the Trust whilst also engaging with over a hundred other schools within the region.

Project SEARCH is a one year course for students in their final year of education, enabling them to spend a year onsite with an employer. Students gain the skills, experience and knowledge needed to gain paid employment. Project SEARCH is for young people with an EHCP and is designed to support young people out of education and in to work.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the charitable company The Partnership Trust is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities.

The aims of the Trust during the year ended 31 August 2017 are summarised below:

- To continue to raise the standard of educational attainment and achievement of all pupils;
- To provide a broad and balanced curriculum, including extra-curricular activities;
- To develop students as more effective learners;
- To enhance the tertiary provision and outcomes;
- To develop the Trust sites so that it enables students to achieve their full potential;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- To maintain a focus upon encouraging and enabling aspirational outcomes for all pupils;
- To provide value for money for the funds expended;
- To fulfil the role of a teaching school;
- To develop greater coherence, clarity and effectiveness in school systems;
- To comply with all appropriate statutory and curriculum requirements;
- To maintain close links with network and alliance schools;
- To develop the Trust's capacity to manage change; and,
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

At The Partnership Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Schools are a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities**

Key activities and targets were identified in the Trust Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- Review of numeracy, literacy and ICT capability;
- Review of staffing levels in the light of budgetary pressure;
- Further development of the intranet to support administration and communication;
- Development and embedding of key financial and administrative procedures arising from conversion;
- Continued development of systems for tracking and monitoring pupil attainment; and,
- Range of activities to promote community adhesion and support of other charities activities.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

**THE PARTNERSHIP TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**STRATEGIC REPORT**

**Achievements and Performance**

The Partnership Trust has been operational since 2013. During the course of this year The Partnership Trust increased from three schools to seven schools. Moorlands Infant and Junior schools joined the Trust in March 2017 and Marksburry CofE Primary School joined on the 1 July 2017. The Articles were amended to include 25% representation from the Bath & Wells Diocese.

Hayesdown successfully identified additional space for a further classroom. The 10th classroom opened 1st September 2017.

We continue to explore opportunities to expand the Trust.

**Fosse Way School**

- Pupil numbers have increased to 217.
- Progress in the core subjects remains outstanding on a whole school level. There was a particularly strong performance in maths at KS4 with largest cohort of pupils taking GCSE maths.
- ICT results were the highest ever, with a significant rise of Distinctions and Merits in the Cambridge National ICT qualifications.
- KS3 progress, though outstanding in core subjects appears less than other Key stages. This is due in part to the Yr 9 NPG target being very challenging in comparison to the KS2-4 overall target.
- A pupil from A5 achieved 6 Level 2/GCSE qualification A\*-C and 1 Grade D and exceeded many of their predicted grades.
- Post 16 students took a wide range of qualifications tailored to very individualised learning pathways. Learners took literacy, numeracy, personal progression, employability, preparation for work, and independence skills qualifications from pre-entry level, through to Level 2. This year marks the highest volume of post 16 qualifications achieved at Fosse Way School.

**Hayesdown First School**

- Attainment outcomes at the school have been consistently above the national in almost all subjects across the last three years. In June 2017 attainment at greater depth within the National Curriculum's stands was significantly above the national as a result of pupils making very good progress over time and being provided with opportunities to engage with learning in deep and meaningful ways.
- Underpinned by consistently high quality teaching that secures good and often outstanding progress over time, phonics and reading are notable strengths of the school.
- As a result of focused support provided by TAs that have received specialist training, pupils on the school's SEND List make good progress from their starting point.
- Supporting pupils entitled to the Pupil Premium Grant are to make the same progress as their peers is an area of development for the school. Datasets for 2016-2017 show that this pupil group is making slower academic progress than other pupil groups.
- The school roll has increased steadily across the last 4 years, from 251 in January 2014 (Census) to 284 in September 2017. This increase is a direct result of parental preference. To accommodate this and with the support of Somerset County Council, the school opened a tenth class in September 2017.
- The school offers a broad and rich curriculum. With the teaching of core skills deeply embedded, pupils are supported to use these within the context of learning that is meaningful and linked to real life experiences that have direct relevance to them. The school is in the process of working towards Eco Schools Green Flag status and the 360° E-Safety Quality Mark.
- As well as being actively involved in directing their own learning, pupils lead on many aspects of wider school life. The school has an active School Council and a team of Anti-Bullying Ambassadors that has received training through the Diana Award. Both groups fulfil their role to a high standard.



**THE PARTNERSHIP TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**The Mendip School**

Pupil admissions have exceeded the number expected.

Evidence for Learning has been implemented as the assessment tool and has made a significant impact on pupil progress and the quality of teaching throughout the school.

Progress and the data has been compared on a number of fronts and has been judged to be robust and accurate. Some changes to the system were made at the end of 2016 to ensure that the system was manageable as the school became bigger.

Further changes were made at the end of 2017 including:

- New Frameworks have been developed in AET and the qualification areas (Entry Level specifically).
- Class spreadsheets changed to ensure appropriate data collected and overview are consistent.
- New staff trained
- New Assistant Principals trained in collecting Primary/Secondary data.

Data is collected in real time through the use of the EFL app. Specific staff meeting times are set aside for data collection 6 times a year and inputted into the whole school system.

**Nunney First School**

- Through the appointment of replacement teachers and an experienced SENCO across the summer term (May – July 2017), the teaching team has been significantly strengthened. This will improve progress and attainment outcomes for 2017-2018.
- Visits by an Education Specialist from the Regional Schools Commissioner's Team in February and July 2017 provide external validation that the right actions are being taken in appropriate timeframes to secure the required improvements.
- Across 2016-2017 a new curriculum was implemented that has teaching of core phonics, reading, writing and mathematics at its core. Training for teachers and TAs sat alongside this, providing adults working directly with pupils with the knowledge, skills and understanding required to deliver lessons that secure good outcomes for children. Lesson observations undertaken in the summer term provide evidence of children making good progress within lessons, using new resources and teaching approaches. The quality of the curriculum and the impact this is starting to have on improving attainment was noted by the Education Specialist and by Somerset's Lead Primary Adviser.
- A school roll that dropped from 90 to 38 in the eighteen months leading up to the school being placed in Special Measures and joining The Partnership Trust as a sponsored academy, does not bring in sufficient revenue funding to run an efficient educational setting. Significant emphasis has been placed on raising the profile of the school and attracting the attention of potential new parents.

The school has particularly strong links with the local community, which gives generously of both time and money towards equipment.

