

Company Registration No. 09081030 (England and Wales)

PARTNERS IN LEARNING ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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PARTNERS IN LEARNING ACADEMY TRUST

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PARTNERS IN LEARNING ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr J A Faulkes
Mr T Baulch
Mrs M T Osivwemu (Resigned 26 September 2017)
Mrs S Wallis
Mr N Rose (Appointed 26 March 2018)

Trustees

Mr T Baulch (Resigned 31 August 2018)
Mr J A Faulkes (Chair of Governors)
Mr G Livingstone (Director, Executive Principal and Accounting Officer)
Mrs M T Osivwemu
Mrs S G Wallis (Resigned 27 September 2017)
Mr P Brooks
Mr N C Heslop
Mrs R Thorne (Appointed 7 December 2017)
Mr B Woollard (Appointed 26 March 2018)

Senior management team

- Executive Principal
- Headteacher - Baldwins Hill
- Lead Practitioner - Baldwins Hill
- Assistant Headteacher - Halsford Park
- Assistant Headteacher - Baldwins Hill
- Trust Business Manager
- Assistant Headteacher - Inclusion
- Headteacher - Halsford Park
- Lead Practitioner - Halsford Park

Mr G Livingstone
Mrs S Martin
Mrs S Joseph
Miss J Dabell
Mrs T Scanlan
Mrs J Abbott
Mrs N Robinson
Mrs C Spencer
Mrs L Navarro

Company secretary

Mrs R J Gatton

Company registration number

09081030 (England and Wales)

Registered office

Halsford Park Primary School
Manor Road
East Grinstead
West Sussex
RH19 1LR

Academies operated

Baldwins Hill Primary School
Partners In Learning Academy Trust
Halsford Park Primary School

Location

East Grinstead
East Grinstead
East Grinstead

Principal

Mrs S Martin
Mr G Livingstone
Mrs C Spencer

PARTNERS IN LEARNING ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	MHA Carpenter Box Amelia House Crescent Road Worthing West Sussex BN11 1QR
Bankers	Lloyds Bank PO Box 1000 Andover BX1 1LT
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

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

The name of the trust was changed on 5 December 2017 from Grenestede Academy Trust to Partners In Learning Academy Trust to reflect the new mission and vision and the proposed expansion of the multi-academy trust.

The academy trust operates two Primary School Academies – Baldwins Hill Primary and Halsford Park Primary for pupils aged 4-11 serving two catchment areas in East Grinstead. Baldwins Hill is a growing one form entry school and has a pupil capacity of 210 and had a roll of 200 in the school census in May 2018. Halsford Park has a pupil capacity of 420 and had a roll of 415 in the school census in May 2018.

Structure, governance and management

Constitution

The academy 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 academy trust. The trustees of Partners In Learning Academy Trust Limited are also the directors of the charitable company for the purposes of company law. The charitable company is known as Partners In Learning Academy Trust.

Details of the trustees who served during the year and to the date that the accounts are approved are included in the Reference and Administrative Details on page 1.

Members' liability

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

*As required in the academy trust's funding agreement/memorandum and articles of association.

Trustees' indemnities

Trustees' third party indemnity is covered by a policy of insurance with Advantage through Marsh Associates, procured under a Government approved framework.

Method of recruitment and appointment or election of trustees

The numbers of directors shall not be less than 3, but shall not be subject to any maximum. Subject to Articles 48-49 the company shall have up to 4 directors, appointed under Article 50, a Chief Executive Officer and minimum of either 2 parent directors, or 2 parent local governors. The Company may also have a co-opted director under Article 58. The total number of directors who are employed by the trust including Chief Executive Officer, shall not exceed one third of the total number of directors.

The number of Parent Directors and Parent members of the Local Governing Bodies or Advisory Bodies required shall be made up by Parent Directors and Parent members appointed by the Directors if the number of parents standing for election is less than the number of vacancies.

Policies and procedures adopted for the induction and training of trustees

The new Trustee undertakes an induction period with the Chair, they are provided with a new Multi Academy Trust Handbook (published by the NGA) and undertake all relevant training as required.

FOR THE YEAR ENDED 31 AUGUST 2018

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives and activities

Objects and aims

In accordance with the Articles of Association the charitable company has adopted a Funding Agreement and supplementary Funding Agreements for the two schools, approved by the Secretary of State for Education. The principle object of the charitable company Partners In Learning Academy Trust is the operation of Baldwins Hill and Halsford Park Primary Schools, to provide education and care for pupils of different abilities between the ages of 4-11.

Objectives, strategies and activities

Our Mission Statement is:

We are a learning community which inspires, empowers and develops schools to prepare every child for success in life. Sharing our strengths ensures that our communities grow and prosper and that we have opportunities to support and learn through each other to create futures for all.

Our vision to 2022 is described across 3 key drivers:

Place children at the heart of what we do

- Develop confident, resilient and reflective learners who understand what it means to be a responsible citizen.
- Ensure that children in our schools work with talented and high performing teaching and support staff.
- Involve parents in supporting children's learning and listen to parent views.
- Establish challenging targets for achievement and development of the whole child.
- Promote improvements to the physical environment of our schools to enhance learning and wellbeing.

Build partnerships and networks

- Build an empowered culture enabling strong local governance and leadership.
- Maintain the distinctiveness and strengths of schools in our Trust, whilst ensuring close collaboration to maximise effectiveness of all.
- Share resources where appropriate to maximise financial opportunities.
- Collaborate with wider networks of schools, to share knowledge, expertise and participate in mutually beneficial initiatives.
- Build links with community institutions, local services and companies for shared benefit.