**THE PARTNERSHIP TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Moorlands Federation**

- In summary, all statutory and end of Key stage results, that is, Early Years Foundation Stage, Y1 Phonics Screening and Y2 phonic retakes, Y2 SATs and Y6 SATs demonstrate continued year on year improvement across the board.
- Within the Infant school, the introduction of a systematic approach to the teaching of phonics has been a continued success with the attainment in reading above national and the phonics screening test at least in line with national if not above (Data not published).
- The Junior school are particularly pleased with the 10% increase in the combined Reading Writing and Maths measure at the end of KS2 which is likely to be above national (Data not yet published)
- The school successfully recruited a new deputy head with expertise in maths and assessment which began to add strength and depth to these areas at the start of January 2017 and her appointment has been a welcome addition across all aspects of teaching and learning.
- The Junior school received some excellent feedback from the Regional Schools Commissioner, external advisers and consultants who all recognise that we know what need to do to further improve and our future plans are well thought through.
- Both schools continue on an upward trajectory improving pupil outcomes year on year. This is down to the hard work and dedication of the whole Moorlands team during a period of significant change and national pressures.

**Marksbury CE Primary School**

- The schools' Stay and Play has continued to be a new strength of the school and runs on a Tuesday morning between 9:00 and 10:30, at no cost, with approximately 8 families attending each week.
- Pupil numbers are rising and we are now very close to full capacity. The school only has spaces in year 1.
- The KS2 results were strong in July 2017, with 100% of children achieving the expected standard in maths and reading, and 92.3% in maths.
- Trust Staff survey- The results of our school staff survey were very positive and staff seem happy to work at Marksbury. Visitors also commented on the school being a very happy place to be.
- The results of our SHEU survey show that the children are also very happy to be at school and feel safe and secure.
- The parent survey was also overwhelmingly positive.
- The Y1 Phonics test results are steadily on the rise from 60% in 2015 to 75% in 2017, new interventions for phonics are also in place with 'Rapid Phonics'. Staff and TA's have received training and initial results are looking positive.
- Teaching is consistently good or better across the school with 71% Outstanding.

**THE PARTNERSHIP TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

**The Bath & Mendip Partnership Teaching School**

Number of schools engaging, during the year, with Teaching School: 169

<b>Initial Teacher Training</b>		<b>2015/16</b>	<b>2016/17</b>
Number engaged in programmes:	School Direct Trainees	9	12
	Troops into Teaching Trainees	6	8
	Schools engaged in ITT	11	7

<b>Leadership</b>		<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Number engaged in programmes:	NQT	23	30	59
	RQT	4	17	20
	UPS	n/a	11	14
	Middle Leadership	n/a	15	16
	Aspiring Heads	n/a	n/a	11

<b>School to School Support</b>		<b>2015/16</b>	<b>2016/17</b>
Number commissioned	NLEs	3	3
	LLEs	5	5
	SLEs	3	4
	No. of newly appointed Principal contacted by LLEs	9	9

<b>Other projects supported by LLEs/SLEs:</b>	
Maths Primary Network	24 schools, 35 participants - all BANES
English Primary Network	20 schools, 32 participants - all BANES
Science Primary Network	14 schools, 22 participants - all BANES
RQT Programme	

<b>CPD</b>		<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
Number engaged in programmes:	Events	48	50	97
	Schools Engaged	114	138	169
	Staff in Attendance	620	679	826

Three most highly attended events between September 2016 – July 2017:

- NQT package – various dates across the academic year (59 attendees)
- Rochford Conference – June 30th (57 attendees)
- Managing Anger and Anxiety in Pupils with ASD – May 17th (41 attendees)

Through its Teaching school the Trust is commissioned by the LA to provide a maths programme to schools and two local MATs commission training for primary schools.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. In the period

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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under review, £972,681 was carried forward representing 13% of educational grant income.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016/17 were 1,076, an increase of 611 over 2015/16. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of incoming resources (excluding fixed asset funding). For 2016/17 this was 77.4%, compared to 72.6% in 2015/16.

**Going Concern**

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

**FINANCIAL REVIEW**

**Financial Review**

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2017, the Academy Trust received total income (excluding restricted fixed asset fund) of £8,113,364 and incurred total expenditure £8,485,322 (excluding restricted fixed asset fund, but including transfers) of £150,276. The excess of income over expenditure for the year was £371,958.

At 31 August 2017 the net book value of fixed assets was £27,940,799 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 17 to the financial statements.

Key financial policies adopted or reviewed during the year include the Financial Regulations Manual which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive, managers, budget holders and other staff, as well as delegated authority for spending.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**Reserves Policy**

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees consider that to mitigate the above risks that the Trust should retain reserves equivalent to 10% of free reserves plus one month of staffing costs which equates to £788,000.

In addition, the Trustees have reviewed budgets for future years and have set aside £168,000 for future capital programme works and £371,000 to offset short term in year deficits resulting from reductions in grant funding.

Current free reserves (comprising unrestricted funds and GAG surpluses) are £1,701,227.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

**Investment Policy**

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

**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 facing the Trust are as follows:

**Financial** - the Trust has considerable reliance on continued Government funding through the ESFA. In the last year 95% of the Academy Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, 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's 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 & 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 Internal Assurance Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**THE PARTNERSHIP TRUST  
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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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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 Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Audit Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

**PLANS FOR FUTURE PERIODS**

The Trust will continue to strive to provide good or outstanding education and improve the levels of performance of its pupils at all levels. The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Trust aspires to continue to grow.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

**Equality:**

The Board of Trustees understands its legal and moral obligations with regard to equality of opportunity for its students and staff. It aims to provide an environment where both staff and students can thrive and contributions and needs of all are valued.

**Disabled Persons**

It is the policy of The Partnership Trust to support the recruitment and retention of staff and students with disabilities. It does this by ensuring that the physical environment is adapted to accommodate a range of needs including specific adaptations for individuals. It ensures that there is a linked suite of policies ensuring access to support and interventions when and if a person becomes disabled during employment, including recruitment and retention, managing absence and equality policies. In addition, it ensures that access to training and career development is fair and open.

**Employee Communication**

The Trust views employee engagement and communication as vital to its success. The Trust consults with staff representatives formally twice a year and has extra consultative arrangements for specific issues. Staff are consulted on policies affecting their terms and conditions informally through the leads in each School prior to the issues been taken for formal consultation with Trade Unions. Staff are individually informed of changes to policy and training put in place to ensure consistent and accurate implementation.

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**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2017**

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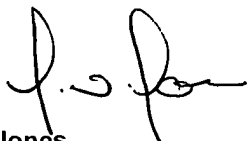
**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on ~~14/12/17~~ and signed on the board's behalf by:



**Nick Jones**  
Chair of Trustees

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT**

---

**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Partnership Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

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

Trustee	Meetings attended	Out of a possible
David Gregory CBE	4	6
David Tilling	5	6
Nick Jones	5	6
Karen Haines	2	6
Elizabeth Allom	4	6
Eleanor Clark	3	4
Richard Denning	4	6
Steve Murphy	5	6
Dr Hilary Macaulay	2	4
Fiona Randle	4	6

The Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to assist the decision making of the Governing Body by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
David Gregory CBE	5	6
Steve Murphy	5	6
Richard Denning	4	6
Nick Jones	5	6
David Tilling	4	6
Fiona Randle	2	5

Demonstrating board effectiveness of their monitoring and procedures is obtained through outcomes from audit or inspections the school. This include inspection which externally validate the structure and composition of the Board (DfE, Ofsted, RSC, audit services).

In terms of the internal effectiveness of the Board, a Skills audit took place identifying areas of strength and development. Independent Trustees have diverse skills that complement each other and provide a robust foundation for excellence.

A full review will take place during the forth coming year.



**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

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

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

- Robust financial governance and budget management;
- Value for money purchasing;
- Reviewing controls and managing risk;
- Considering allocation/targeting/use of resources;
- Making comparisons with similar academies using data provided by the EFA and the Government;
- Challenging proposals and examining their effectiveness and efficiency;
- Deploying staff effectively;
- Reviewing quality of curriculum provision and quality of teaching;
- Reviewing quality of children's learning to enable children to achieve nationally expected progress; and,
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote.

The Schools within the Trust continually seek value for money. The Trust has bought staff sickness insurance and engineering insurance as a group which resulted in a discounted rate.

Staffing structures are constantly reviewed to ensure effect deployment of staff.

The internal and external school meal provision has been expanded and new Trust schools have benefited from lower costs and higher quality of meal.

**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 ongoing process designed to identify and prioritise the risks to the achievement of the Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Partnership Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- Regular reviews by the Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and,
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Audit West, to provide internal assurance reviews.

The appointee's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

On a quarterly basis, the appointee reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

In particular, the checks carried out in the current period included:

- Testing of payroll systems;
- Testing of ordering and purchase systems;
- Testing of control account/bank account reconciliations;
- Risk Management – including review of risk register, risk governance, business continuity and disaster recovery;
- Procurement – including contracts and leases;
- Financial and Corporate Governance – review of policies including Finance, Purchasing, Anti-Fraud, Whistleblowing, Treasury Management, Register of Business Interests, Gifts & Hospitality register;
- School Fund – detailed review of authorisations, control and that expenditure is legitimate;
- Safeguarding – review of policies, training, nominated officers – to include associated areas of health and safety and trip management;
- Trading operations – specific review of any in house trading operations undertaken by the Academy Trust; and,
- Capital Projects – review of tendering exercise, project management processes and fund control.

Four internal assurance checks were undertaken in the year, with no material control issues arising as a result of the appointee's work.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**GOVERNANCE STATEMENT (continued)**

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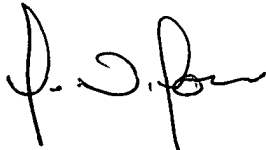
**REVIEW OF EFFECTIVENESS**

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

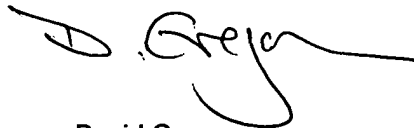
- The work of the BANES;
- The work of the external auditors;
- The financial management and governance self-assessment process;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 14/12/17 and signed on their behalf, by:



**Nick Jones**  
Chair of Trustees



**David Gregory**  
Accounting Officer

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of The Partnership Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

  
David Gregory  
Accounting Officer

16/12/17

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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;
- 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 and signed on its behalf by:



**Nick Jones**  
Chair of Trustees

Date: 14/12/2017

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PARTNERSHIP TRUST**

---

**OPINION**

We have audited the financial statements of The Partnership Trust for the year ended 31 August 2017 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

**BASIS OF 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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**OTHER INFORMATION**

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

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PARTNERSHIP TRUST**

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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

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

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE  
PARTNERSHIP TRUST**

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**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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's report.



Joseph Scaife FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

18/12/17.



**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
PARTNERSHIP TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 12 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Partnership Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE PARTNERSHIP TRUST'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Partnership Trust's funding agreement with the Secretary of State for Education dated 1 September 2011, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
PARTNERSHIP TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)**

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**CONCLUSION**

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

*Bishop Fleming LLP*

Joseph Scaife FCA DChA (Reporting Accountant)

**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
16 Queen Square  
Bristol  
BS1 4NT

Date:

*18/12/17*

**THE PARTNERSHIP TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Transfer from Local Authority on conversion	2	353,645	(655,000)	6,709,915	6,408,560	1,040,167
Donations	2	67,142	23,234	29,833	120,209	1,513,346
Capital Grants	2	-	-	1,857,796	1,857,796	7,310,770
Charitable activities	4	118,120	8,023,299	-	8,141,419	6,613,301
Other trading activities	3	182,924	-	-	182,924	158,231
<b>TOTAL INCOME</b>		<b>721,831</b>	<b>7,391,533</b>	<b>8,597,544</b>	<b>16,710,908</b>	<b>16,635,815</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		357,502	8,127,820	607,886	9,093,208	6,723,618
<b>TOTAL EXPENDITURE</b>	5	<b>357,502</b>	<b>8,127,820</b>	<b>607,886</b>	<b>9,093,208</b>	<b>6,723,618</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	364,329	(736,287)	7,989,658	7,617,700	9,912,197
		-	(150,276)	150,276	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		364,329	(886,563)	8,139,934	7,617,700	9,912,197
Actuarial gains/(losses) on defined benefit pension schemes	21	-	733,000	-	733,000	(2,107,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>364,329</b>	<b>(153,563)</b>	<b>8,139,934</b>	<b>8,350,700</b>	<b>7,805,197</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		364,217	(3,751,694)	19,800,865	16,413,388	8,608,191
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>728,546</b>	<b>(3,905,257)</b>	<b>27,940,799</b>	<b>24,764,088</b>	<b>16,413,388</b>

The notes on pages 28 to 55 form part of these financial statements.