Inspire commitment and engagement in all of our work force

- Encourage all of our schools to be dynamic, friendly and supportive places to work.
- Provide leadership and practitioner development experiences across our schools - grow talent from within.
- Recognise staff talent, effort and great achievements across our schools.
- Reward excellent performance with opportunities for leadership and advancement.
- Encourage creative solutions to problems and the challenges in our trust community.
- Promote our Trust as a great place to build a career.

In order to realise these drivers, trustees, governors and staff of the Trust seek to:

- Create a culture and ethos, through an irresistible curriculum, that engages all learners.
- Foster close collaborations with families to create partnerships in our children's learning, for example, through the use of Family Learning Conferences.
- Provide opportunities for high quality professional development and shared and distributed leadership across the Trust.
- Develop a Trust Improvement Plan and Growth Strategy that encourages executive staff to create a wider network of sharing good practice through a variety of activities, such as the Executive Principal providing advisory work to the Aspire TLIF programme and forging strong relationships with two Teaching Alliances.
- Deploy outstanding practitioners to support other schools as accredited Senior Leaders of Education, through Teaching Alliances.
- Develop a consistent Key Performance Indicators document to be used by Senior Leadership Teams, the Local Governing Body and the Academy Trust Board allowing them to be secure in the understanding of schools' performance to provide effective challenge.

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

Halsford Park Primary School – NOR 411

Ofsted Rating – Good – June 2017

2018 Results:

Attainment at KS1:

- 82% of Year 1 passed their Phonics Screening which was in line with the National average (82.5%)
- 89% of Year 2 passed the retake of the Phonics Screen
- KS1 attainment in Reading, Writing and Maths was above the national average
- KS1 attainment in Reading at greater depth was above national average in Reading and in line with national average in Maths.

Attainment at KS2:

- Pupils achieving the expected standard in KS2 rose in all subjects which were in line, or above, the national standards.
- Pupils achieving greater depth in KS2 rose in reading and GPS.
- The percentage at the expected standard in KS2 combined reading, writing and maths was 68% which was 4% above the national average.

Key performance indicators

Halsford Park Primary KS1 Results for 2018

Subject	Attainment	2018	
		School	National
Reading (test results)	Achieving expected standard	78%	75%
	Working at greater depth	29%	26%
Writing	Achieving expected standard	71%	70%
	Working at greater depth	8%	16%
Maths (test results)	Achieving expected standard	81%	76%
	Working at greater depth	20%	22%

Halsford Park KS2 Results for 2018 (unvalidated data)

2018			
		School	National
Maths (test results)	Achieving expected standard	81%	76%
	Working at greater depth	24%	24%
Reading (test results)	Achieving expected standard	76%	75%
	Working at greater depth	32%	28%
GPS (test results)	Achieving expected standard	83%	77%
	Working at greater depth	42%	34%
Writing (teacher assessments)	Achieving expected standard	78%	78%
	Working at greater depth	19%	20%

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Halsford Park Pupil Progress KS 2 (unvalidated data)

2018	* PROGRESS SCORE
READING	-0.3
WRITING	-1.1
MATHS	-0.5

In 2018, attainment for Key Stage 2 was generally in line, or better than national average.

Progress was marginally below national. However, this cohort of pupils had challenges during their journey through Key Stage 2. Due to effective provision, gaps that had appeared in early Key Stage 2 were significantly closed through accelerated progress in Upper Key Stage 2.

Attendance is 95.50% for the year 2017 - 2018: This continues to be a whole school focus for improvement.

Baldwins Hill Primary School – NOR 201
Ofsted – 'Good' – May 2017

2018 Results

Attainment:

- **Year 1 Phonics** Screening increased by 10% to 87%
- **Year 2 Phonics** Screening 67% (resulting in 93% of learners now having achieved the expected standard)
- **KS1 attainment in writing** in the higher standard increased to 17%, in line with the National average of 16%
- **KS1 attainment in maths** in the higher standard increased by 10% to 20%, in line with the National average of 22%
- Achieving expected standard+ **KS2 maths** 80%, above national at 76%.
- Achieving expected standard+ **KS2 reading** 77%, in line with national at 75%.
- Achieving expected standard+ **KS2 writing** 73%, slightly below national at 78%
- Children achieving expected standard+ in **reading, writing and maths** KS2 67%, above national at 64%
- Achieving greater depth in **KS2 maths** up from 7% (2017) to 20% 2018
- Standardised score for **reading** increased from 100.4 (2017) to 104 (2018)
- Standardised score for **maths** increased from 99.1 (2017) to 105 (2018)

Progress:

- The value added scores in reading, writing and maths are above the progress floor targets.
- Progress scores for reading (0.43), writing (-0.20) and maths (2.02) were average.
- Maths progress score had the larger increase from previous year.
- Standardised score for reading increased from 100.4 (2017) to 104 (2018)
- Standardised score for maths increased from 99.1 (2017) to 105 (2018)

Baldwins Hill Primary KS1 Results for 2018

Subject	Attainment	2018	
		School	National
Reading (test results)	Achieving expected standard	70%	75%
	Working at greater depth	27%	26%
Writing	Achieving expected standard	67%	70%
	Working at greater depth	17%	16%
Maths (test results)	Achieving expected standard	70%	76%
	Working at greater depth	20%	22%

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Baldwins Hill KS2 Results for 2018 (unvalidated data)