**THE PARTNERSHIP TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 07728112**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		27,940,799		19,800,865
<b>CURRENT ASSETS</b>					
Debtors	14	364,459		2,247,453	
Cash at bank and in hand		1,919,052		1,459,390	
		<u>2,283,511</u>		<u>3,706,843</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(461,222)		(2,484,320)	
<b>NET CURRENT ASSETS</b>			<u>1,822,289</u>		<u>1,222,523</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>29,763,088</u>		<u>21,023,388</u>
Defined benefit pension scheme liability	21		(4,999,000)		(4,610,000)
<b>NET ASSETS</b>			<u><u>24,764,088</u></u>		<u><u>16,413,388</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted funds:					
General funds	17	1,093,743		858,306	
Fixed asset funds	17	27,940,799		19,800,865	
Restricted funds excluding pension liability		<u>29,034,542</u>		<u>20,659,171</u>	
Pension reserve		<u>(4,999,000)</u>		<u>(4,610,000)</u>	
Total restricted funds			<u>24,035,542</u>		<u>16,049,171</u>
Unrestricted funds	17		<u>728,546</u>		<u>364,217</u>
<b>TOTAL FUNDS</b>			<u><u>24,764,088</u></u>		<u><u>16,413,388</u></u>

The financial statements on pages 25 to 55 were approved by the Trustees, and authorised for issue, on 14/12/17 and are signed on their behalf, by:



**Nick Jones**  
Chair of Trustees



**David Gregory**  
Accounting Officer

The notes on pages 28 to 55 form part of these financial statements.

**THE PARTNERSHIP TRUST  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	<u>649,800</u>	<u>1,157,025</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(2,047,934)</u>	<u>(7,279,531)</u>
Capital grants from DfE		<u>1,857,796</u>	<u>7,310,770</u>
<b>Net cash (used in)/provided by investing activities</b>		<u>(190,138)</u>	<u>31,239</u>
<b>Change in cash and cash equivalents in the year</b>		<b>459,662</b>	<b>1,188,264</b>
Cash and cash equivalents brought forward		<u>1,459,390</u>	<u>271,126</u>
<b>Cash and cash equivalents carried forward</b>	20	<u><u>1,919,052</u></u>	<u><u>1,459,390</u></u>

The notes on pages 28 to 55 form part of these financial statements.

**THE PARTNERSHIP TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

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

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**1. ACCOUNTING POLICIES**

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

**1.1 GENERAL INFORMATION**

The Partnership Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Fosse Way School, Longfellow Road, Radstock, Bath, BA3 3AL.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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 Standards Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and reporting by accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**1.3 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 Trust 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.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 INCOME**

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy Trust has provided the goods and services.

**1.5 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion, schools within the Academy Trust were granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Where the Academy Trust occupies land and buildings owned by the Bath and Wells Diocese under a Church Supplemental Agreement, the Trust does not recognise these land and buildings as tangible fixed assets. The Supplemental Agreement includes the right for the Trustees of the Bath and Wells Diocese to give not less than two years written notice to the Academy Trust and the Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	not depreciated
Freehold buildings	-	2% straight line
Long term leasehold land	-	over the life of the lease (125 years)
Long term leasehold buildings	-	2% straight line
Plant and equipment	-	15% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	20% straight line

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

**1.7 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

**1.8 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.9 LIABILITIES AND PROVISIONS**

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

**1.10 FINANCIAL INSTRUMENTS**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**1.11 TAXATION**

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

**1.12 PENSIONS**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**1. ACCOUNTING POLICIES (continued)**

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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

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**1. ACCOUNTING POLICIES (continued)**

**1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**1.15 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**1.16 CONVERSION TO AN ACADEMY TRUST**

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

The assets and liabilities transferred on conversion from Moorlands Junior School, Moorlands Infant School and Marksbury Church of England School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

**THE PARTNERSHIP TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

**2. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transfer from Local Authority on conversion	353,645	(655,000)	6,709,915	6,408,560	1,040,167
Donations	67,142	23,234	29,833	120,209	1,513,346
Capital Grants	-	-	1,857,796	1,857,796	7,310,770
	<u>420,787</u>	<u>(631,766)</u>	<u>8,597,544</u>	<u>8,386,565</u>	<u>9,864,283</u>
<i>Total 2016</i>	<u>151,013</u>	<u>(38,698)</u>	<u>9,751,968</u>	<u>9,864,283</u>	

**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	16,128	-	16,128	16,425
External Catering	76,014	-	76,014	70,154
Cafe Catering	90,782	-	90,782	71,652
	<u>182,924</u>	<u>-</u>	<u>182,924</u>	<u>158,231</u>
<i>Total 2016</i>	<u>158,231</u>	<u>-</u>	<u>158,231</u>	

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**4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General annual grant	-	4,682,940	4,682,940	3,446,835
Pupil premium	-	184,373	184,373	183,093
Year 7 catch up	-	8,288	8,288	7,000
PE teachers	-	37,446	37,446	19,309
Teaching school	-	67,344	67,344	98,802
Mendip start up grant	-	-	-	70,000
Universal infant free school meals	-	87,873	87,873	50,037
Multi academy trust funding	-	39,982	39,982	65,375
Mendip school post opening grant	-	62,250	62,250	98,925
	-	5,170,496	5,170,496	4,039,376
<b>Other Government grants</b>				
Top up grant	-	2,101,355	2,101,355	1,808,487
Behaviour grant	-	101,911	101,911	105,883
ASD support service income	-	174,857	174,857	184,347
Syrian funding	-	11,250	11,250	-
Local authority teaching school	-	27,000	27,000	33,000
Other local government funding	-	18,419	18,419	3,950
	-	2,434,792	2,434,792	2,135,667
<b>Other funding</b>				
Internal catering income	49,089	-	49,089	36,289
Staff illness insurance	-	19,243	19,243	50,506
Teacher training income	-	109,345	109,345	58,105
Staff recharge income	-	100,948	100,948	100,542
Behaviour funding	-	62,444	62,444	37,473
NR network	-	69,858	69,858	60,968
Autism education trust	-	13,845	13,845	16,095
Attachment awareness	-	-	-	12,918
Holiday playscheme	-	39,000	39,000	23,400
Consultancy income	12,781	-	12,781	-
Other miscellaneous income	56,250	3,328	59,578	41,962
	118,120	418,011	536,131	438,258
	118,120	8,023,299	8,141,419	6,613,301
<b>Total 2016</b>	77,107	6,536,194	6,613,301	