	2018		
		School	National
Maths (test results)	Achieving expected standard+	80%	76%
	Working at greater depth	20%	24%
Reading (test results)	Achieving expected standard+	77%	75%
	Working at greater depth	17%	28%
Grammar, Punctuation & Spelling (GPS)	Achieving expected standard+	67%	78%
	Working at greater depth	37%	34%
Writing	Achieving expected standard+	73%	78%
	Working at greater depth	20%	20%

	School	National
Children achieving expected standard in reading, writing and maths 2018:		
2018	67%	64%
Children achieving greater depth in reading, writing and maths 2018:		
2018	3%	10%

Baldwins Hill Pupil Progress KS2

2018	* Progress Score (29 pupils)	National Progress score
READING	0.43	-5
WRITING	-0.20	-7
MATHS	2.02	-5

* Progress score

- A score of 0 means pupils in this school, on average, do about as well at key stage 2 as those with similar prior attainment nationally.
- A **positive score** means pupils in this school on average do better at key stage 2 than those with similar prior attainment nationally.
- A **negative score** means pupils in this school on average do worse at key stage 2 than those with similar prior attainment nationally. A negative score does not necessarily mean a school is below the floor.

Floor = 65%=RWM and/or Progress Score above -5 Reading and -7 Writing and -5 Maths

Attendance 2017 - 18 was 96%, and is a focus for continuing improvement in 2018 - 19.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing financial statements. Further details regarding the adoption and going concern basis can be found in the statement of accounting policies.

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The principal source of funding for the Academy Trust is the General Academy Grant (GAG) and other government funding, the use of which is restricted to particular purposes. This has been utilised in a manner which serves the best interests of the school and its pupils. The objective of the Academy Trust is to advance, for the public benefit, education in the United Kingdom in particular to establish, maintain, carry on, manage and develop a school offering a broad balanced curriculum.

The grants received during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities (SOFA).

During the year ended 31 August 2018 the main expenditure item has been salary costs. During this period the total expenditure (excluding pension reserves) of £2,667,156 was covered by recurrent government funding from the ESFA together with other incoming resources and accumulated reserves brought forward. As reported in the SOFA, net income excluding fixed assets totals £39,593. Throughout the year we have had plans in place to reduce our outgoing expenditure costs, following the introduction of HLTA's and Cover Supervisors in 2017, reducing our external supply costs. Some emergency maintenance repairs has taken place during the year which were beyond our control. Plans are in place to reduce where possible ongoing costs in light of the New Funding Formula but the results are also distorted by a £106,000 decrease in the pension reserve deficit. When excluding this our net income for the year is £20,707 in deficit and the trustees are aware that there are still savings that need to be made to ensure reserves stay at a consistent level.

The restricted fixed asset fund has arisen from the introduction of the leasehold buildings and land at fair value on conversion of the school to academy status. The fund is reduced by annual depreciation charges over the expected useful life of the assets concerned. The assets were used exclusively for providing education and the associated support services to the children of the Academy Trust.

The in-year deficit figure of £66,407 agrees to the change in balance of restricted general funds (excluding pension reserve) plus unrestricted funds. The brought forward reserves plus the deficit within the current year gives us total reserves of restricted general funds (excluding pension reserves) plus unrestricted funds of £301,471.

There are no material investments held by the Academy Trust. Cash balances are invested in such a way that the cash is readily accessible whilst a small return has been generated by way of interest earned. The Trustees are satisfied with the interest earned on the cash balances in the year.

Significant events included the new regulations surrounding GDPR. In order to ensure our compliance with new regulations, the Trust employed a specialist GDPR/DPO supplier creating a new Service Level Agreement.

In line with one of the Ofsted targets, funding was used to create a new Service Level Agreement with an Education Welfare Service, to provide schools with specialist support and guidance regarding attendance/ absenteeism to improve attendance.

The Academy Trust's non teaching staff are entitled to enter the Local Government Pension Scheme. The Academy Trust's share of the scheme assets is currently assessed to be less than its share of the scheme liabilities and consequently the Academy Trust's balance sheet shows a significant liability in this respect. However, the deficit does not mean that an immediate liability is about to manifest. The contribution rate to reduce this deficit is calculated by an independent actuary and will be paid over a period of time via additional pension contributions as part of a longer term deficit reduction.

The Academy Trusts reserve and Investment policies have been detailed below.

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. The review includes the income and expenditure streams, the need to match income with commitments and the nature of any reserves. By setting and managing a balanced budget, they aim to only carry forward reserves that it considers necessary and will have a clear plan for how it will be of benefit to the pupils.

The Trustees have determined that a target of one month's operational costs (around £230,000) should be maintained when possible to ensure adequate working capital cover for delays between spending and the receipt of grant monies plus a further amount to act as a cushion for unexpected emergencies such as urgent building maintenance.

The Academy Trust has £271,785 in unrestricted reserves. This reserve has been generated over a number of years. This fund is freely available for its general purposes, training, resources and has also been held as an accumulating fund for major capital projects, some of this has been used this year to support the emergency maintenance on both sites, general resources and a new service level agreements. As at 31 August 2018, there was £29,686 of restricted general funds available to carry forward, giving total available reserves £301,471. The available reserves as at 31 August 2018 are slightly above target level of reserves as noted above, however this is due to various building works which are being undertaken within the next year, and the need for a contingency fund in the current economic climate where some future funding is not guaranteed. The trustees are aware of the need to spend the available funds on the current children however due to the improvement works needed to maintain the long-term success of the school this current position has been taken.

The Academy Trust has DfE group capital grants within the current year of £162,013 of which £111,026 relates to CIF funding which has not yet been spent due to a delayed start on the building works and will be needed to carry forward. This amount is currently held within cash in the balance sheet and is part of the net current assets amount of £434,234.

Investment policy

There are no material investments held by the Academy Trust. Cash balances are invested in such a way that the cash is readily accessible whilst a small return has been generated by way of interest earned. The Trustees are satisfied with the interest earned on the cash balances in the year.

Principal risks and uncertainties

The principal risk to the Partners In Learning Academy Trust is the maintenance of pupil numbers as funding is directly related to the number of pupils on roll. The number on roll is set in the October of the previous year and is the basis of the calculation on which the funding is received in the following September. There remains a strong possibility of volatility regarding the future funding of academies and the ever increasing costs set against reducing budget income. This risk has been identified in the Trust Risk Register.

PARTNERS IN LEARNING ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

All fundraising activities are carried out by the individual school's Parent Teacher Associations (PTA's) which conforms to the recognised standards under the provisions of the Charities (Protection and Social Investment Act) 2016, Section 13.

Under section 2.3 of the Charity fundraising guidance, the day to day management of financial activities has been delegated to the Trust Business Manager. All funds are monitored in line with the financial guidelines and recognised standards as highlighted in the Academies Accounts Direction 2017 to 2018.

PTA activities (for example, a Colour Run held at Halsford Park Primary School) are approved and closely monitored by the Headteachers. This includes all risk assessments and systems in order to protect the schools, the trust, and their reputations, and those attending such events. Such events are advertised through the school holding the event (eg Christmas Fayre) and there is no undue pressure placed on any person to donate to the school. For example, on any non-uniform day, a £1 donation is suggested but is not compulsory in order to take part.

This financial year, we have received grants from a nationwide insurance company and finance and investment company together with funds from the PTA to create an outside learning area and to upgrade classroom equipment.

To date, we have not received any fundraising complaints.

Plans for future periods

The Academy Trust's top priority is to continue to strengthen practice in our schools, to achieve excellence.

The Trust will continue to develop networking and school to school support opportunities as a means to fulfil the vision and strengthen the position of the Trust. In addition, the Trust is aiming to better utilise marketing and communications as a means to gaining a higher profile in the local area and beyond. These strategies will further increase opportunities for growth.

Funds held as custodian trustee on behalf of others


The Partners In Learning Academy Trust does not hold funds on behalf of others.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14/12/18..... and signed on its behalf by:



.....
Mr J A Faulkes
Chair of Trustees

PARTNERS IN LEARNING ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Partners In Learning Academy 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 Executive Principal 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 Partners In Learning Academy 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr T Baulch (Resigned 31 August 2018)	5	7
Mr J A Faulkes (Chair of Governors)	6	7
Mr G Livingstone (Director, Executive Principal and Accounting Officer)	7	7
Mrs M T Osiwemu	6	7
Mrs S G Wallis (Resigned 27 September 2017)	1	1
Mr P Brooks	6	7
Mr N C Heslop	7	7
Mrs R Thorne (Appointed 7 December 2017)	4	5
Mr B Woollard (Appointed 26 March 2018)	2	2

Remuneration committee

The remuneration committee is a sub-committee of the main board of trustees. Its purpose is to review the pay and remuneration of all staff in the Trust. The recommendation for pay follows staff appraisals which are undertaken annually.

	Meetings attended	Out of possible
Mr T Baulch (Chair of Members Board)	1	1
Mr P Brooks (Trustee)	1	1
Mrs C Spencer	1	1
Mr G Livingstone	1	1

PARTNERS IN LEARNING ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Local Governing Body's purpose is to assist and advise the Board on all matters relating to the provision of a sound curriculum that is consistent with national curriculum policy and advises as necessary on any implications or change to schools within the trust.

Local governing body	Meetings attended	Out of possible
Mr J Sachon (Acting chair from 1 September 2017) (Elected Chair from 22 September 2017))	7	7
Ms L Woodward (Vice-Chair)	6	7
Mr S Maidment	6	7
Ms E Campbell-Barr	7	7
Mr S Wright	6	7
Ms A Meade	2	7
Mrs J Manville	4	6
Mrs C Spencer	7	7
Mrs S Martin	7	7
Mrs S Llewelyn	7	7
Mrs E Goff (Elected 26 March 2018)	2	2
Mr A Beales (Elected 15 November 2017)	3	4

From the beginning of 2018, the capabilities of the Board have been further augmented by recruitment of two Trustees, one being a Headteacher of a local primary school and one being a manager in a corporate Bank recruited using the Academy Ambassadors programme. During the year, these new Trustees have developed to maintain the strength of the Board following departure of two trustees who resigned to focus on duties as Trust Members and to ensure a greater separation between the Trust Board and the Members Board.

The Trust Board carried out a self-evaluation, using the framework recommended for trusts by the DfE. This was done by Trustees completing individual evaluations, then collating and discussing these in a specially convened review meeting. The Board plotted a 'heat map' of areas of its capability.