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**FOR THE YEAR ENDED 31 AUGUST 2017**

**5. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Activities:					
Direct costs	5,993,266	532,855	910,447	7,436,568	5,385,031
Support costs	801,593	395,689	459,358	1,656,640	1,338,587
	<u>6,794,859</u>	<u>928,544</u>	<u>1,369,805</u>	<u>9,093,208</u>	<u>6,723,618</u>
<i>Total 2016</i>	<u>5,013,952</u>	<u>492,024</u>	<u>1,217,642</u>	<u>6,723,618</u>	

**6. DIRECT COSTS**

	Total 2017 £	Total 2016 £
Pension actuarial costs	52,000	90,000
Educational supplies	185,285	123,637
Examination fees	19,670	8,270
Staff development	53,272	37,048
Therapist costs	238,115	182,808
Supply teachers	74,764	19,458
Recruitment and support	30,843	30,740
Energy costs	52,483	37,117
Catering	204,020	111,916
Wages and salaries	4,419,182	3,512,758
National insurance	389,736	276,218
Pension cost	1,109,584	642,868
Depreciation	607,614	312,193
	<u>7,436,568</u>	<u>5,385,031</u>
<i>Total 2016</i>	<u>5,385,031</u>	

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

**7. SUPPORT COSTS**

	<b>Total 2016 £</b>	<b>Total 2016 £</b>
Teaching Schools expenditure	82,322	77,572
Other costs	12,947	22,414
Educational conference costs	4,856	16,004
Maintenance of premises and equipment	143,732	69,859
Cleaning	22,258	14,986
Rates	69,222	64,077
Energy costs	66,353	45,931
Insurance	81,554	98,981
Security and transport	33,837	24,254
Technology costs	36,337	31,914
Office overheads	117,653	51,631
Legal and professional	51,957	63,468
Bank interest and charges	3,914	3,275
Profit on disposal of fixed assets	272	-
Printing, postage, stationery and telephone	46,037	42,031
School trips expenditure	31,279	88,366
Governance	50,517	61,174
Wages and salaries	647,723	476,286
National insurance	37,194	22,279
Pension cost	116,676	64,085
	<u>1,656,640</u>	<u>1,338,587</u>
<i>Total 2016</i>	<u>1,338,587</u>	

**8. NET INCOME/(EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2017 £</b>	<b>2016 £</b>
Depreciation of tangible fixed assets:		
- owned by the charity	607,614	312,193
Auditors' remuneration	13,700	12,500
Auditors' remuneration - non-audit	11,700	5,540
Operating lease rentals	21,790	14,310

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

**9. STAFF COSTS**

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	5,061,440	3,978,344
Social security costs	426,930	298,497
Operating costs of defined benefit pension schemes	1,226,260	706,953
	<u>6,714,630</u>	<u>4,983,794</u>
Supply teacher costs	74,764	19,458
Compensation payments	-	10,700
Apprenticeship levy	5,465	-
	<u>6,794,859</u>	<u>5,013,952</u>

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

	2017 No.	2016 No.
Teachers	125	83
Educational Support	188	154
Administration	86	60
Management	28	18
	<u>427</u>	<u>315</u>

Average headcount expressed as a full time equivalent:

	2017 No.	2016 No.
Teachers	58	37
Educational Support	90	59
Administration	23	25
Management	21	17
	<u>192</u>	<u>138</u>

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	1

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £137,821 (2016: £167,439).



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**9. STAFF COSTS (continued)**

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 10 has not been included in the total benefits received by key management personnel above.

**10. TRUSTEES' REMUNERATION AND EXPENSES**

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: D Tilling: Remuneration £35,000 - £40,000 (2016: £35,000 - £40,000), Employer's pension contributions £5,000 - £10,000 (2016: £5,000 - £10,000), D Gregory: Remuneration £45,000 - £50,000 (2016: £70,000 - £75,000), Employer's pension contributions £Nil (2016: £5,000 - £10,000).

Other related party transactions involving the trustees are set out in note 26.

During the year, no Trustees received any benefits in kind (2016: £NIL).

**11. CENTRAL SERVICES**

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

- Administrative staff salaries
- Audit fees
- Legal fees
- Internal assurance fees
- Payroll fees

The Trust charges for these services based on 4% of income:

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Fosse Way School	166,384	88,763
Hayesdown First School	41,897	42,182
The Mendip School	36,298	18,168
Nunney First School	10,778	5,230
Moorlands Infant School	13,446	-
Moorlands Junior School	16,119	-
Marksbury Church of England School	2,999	-
Total	<u>287,921</u>	<u>154,343</u>

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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.

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

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Long-term leasehold property £	Plant, equipment, fixtures & fittings £	Motor vehicles £	Computer equipment £	Total £
<b>COST</b>						
At 1 September 2016	8,235,590	12,048,659	282,758	102,057	338,950	21,008,014
Additions	3,328	8,365,385	165,531	50,295	173,310	8,757,849
Disposals	-	-	(9,262)	-	(40,048)	(49,310)
At 31 August 2017	8,238,918	20,414,044	439,027	152,352	472,212	29,716,553
<b>DEPRECIATION</b>						
At 1 September 2016	668,859	144,287	181,084	59,176	153,743	1,207,149
Charge for the year	165,041	315,331	44,427	15,698	67,117	607,614
On disposals	-	-	(8,990)	-	(30,019)	(39,009)
At 31 August 2017	833,900	459,618	216,521	74,874	190,841	1,775,754
<b>NET BOOK VALUE</b>						
At 31 August 2017	7,405,018	19,954,426	222,506	77,478	281,371	27,940,799
At 31 August 2016	7,566,731	11,904,372	101,674	42,881	185,207	19,800,865

Included in freehold property is £739,447 of land which is not depreciated. Included in long term leasehold property is £4,955,000 of land that is depreciated over the life of the lease.

The Academy Trust has been granted use of certain school buildings in respect of Marksbury Church of England School from the Bath and Wells Diocese under a Supplemental Agreement. The Trustees consider that under this agreement the risks and rewards of ownership remain with the Diocese. Therefore the relevant land and buildings have not been included within the long-term leasehold property of the Academy

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	113,916	44,095
VAT recoverable	45,412	270,295
Other debtors	38,063	2,523
Prepayments and accrued income	167,068	1,930,540
	<b>364,459</b>	<b>2,247,453</b>

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

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	-	14,427
Other taxation and social security	121,719	87,480
Other creditors	28,074	414,554
Accruals and deferred income	311,429	1,967,859
	<u>461,222</u>	<u>2,484,320</u>
	2017 £	2016 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September	91,646	78,128
Resources deferred during the year	120,823	91,646
Amounts released from previous years	(91,646)	(78,128)
	<u>120,823</u>	<u>91,646</u>

At the balance sheet date the Academy Trust had received Universal Infant Free School Meals funding and devolved formula capital in advance from the EFSA.

**16. FINANCIAL INSTRUMENTS**

	2017 £	2016 £
Financial assets measured at amortised cost	<u>2,213,020</u>	<u>3,402,144</u>
Financial liabilities measured at amortised cost	<u>190,607</u>	<u>2,305,193</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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**17. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
<b>UNRESTRICTED FUNDS</b>						
General Funds	364,217	721,831	(357,502)	-	-	728,546
<b>RESTRICTED FUNDS</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General Annual Grant (GAG)	612,219	4,682,940	(4,172,202)	(150,276)	-	972,681
Top Up Funding	92,569	2,101,355	(2,193,924)	-	-	-
Pupil premium	-	187,009	(187,009)	-	-	-
Year 7 Catch Up	-	8,288	(8,288)	-	-	-
PE Teachers grant	-	37,446	(37,446)	-	-	-
Staff Illness Insurance Income	-	19,243	(19,243)	-	-	-
Teaching Schools Income	87,375	203,689	(207,587)	-	-	83,477
Playscheme	-	39,000	(39,000)	-	-	-
NR Network	-	69,858	(66,516)	-	-	3,342
Behaviour funding	26,841	164,355	(176,673)	-	-	14,523
Other restricted funds	-	216,793	(216,793)	-	-	-
MAT grant	-	39,982	(39,982)	-	-	-
ASD Support service income	42,000	174,857	(195,114)	-	-	21,743
Autism Education Trust Income	(13,327)	13,845	(2,541)	-	-	(2,023)
Universal Infant Free School Meals	-	87,873	(87,873)	-	-	-
Nunney First School Income - School improvement grant	10,629	-	(10,629)	-	-	-
Pension reserve	(4,610,000)	(655,000)	(467,000)	-	733,000	(4,999,000)
	<u>(3,751,694)</u>	<u>7,391,533</u>	<u>(8,127,820)</u>	<u>(150,276)</u>	<u>733,000</u>	<u>(3,905,257)</u>

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**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
Fixed assets transferred on conversion	9,537,194	6,709,915	(287,694)	-	-	15,959,415
Fixed assets purchased from GAG	360,271	-	(92,633)	150,276	-	417,914
Grant funded assets	9,885,881	1,857,796	(219,743)	-	-	11,523,934
Other donations	17,519	29,833	(7,816)	-	-	39,536
	<u>19,800,865</u>	<u>8,597,544</u>	<u>(607,886)</u>	<u>150,276</u>	<u>-</u>	<u>27,940,799</u>
Total restricted funds	<u>16,049,171</u>	<u>15,989,077</u>	<u>(8,735,706)</u>	<u>-</u>	<u>733,000</u>	<u>24,035,542</u>
Total of funds	<u>16,413,388</u>	<u>16,710,908</u>	<u>(9,093,208)</u>	<u>-</u>	<u>733,000</u>	<u>24,764,088</u>

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
<b>UNRESTRICTED FUNDS</b>						
General Funds	318,654	386,351	(340,788)	-	-	364,217
	<u>318,654</u>	<u>386,351</u>	<u>(340,788)</u>	<u>-</u>	<u>-</u>	<u>364,217</u>

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**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FUNDS**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	51,467	3,411,052	(2,692,676)	(157,624)	-	612,219
Top Up Funding	-	1,808,487	(1,715,918)	-	-	92,569
Pupil premium	-	183,093	(183,093)	-	-	-
Year 7 Catch Up	-	7,000	(7,000)	-	-	-
PE Teachers grant	-	19,309	(19,309)	-	-	-
Staff Illness Insurance Income	-	50,506	(50,506)	-	-	-
Teaching Schools Income	105,276	189,907	(207,808)	-	-	87,375
Playscheme	-	23,400	(23,400)	-	-	-
NR Network	38,824	60,968	(99,792)	-	-	-
Behaviour funding	9,452	143,356	(125,967)	-	-	26,841
Other restricted funds	16,245	82,328	(98,573)	-	-	-
MAT grant	-	65,375	(65,375)	-	-	-
Therapist recharge	-	98,262	(98,262)	-	-	-
Insurance reimbursement	-	30,049	(30,049)	-	-	-
ASD Support service income	-	184,347	(142,347)	-	-	42,000
Autism Education Trust Income	-	16,095	(29,422)	-	-	(13,327)
Mendip School Start-up Grant	90,807	98,925	(189,732)	-	-	-
Universal Infant Free School Meals	-	50,037	(50,037)	-	-	-
Nunney First School Income - School improvement grant	-	70,000	(59,371)	-	-	10,629
Pension reserve	(2,226,000)	(95,000)	(182,000)	-	(2,107,000)	(4,610,000)
	<u>(1,913,929)</u>	<u>6,497,496</u>	<u>(6,070,637)</u>	<u>(157,624)</u>	<u>(2,107,000)</u>	<u>(3,751,694)</u>

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**17. STATEMENT OF FUNDS (continued)**

**RESTRICTED FIXED ASSET FUNDS**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Fixed assets transferred on conversion	8,694,303	1,066,198	(223,307)	-	-	9,537,194
Fixed assets purchased from GAG	245,213	-	(42,566)	157,624	-	360,271
Grant funded assets	1,242,091	8,685,770	(41,980)	-	-	9,885,881
Other donations	21,859	-	(4,340)	-	-	17,519
	<u>10,203,466</u>	<u>9,751,968</u>	<u>(312,193)</u>	<u>157,624</u>	<u>-</u>	<u>19,800,865</u>
Total restricted funds	<u>8,289,537</u>	<u>16,249,464</u>	<u>(6,382,830)</u>	<u>-</u>	<u>(2,107,000)</u>	<u>16,049,171</u>
Total of funds	<u>8,608,191</u>	<u>16,635,815</u>	<u>(6,723,618)</u>	<u>-</u>	<u>(2,107,000)</u>	<u>16,413,388</u>

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

**RESTRICTED FUNDS**

The General Annual Grant (GAG) represents funding received from the ESFA in order to fund the continuing activities of the Trust, including education and support costs. During the year, £150,276 (2016: £157,624) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

The Top Up funding and Behaviour funding represents funding received from Bath and North East Somerset, Bristol, Somerset, North Somerset, South Gloucester and Wiltshire Local Authorities during the period in order to fund the continuing activities of the Trust.