Areas shown to be particularly needing attention were:

- To improve the new Trustees' knowledge of school improvement systems
- To strengthen succession planning, in particular for the chair of the Trust and the Executive Principal.
- To focus on communication to stakeholders, both informational and promotional

Action has been taken on these areas:

- The Headteacher of Baldwins Hill school, is to begin attending Trust Board proceedings and will act as a contingency successor to the Executive Principal. A vice chair / successor for the Chair of the Trust is still to be resolved but is planned for the start of 2019
- Two Trustees will visit middle leaders in the two schools, in particular to learn more about the activities of Achievement Teams and Subject Teams
- A Marketing and Communications strategy plan has been devised with milestones for rollout of various areas of communications

Review of value for money

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

PARTNERS IN LEARNING ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 academy trust has delivered improved value for money during the year by:

- Replacement of all windows through a successful CIF bid
- The use of Cover Supervisors and HLTA's for short term absence in classes to reduce the supply costs
- Staffing, utilising existing staff skills and experience to 'grow' new staff in their roles
- Introduction of a new premises team to allow for more 'in-house' repairs and maintenance to be carried out
- Installation of Clever Touch screens, allowing for re-distribution of PCs and associated hardware.
- Refurbishment of outer buildings and equipment to extend life
- Introduction of a new outdoor learning space
- Shared resources between our academy trust to achieve best value and drive down costs

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy 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 Partners In Learning Academy Trust for the period 1 September 2017 to 31 August 2018 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 academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

The academy 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 finance committee 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
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided that internal reviews would be undertaken as an internal auditor review by Edufin, an external management accountant.

PARTNERS IN LEARNING ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Partners In Learning Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

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

Mr G Livingstone
Accounting Officer

.....

14/12/18

PARTNERS IN LEARNING ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

On an annual basis, the internal auditor, through the audit committee reports on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Edufin, the internal auditor, reports to the board of trustees through the general academy trust board meetings. Financial information is provided by the Trust Business Manager on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Continued training took in place earlier in the financial year with the Bursar and Business Manager focusing on advanced processes and procedures, and an internal audit took place mid-year. Internal Audit visits are scheduled for the forthcoming year 2018/2019.

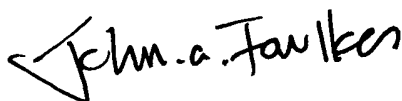
Review of effectiveness

As accounting officer the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- The work of the internal reviewer
- The work of the external auditor
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework
- The work of the Senior Leadership Team within the Academy Trust who has 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 Academy Trust Board and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14/12/18 and signed on its behalf by:



Mr J A Faulkes
Chair of Trustees



Mr G Livingstone
Executive Principal and Accounting Officer

PARTNERS IN LEARNING ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 14/12/18 and signed on its behalf by:

Mr J A Faulkes
Chair of Governors



PARTNERS IN LEARNING ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERS IN LEARNING ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Partners In Learning Academy Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy 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 accounts are authorised for issue.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

PARTNERS IN LEARNING ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERS IN LEARNING ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy 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 charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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

PARTNERS IN LEARNING ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PARTNERS IN LEARNING ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

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



Robin Evans BA FCA CTA (Senior Statutory Auditor)
for and on behalf of MHA Carpenter Box
Chartered Accountants
Statutory Auditor
Worthing

...14/12/18...

Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

PARTNERS IN LEARNING ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PARTNERS IN LEARNING ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 8 November 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Partners In Learning Academy Trust during the period 1 September 2017 to 31 August 2018 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 Partners In Learning Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Partners In Learning Academy Trust and 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 Partners In Learning Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Partners In Learning Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Partners In Learning Academy Trust's funding agreement with the Secretary of State for Education dated 18 August 2014 and the Academies Financial Handbook, extant from 1 September 2017, 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 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by 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 academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- reviewing authorisation procedures and controls to ensure their adequacy and that they are being adhered to
- reviewing and assessing the appropriateness of delegation levels
- testing expenditure to ensure that it is being incurred for the benefit and in the best interests of the academy trust
- testing expenditure to ensure it is appropriate and properly authorised
- reviewing expenditure to assess whether it is an efficient and effective use of resources
- reviewing expenditure for necessity

PARTNERS IN LEARNING ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PARTNERS IN LEARNING ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Carpenter Box

Reporting Accountant

MHA Carpenter Box
Amelia House
Crescent Road
Worthing
West Sussex
BN11 1QR

Dated: *14/12/18*

PARTNERS IN LEARNING ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £ Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:					
Donations and capital grants	3	19,003	12,475	162,013	193,491
Charitable activities:					
- Funding for educational operations	4	8,641	2,422,516	-	2,431,157
Other trading activities	5	7,980	44,985	-	52,965
Investments	6	250	-	-	250
Total		35,874	2,479,976	162,013	2,677,863
Expenditure on:					
Raising funds	7	800	-	-	800
Charitable activities:					
- Educational operations	9	17,449	2,667,533	87,374	2,772,356
Total	7	18,249	2,667,533	87,374	2,773,156
Net income/(expenditure)		17,625	(187,557)	74,639	(95,293)
Transfers between funds	17	(21,897)	9,422	12,475	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	222,000	-	222,000
Net movement in funds		(4,272)	43,865	87,114	126,707
Reconciliation of funds					
Total funds brought forward		276,057	(259,179)	6,665,270	6,682,148
Total funds carried forward		271,785	(215,314)	6,752,384	6,808,855

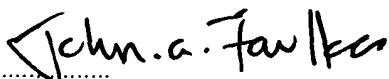
PARTNERS IN LEARNING ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13		6,619,621		6,654,142
Current assets					
Debtors	14	102,249		133,196	
Cash at bank and in hand		530,665		670,832	
		632,914		804,028	
Current liabilities					
Creditors: amounts falling due within one year	15	(198,680)		(425,022)	
Net current assets			434,234		379,006
Total assets less current liabilities			7,053,855		7,033,148
Net assets excluding pension liability			7,053,855		7,033,148
Defined benefit pension scheme liability	19		(245,000)		(351,000)
Net assets			6,808,855		6,682,148
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			6,752,384		6,665,270
- Restricted income funds			29,686		91,821
- Pension reserve			(245,000)		(351,000)
Total restricted funds			6,537,070		6,406,091
Unrestricted income funds	17		271,785		276,057
Total funds			6,808,855		6,682,148

The accounts were approved by the board of trustees and authorised for issue on 14/12/18 and are signed on its behalf by:



Mr J A Faulkes
Chair of Governors
Company Number 09081030

PARTNERS IN LEARNING ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	20		(249,577)		234,703
Cash flows from investing activities					
Dividends, interest and rents from investments		250		348	
Capital grants from DfE Group		126,012		14,818	
Capital funding received from sponsors and others		36,001		170,414	
Purchase of tangible fixed assets		(52,853)		(215,841)	
Net cash provided by/(used in) investing activities			109,410		(30,261)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(140,167)		204,442
Cash and cash equivalents at beginning of the year			670,832		466,390
Cash and cash equivalents at end of the year			530,665		670,832

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

Partners In Learning Academy Trust meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the entity, Monetary amounts in these financial statements are rounded to the nearest £1.

1.2 Going concern

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

1.3 Income

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

Grants

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

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

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

Donations

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

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Other income

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 or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock. Upon sale the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value to items due to the volume of low value items, they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.5 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

Leasehold land and buildings	Over 125 years
Assets under construction	Not depreciated
Computer equipment	3 years
Fixtures, fittings & equipment	10 years

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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.

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 cost 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 instrument.

1.9 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11 chapter 3 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.

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer 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.

1.11 Fund accounting

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

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

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

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Private sponsorship	-	12,475	12,475	-
Capital grants	-	162,013	162,013	185,232
Other donations	19,003	-	19,003	36,812
	<u>19,003</u>	<u>174,488</u>	<u>193,491</u>	<u>222,044</u>

The income from donations and capital grants was £193,491 (2017: £222,044) of which £19,003 (2017: £36,812) was unrestricted, £12,475 (2017: nil) was restricted and £162,013 (2017: £185,232) was restricted fixed assets.

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,131,683	2,131,683	2,130,243
Other DfE group grants	-	216,796	216,796	212,802
	-	2,348,479	2,348,479	2,343,045
Other government grants				
Local authority grants	-	29,950	29,950	26,267
Special educational projects	-	44,087	44,087	65,826
	-	74,037	74,037	92,093
Other funding				
Other incoming resources	8,641	-	8,641	42,918
Total funding	8,641	2,422,516	2,431,157	2,478,056

The income from funding for educational operations was £2,431,157 (2017: £2,478,056) of which £8,641 was unrestricted (2017: £42,918) and £2,422,516 was restricted (2017: £2,435,138).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	7,980	-	7,980	10,778
Parental contributions	-	44,985	44,985	69,540
	7,980	44,985	52,965	80,318

The income from other trading activities was £52,965 (2017: £80,318) of which £7,980 was unrestricted (2017: £10,778) and £44,985 was restricted (2017: £69,540).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	250	-	250	348

All income from investments in the current and prior years was unrestricted.

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	-	-	800	800	8,133
Academy's educational operations					
- Direct costs	1,746,556	-	168,138	1,914,694	1,920,208
- Allocated support costs	416,178	222,944	218,540	857,662	737,189
	<u>2,162,734</u>	<u>222,944</u>	<u>387,478</u>	<u>2,773,156</u>	<u>2,665,530</u>

The expenditure on raising funds was £800 (2017: £8,133), all relating to unrestricted funds.

Net income/(expenditure) for the year includes:	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	6,000	5,750
- Other services	4,300	3,650
Operating lease rentals	1,739	2,024
Depreciation of tangible fixed assets	87,374	84,047
Net interest on defined benefit pension liability	10,000	14,000
	<u>107,413</u>	<u>109,471</u>

8 Central services

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

- financial services
- educational support services
- legal and professional services
- insurance

The academy trust charges for these services on approximate pupil numbers.

The amounts charged during the year were as follows:	2018	2017
	£	£
Baldwins Hill Primary School	29,260	78,793
Partners In Learning Academy Trust	-	-
Halsford Park Primary School	58,520	149,457
	<u>87,780</u>	<u>228,250</u>

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	10,789	1,903,905	1,914,694	1,920,208
Support costs				
Educational operations	6,660	851,002	857,662	737,189
	<u>17,449</u>	<u>2,754,907</u>	<u>2,772,356</u>	<u>2,657,397</u>
			2018 £	2017 £
Analysis of support costs				
Support staff costs			416,178	346,407
Depreciation			87,374	84,047
Premises costs			135,570	112,797
Other support costs			189,232	171,782
Governance costs			29,308	22,156
			<u>857,662</u>	<u>737,189</u>

The expenditure on educational operations was £2,772,356 (2017: £2,657,397) of which £17,449 was unrestricted (2017: £94,124), £2,667,533 was restricted (2017: £2,479,225) and £87,374 was restricted fixed assets (2017: £84,048)

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	1,576,762	1,458,530
Social security costs	126,692	118,455
Pension costs	399,315	361,397
Staff costs	<u>2,102,769</u>	<u>1,938,382</u>
Agency staff costs	59,965	79,049
Total staff expenditure	<u>2,162,734</u>	<u>2,017,431</u>

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	30	26
Administration and support	52	53
Management	8	7
	<u>90</u>	<u>86</u>

Higher paid staff

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

	2018 Number	2017 Number
£70,001 - £80,000	<u>1</u>	<u>1</u>

The above employees participated in the Teachers' Pension Scheme.

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £459,772 (2017: £497,204).