Pupil premium funding represents money received to cater for disadvantaged pupils.

Year 7 Catch Up funding represents additional Year 7 funding from the ESFA due to increased pupil numbers in the year.

PE Teachers grant represents additional funding from the ESFA for PE teaching.

Staff Illness Insurance income is income received to pay for supply staff to cover staff illness.

The Teaching Schools income is National College funding and income from individual schools where services are provided.

Playscheme funding from Bath and North East Somerset is for the provision of a playscheme in the school holidays.

NR Network income is in respect of the Norton Radstock teaching partnership which provides learning support and teaching assistance for special educational needs in local mainstream schools. This is partly funded by the Local Authority, and partly funded by participating schools.

Behaviour funding income was received to support work in schools within the local area.

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**17. STATEMENT OF FUNDS (continued)**

Other funding is comprised of: Attachment awareness income; ESFA rates reimbursement; small, restricted donations for individual purposes in the year; recharges to other schools for educational consultancy work and donation towards purchase of a new minibus in the prior year.

MAT grant represents funding received from the DfE to help facilitate the growth of the Academy Trust.

ASD support service income is received from Bath and North East Somerset Council for the use of facilities at the Trust as a part of the ASD (Autism Spectrum Disorder) Support Service.

Autism Education Trust income consists of funding from the Autism Education Trust for use of the Trust's staff, as well as income for student placements at local colleges and in work experience, along with various small amounts of other restricted funds received.

Universal Infant Free School Meals income represents funds received from the ESFA to provide free school meals for children in the year.

Nunney First School - School improvement grant represents funding received from the ESFA to improve facilities and educational standards within the School.

The pension reserve represents the Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

Additional funds in the prior year:

Therapist recharge income represents funds received from other schools in the local area for the reimbursement of child therapist costs incurred by the Trust.

Insurance reimbursement represents funds received from insurance providers for staff sickness in the year to cover the costs of supply teachers.

Mendip School income represents funds received in the prior year from the ESFA for the set up costs of the new Mendip School which opened on 1 September 2015.

**FIXED ASSETS FUND**

Fixed assets transferred on conversion represent buildings and equipment donated to the Trust from Local Authorities upon schools converting to an academy and subsequently joining the Academy Trust. During the year, Moorlands Infant School, Moorlands Junior School and Marksbury Church of England School converted to an academy and joined the Trust, transferring assets of £6,709,915.

Fixed assets purchased from GAG represent funding from the GAG used to purchase fixed asset additions. During the year, £150,276 (2016: £157,624) was transferred to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Grant funded assets represents income received from the ESFA and DfE in respect of individual grant projects undertaken by the Trust. During the year, £134,174 has been recognised in relation to devolved formula capital and £1,723,622 funded by the DfE in respect of the new Mendip School construction and IT infrastructure.

Assets funded through other donations relate to amounts received for the purchase of specific assets. During the year, a donation was received towards the purchase of a new minibus.



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**17. STATEMENT OF FUNDS (continued)**

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 2017.

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Fosse Way School	763,684	532,231
Hayesdown First School	209,194	195,249
Mendip School	358,753	287,045
Nunney First School	77,261	120,623
Teaching School	83,477	87,375
Moorlands Junior School	58,869	-
Moorlands Infant School	240,505	-
Marksbury Church of England School	30,546	-
Total before fixed asset fund and pension reserve	<u>1,822,289</u>	<u>1,222,523</u>
Restricted fixed asset fund	27,940,799	19,800,865
Pension reserve	(4,999,000)	(4,610,000)
Total	<u><u>24,764,088</u></u>	<u><u>16,413,388</u></u>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Fosse Way School	3,114,953	472,015	93,840	731,431	4,412,239	4,448,044
Hayesdown First School	787,961	86,472	12,334	234,920	1,121,687	1,084,825
The Mendip School	670,745	133,534	41,383	155,017	1,000,679	458,517
Nunney First School	185,859	16,294	21,015	102,041	325,209	91,801
Teaching School	207,587	-	-	-	207,587	207,808
Moorlands Junior School	283,247	26,688	8,623	164,137	482,695	-
Moorlands Infant School	232,417	23,654	3,094	127,621	386,786	-
Marksbury Church of England School	57,733	5,936	4,996	12,775	81,440	-
	<u><u>5,540,502</u></u>	<u><u>764,593</u></u>	<u><u>185,285</u></u>	<u><u>1,527,942</u></u>	<u><u>8,018,322</u></u>	<u><u>6,290,995</u></u>

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**SUMMARY OF FUNDS - CURRENT YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General funds	364,217	721,831	(357,502)	-	-	728,546
Restricted funds	(3,751,694)	7,391,533	(8,127,820)	(150,276)	733,000	(3,905,257)
Restricted fixed asset funds	19,800,865	8,597,544	(607,886)	150,276	-	27,940,799
	<u>16,413,388</u>	<u>16,710,908</u>	<u>(9,093,208)</u>	<u>-</u>	<u>733,000</u>	<u>24,764,088</u>

**SUMMARY OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
General funds	318,654	386,351	(340,788)	-	-	364,217
Restricted funds	(1,913,929)	6,497,496	(6,070,637)	(157,624)	(2,107,000)	(3,751,694)
Restricted fixed asset funds	10,203,466	9,751,968	(312,193)	157,624	-	19,800,865
	<u>8,608,191</u>	<u>16,635,815</u>	<u>(6,723,618)</u>	<u>-</u>	<u>(2,107,000)</u>	<u>16,413,388</u>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	27,940,799	27,940,799
Current assets	728,546	1,554,965	-	2,283,511
Creditors due within one year	-	(461,222)	-	(461,222)
Pension scheme liability	-	(4,999,000)	-	(4,999,000)
	<u>728,546</u>	<u>(3,905,257)</u>	<u>27,940,799</u>	<u>24,764,088</u>

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2016 £	2016 £	2016 £	2016 £
Tangible fixed assets	-	-	19,800,865	19,800,865
Current assets	364,217	1,557,500	1,785,125	3,706,842
Creditors due within one year	-	(699,194)	(1,785,125)	(2,484,319)
Pension scheme liability	-	(4,610,000)	-	(4,610,000)
	<u>364,217</u>	<u>(3,751,694)</u>	<u>19,800,865</u>	<u>16,413,388</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net income for the year (as per Statement of Financial Activities)	7,617,700	9,912,197
<b>Adjustment for:</b>		
Depreciation charges	607,614	312,193
Loss on the disposal of fixed assets	10,301	-
Decrease / (Increase) in debtors	115,218	(70,750)
(Decrease) / Increase in creditors	(255,322)	478,353
Capital grants from DfE	(1,857,796)	(7,310,770)
Defined benefit pension scheme adjustments	1,122,000	277,000
Donation of land and buildings	(6,709,915)	(2,441,198)
<b>Net cash provided by operating activities</b>	<u>649,800</u>	<u>1,157,025</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash at bank and in hand	1,919,052	1,459,390
	<u>1,919,052</u>	<u>1,459,390</u>

**21. PENSION COMMITMENTS**

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by in part by Somerset County Council and also Bath and North East Somerset Council. Both are Multi-employer defined benefit pension schemes.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. PENSION COMMITMENTS (continued)**

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 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**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £428,334 (2016: £333,776).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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**

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**21. PENSION COMMITMENTS (continued)**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £473,000 (2016: £333,000), of which employer's contributions totalled £364,000 (2016: £250,000) and employees' contributions totalled £109,000 (2016: £83,000). The agreed contribution rates for future years are 10.2% for employers and 5.5% to 6.8% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	1.93 %
Expected return on scheme assets at 31 August	2.50 %	1.93 %
Rate of increase in salaries	3.70 %	3.45 %
Rate of increase for pensions in payment / inflation	2.20 %	2.02 %
Inflation assumption (CPI)	2.20 %	2.02 %

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

	2017	2016
Retiring today		
Males	23.6 years	23.5 years
Females	25.8 years	26.0 years
Retiring in 20 years		
Males	26.0 years	25.9 years
Females	28.4 years	28.9 years

The Trust's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,856,000	1,379,000
Gilts	343,000	420,000
Corporate bonds	280,000	256,000
Property	304,000	252,000
Cash and other liquid assets	128,000	1,000
Other	521,000	250,000
Total market value of assets	<u>3,432,000</u>	<u>2,558,000</u>

The actual return on scheme assets was £201,000 (2016: £320,000).

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**21. PENSION COMMITMENTS (continued)**

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(779,000)	(342,000)
Interest income	115,000	77,000
Interest cost	(167,000)	(167,000)
Expected return on scheme assets	-	82,000
	<u>          </u>	<u>          </u>
Total	<u>(831,000)</u>	<u>(350,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	7,173,000	4,083,000
Current service cost	779,000	342,000
Interest cost	167,000	167,000
Employee contributions	109,000	83,000
Actuarial (gains)/losses	(532,000)	2,346,000
Benefits paid	(92,000)	(18,000)
Liability transferred on conversion	827,000	170,000
	<u>          </u>	<u>          </u>
Closing defined benefit obligation	<u>8,431,000</u>	<u>7,173,000</u>

Movements in the fair value of the Trust's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	2,563,000	1,857,000
Return on plan assets (excluding net interest on net defined pension liability)	115,000	77,000
Actuarial gains and (losses)	201,000	239,000
Employer contributions	364,000	250,000
Employee contributions	109,000	83,000
Benefits paid	(92,000)	(18,000)
Assets acquired on conversion	172,000	75,000
	<u>          </u>	<u>          </u>
Closing fair value of scheme assets	<u>3,432,000</u>	<u>2,563,000</u>

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**22. OPERATING LEASE COMMITMENTS**

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

	2017 £	2016 £
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	23,867	14,371
Between 1 and 5 years	35,752	39,143
Total	<u>59,619</u>	<u>53,514</u>

**23. MEMBERS' LIABILITY**

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

**24. CONVERSION TO AN ACADEMY TRUST**

**MOORLANDS JUNIOR SCHOOL**

On 1 March 2017 Moorlands Junior School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Partnership Trust from Bath and North East Somerset Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	3,950,110	3,950,110
Funds transferred on conversion	81,522	-	-	81,522
LGPS pension deficit	-	(244,000)	-	(244,000)
Net assets/(liabilities)	<u>81,522</u>	<u>(244,000)</u>	<u>3,950,110</u>	<u>3,787,632</u>

The above net assets and liabilities include £81,522 that were transferred as cash.

Included within leasehold land and buildings is £1,660,000 of land that is subject to a lease term of 125 years.

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**MOORLANDS INFANT SCHOOL**

On 1 March 2017 Moorlands Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Partnership Trust from Bath and North East Somerset Council for £NIL consideration.

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

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	2,759,805	2,759,805
Funds transferred on conversion	237,899	-	-	237,899
LGPS pension surplus/(deficit)	-	(280,000)	-	(280,000)
	<u>237,899</u>	<u>(280,000)</u>	<u>2,759,805</u>	<u>2,717,704</u>
Net assets/(liabilities)	<u>237,899</u>	<u>(280,000)</u>	<u>2,759,805</u>	<u>2,717,704</u>

The above net assets include £237,899 that were transferred as cash.

Included within leasehold land and buildings is £1,160,000 of land that is subject to a lease term of 125 years.

**MARKSBURY CHURCH OF ENGLAND SCHOOL**

On 1 July 2017 Marksbury Church of England School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Partnership Trust from Bath and North East Somerset Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities as Donations - transfer from local authority on conversion

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

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Funds transferred on conversion	34,224	-	-	34,224
LGPS pension surplus/(deficit)	-	(168,000)	-	(168,000)
	<u>34,224</u>	<u>(168,000)</u>	<u>-</u>	<u>(133,776)</u>
Net assets/(liabilities)	<u>34,224</u>	<u>(168,000)</u>	<u>-</u>	<u>(133,776)</u>

The above net liabilities include £6,999 that were transferred as cash.



**THE PARTNERSHIP TRUST  
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**25. RELATED PARTY TRANSACTIONS**

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

H Gregory, wife of D Gregory, a Trustee, is employed as a teacher. H Gregory's appointment was made in open competition and D Gregory was not involved in the decision making process. H Gregory is paid within the normal teaching pay scales for her role and receives no special treatment as a result of her relationship with a Trustee.

**26. POST BALANCE SHEET EVENTS**

On 1 November 2017, Farmborough Primary School joined the Trust.

**27. CONTROLLING PARTY**

The company is under the joint control of the Trustees. There is no ultimate controlling party.