11 Trustees' remuneration and expenses

The executive head teacher and other staff trustees have been paid remuneration or received other benefits from employment with the academy trust. They have only received remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments from the academy trust in respect of their role as trustees.

During the year, travel and subsistence payments totalling £1,784 were reimbursed to 2 staff trustees (2017: £1,127 to 2 staff trustees). These expenses were incurred wholly in their capacity as employees of the trust.

The value of trustees' remuneration was as follows:

G Livingstone (executive head teacher and trustee)	
Remuneration:	£75,000 - £80,000 (2017: £70,000 - £75,000)
Pension:	£10,000 - £15,000 (2017: £10,000 - £15,000)

Other related party transactions involving the trustees are set out within the related parties note.

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 trust 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.

13 Tangible fixed assets

	Leasehold land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2017	6,780,628	-	68,644	39,270	6,888,542
Additions	20,210	17,381	8,305	6,957	52,853
At 31 August 2018	6,800,838	17,381	76,949	46,227	6,941,395
Depreciation					
At 1 September 2017	163,990	-	61,804	8,606	234,400
Charge for the year	76,615	-	6,705	4,054	87,374
At 31 August 2018	240,605	-	68,509	12,660	321,774
Net book value					
At 31 August 2018	6,560,233	17,381	8,440	33,567	6,619,621
At 31 August 2017	6,616,638	-	6,840	30,664	6,654,142

14 Debtors

	2018 £	2017 £
Trade debtors	2,580	1,250
VAT recoverable	36,748	65,889
Prepayments and accrued income	62,921	66,057
	102,249	133,196

15 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	50,022	210,642
Other taxation and social security	30,985	30,021
Other creditors	32,060	34,436
Accruals and deferred income	85,613	149,923
	198,680	425,022

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	67,556	121,525
	Deferred income at 1 September 2017	121,525	107,561
	Released from previous years	(121,525)	(107,561)
	Resources deferred in the year	67,556	121,525
	Deferred income at 31 August 2018	67,556	121,525

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals Funding, Rates reimbursement and Growth Funding which relate to the 2018/19 academic year.

17	Funds	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
	Restricted general funds					
	General Annual Grant (GAG)	2,406	2,131,683	(2,225,526)	91,437	-
	Other DfE / ESFA grants	3,936	216,796	(206,984)	-	13,748
	Other government grants	15,939	74,037	(74,038)	-	15,938
	Other restricted funds	69,540	57,460	(44,985)	(82,015)	-
	Funds excluding pensions	91,821	2,479,976	(2,551,533)	9,422	29,686
	Pension reserve	(351,000)	-	(116,000)	222,000	(245,000)
		(259,179)	2,479,976	(2,667,533)	231,422	(215,314)
	Restricted fixed asset funds					
	Transfer on conversion	6,379,066	-	(54,249)	-	6,324,817
	DfE group capital grants	248,648	162,013	(30,528)	-	380,133
	Capital expenditure from GAG	37,556	-	(2,597)	12,475	47,434
		6,665,270	162,013	(87,374)	12,475	6,752,384
	Total restricted funds	6,406,091	2,641,989	(2,754,907)	243,897	6,537,070
	Unrestricted funds					
	General funds	276,057	35,874	(18,249)	(21,897)	271,785
	Total funds	6,682,148	2,677,863	(2,773,156)	222,000	6,808,855

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

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

- GAG funds are restricted to providing education
- Other DfE / EFA grants relate to reimbursement for specific services
- Other restricted funds are held to provide trips and other activities for students and the provision of education

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

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	953	2,130,243	(2,108,206)	(20,584)	2,406
Other DfE / ESFA grants	-	212,802	(208,866)	-	3,936
Other government grants	-	92,093	(76,154)	-	15,939
Other restricted funds	-	69,540	-	-	69,540
	<u>953</u>	<u>2,504,678</u>	<u>(2,393,226)</u>	<u>(20,584)</u>	<u>91,821</u>
Funds excluding pensions	953	2,504,678	(2,393,226)	(20,584)	91,821
Pension reserve	(625,000)	-	(86,000)	360,000	(351,000)
	<u>(624,047)</u>	<u>2,504,678</u>	<u>(2,479,226)</u>	<u>339,416</u>	<u>(259,179)</u>
Restricted fixed asset funds					
Transfer on conversion	6,449,251	-	(70,185)	-	6,379,066
DfE group capital grants	75,550	185,232	(12,134)	-	248,648
Capital expenditure from GAG	-	-	(1,728)	39,284	37,556
	<u>6,524,801</u>	<u>185,232</u>	<u>(84,047)</u>	<u>39,284</u>	<u>6,665,270</u>
Total restricted funds	<u>5,900,754</u>	<u>2,689,910</u>	<u>(2,563,273)</u>	<u>378,700</u>	<u>6,406,091</u>
Unrestricted funds					
General funds	306,158	90,856	(102,257)	(18,700)	276,057
Total funds	<u>6,206,912</u>	<u>2,780,766</u>	<u>(2,665,530)</u>	<u>360,000</u>	<u>6,682,148</u>

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	953	4,261,926	(4,333,732)	70,853	-
Other DfE / ESFA grants	-	429,598	(415,850)	-	13,748
Other government grants	-	166,130	(150,192)	-	15,938
Other restricted funds	-	127,000	(44,985)	(82,015)	-
	<u>953</u>	<u>4,984,654</u>	<u>(4,944,759)</u>	<u>(11,162)</u>	<u>29,686</u>
Funds excluding pensions	(625,000)	-	(202,000)	582,000	(245,000)
	<u>(624,047)</u>	<u>4,984,654</u>	<u>(5,146,759)</u>	<u>570,838</u>	<u>(215,314)</u>
Restricted fixed asset funds					
Transfer on conversion	6,449,251	-	(124,434)	-	6,324,817
DfE group capital grants	75,550	347,245	(42,662)	-	380,133
Capital expenditure from GAG	-	-	(4,325)	51,759	47,434
	<u>6,524,801</u>	<u>347,245</u>	<u>(171,421)</u>	<u>51,759</u>	<u>6,752,384</u>
Total restricted funds	<u>5,900,754</u>	<u>5,331,899</u>	<u>(5,318,180)</u>	<u>622,597</u>	<u>6,537,070</u>
Unrestricted funds					
General funds	<u>306,158</u>	<u>126,730</u>	<u>(120,506)</u>	<u>(40,597)</u>	<u>271,785</u>
Total funds	<u>6,206,912</u>	<u>5,458,629</u>	<u>(5,438,686)</u>	<u>582,000</u>	<u>6,808,855</u>

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Baldwins Hill Primary School	170,660	203,721
Partners In Learning Academy Trust	15,315	17,445
Halsford Park Primary School	115,496	146,712
Total before fixed assets fund and pension reserve	301,471	367,878
Restricted fixed asset fund	6,752,384	6,665,270
Pension reserve	(245,000)	(351,000)
Total funds	6,808,855	6,682,148

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Baldwins Hill Primary School	628,933	135,152	21,297	143,189	928,571
Partners In Learning Academy Trust	50,404	34,158	47,694	49,832	182,088
Halsford Park Primary School	1,050,033	256,868	33,328	234,888	1,575,117
	1,729,370	426,178	102,319	427,909	2,685,776

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	6,619,621	6,619,621
Current assets	271,785	228,366	132,763	632,914
Creditors falling due within one year	-	(198,680)	-	(198,680)
Defined benefit pension liability	-	(245,000)	-	(245,000)
Total net assets	271,785	(215,314)	6,752,384	6,808,855

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	6,654,142	6,654,142
Current assets	276,057	516,843	11,128	804,028
Creditors falling due within one year	-	(425,022)	-	(425,022)
Defined benefit pension liability	-	(351,000)	-	(351,000)
Total net assets	276,057	(259,179)	6,665,270	6,682,148

19 Pension and similar obligations

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

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

Contributions amounting to £32,688 (2017: £33,323) were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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 the TPS in the period amounted to £168,310 (2017: £165,051).

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

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

Local Government Pension Scheme

The following information relates to both schools combined unless otherwise stated. The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 24.7% for employers and 7.4% - 11.7% per cent for employees. The estimated value of employer contributions for the 2018/2019 year is £122,000.

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

Total contributions made	2018 £	2017 £
Employer's contributions	122,000	123,000
Employees' contributions	31,000	26,000
Total contributions	153,000	149,000
Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	23.6	23.6
- Females	25.0	25.0
Retiring in 20 years		
- Males	26.0	26.0
- Females	27.8	27.8

Scheme liabilities would have been affected by changes in assumptions as follows:

	2018 £'000	2017 £'000
Discount rate + 0.1%	(44)	(40)
Discount rate - 0.1%	44	40
Mortality assumption + 1 year	59	40
Mortality assumption - 1 year	(59)	(40)
CPI rate + 0.1%	34	29
CPI rate - 0.1%	(34)	(29)

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

	2018 Fair value £	2017 Fair value £
Equities	676,600	535,600
Bonds	438,600	381,100
Cash	37,500	30,900
Property	100,300	82,400
Total market value of assets	1,253,000	1,030,000

The actual return on scheme assets was £75,000 (2017: £108,000).

Amount recognised in the Statement of Financial Activities

	2018 £	2017 £
Current service cost	228,000	195,000
Interest income	(27,000)	(18,000)
Interest cost	37,000	32,000
Total operating charge	238,000	209,000

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Pension and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2018 £
At 1 September 2017	1,381,000
Current service cost	228,000
Interest cost	37,000
Employee contributions	31,000
Actuarial gain	(174,000)
Benefits paid	(5,000)
At 31 August 2018	1,498,000

Changes in the fair value of the academy trust's share of scheme assets

	2018 £
At 1 September 2017	1,030,000
Interest income	27,000
Actuarial gain	48,000
Employer contributions	122,000
Employee contributions	31,000
Benefits paid	(5,000)
At 31 August 2018	1,253,000

20 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(95,293)	115,237
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(162,013)	(185,232)
Investment income receivable	(250)	(348)
Defined benefit pension costs less contributions payable	106,000	72,000
Defined benefit pension net finance cost	10,000	14,000
Depreciation of tangible fixed assets	87,374	84,047
Decrease/(increase) in debtors	30,947	(25,319)
(Decrease)/increase in creditors	(226,342)	160,318
Net cash (used in)/provided by operating activities	(249,577)	234,703

PARTNERS IN LEARNING ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	4,182	1,739
Amounts due in two and five years	11,465	2,174
	<u>15,647</u>	<u>3,913</u>

22 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	540,662	-

At the year end the Trust had committed to major works for the replacement of classrooms at Baldwins Hill totalling £540,662 (2017 - Nil). Of these fees £17,381 had been incurred within the financial year and the remaining costs not due until the project is completed. This has been funded by the Condition Improvement Fund, of which £128,407 had been received within the year and £412,255 to be received after the year end.

23 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the academy trust 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. No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

24 Members' liability

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