

Merchants' Academy Trust

**Annual report and consolidated
financial statements for the year
ended 31 August 2017**

Registered number 5598063



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Reference and Administrative details

Members

A Kenny
R Ancell
C Duckworth
D Burn
L Robinson

Present Trustees and Governors/Directors and those who have served during the year

R Ancell – Chairman
R Morris (retired 01.12.16)
R Sutherland
N Hood (retired 01.12.16)
L Robinson
P Despard
R MacKinnon
A Nisbet
R Bourns (retired 01.12.16)
C Duckworth
J Watson
C Skellett (appointed 01.12.16)
J Laycock (appointed 01.01.17)

The individuals listed above are the trustees of the charity, and directors of the company, and they are also known as Governors.

Throughout the Trustees' Report they will be referred to as Governors.

Executive Leadership Team

Trust

- Executive Principal H Macaulay
- Finance Director S Eakins (to 31.08.17)

Merchants' Academy

- Principal N Short (to 31.08.17)
S Williamson (appointed 01.09.17)

Venturers' Academy

- Principal T Williams

Registered Office

Merchants' Academy Trust
Gatehouse Avenue
Withywood
Bristol
BS13 9AJ

Company Registration Number 05598063

Reference and Administrative details *(continued)*

Internal Audit	Bishop Fleming LLP 16 Queen Square Bristol BS1 4NT
Independent Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE
Solicitor	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Banker	HSBC 62 George White Street Cabot Circus Bristol BS1 3BA

Trustees' Report

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their annual report and the audited financial statements for the year ended 31 August 2017. Throughout this report, the trustees will be referred to as Governors. The annual report serves the purposes of both a Trustees' Report and a Directors' Report and Strategic Report under company law.

The Trust operates an All Age Academy called Merchants' Academy and Venturers' Academy, a free school that took students from September 2016. The Trust became a Multi Academy Trust on signing of the funding agreements for the trust in July 2016.

On 1 September 2017 Merchants' Academy Trust merged into Colston's Girls' Schools Trust, which has been renamed Venturers Trust.

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 Merchants' Academy Trust are also the directors of the charitable company for the purposes of company law.

Members and members' liability

As set out in the Articles of Association, the members of the Academy Trust comprise:

- a) up to six persons appointed by the Society of Merchant Venturers (Principal Sponsor);
- b) one person appointed by the University of Bristol (co-sponsor);
- c) any person unanimously agreed in writing by the other members.

The Academy Trust is limited by guarantee and is an exempt charity. The Academy Trust does not have share capital. Every member of the Academy Trust undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Directors/Governors/Trustees

The Board and the Committees detailed below are made up of Governors and other individuals. All committees operate under specific terms of reference, which delegate certain functions from the full board of Governors. Each committee has its recommendations considered by the full board and ratified as received.

As set out in the Governing Document, not more than eleven Governors will be nominated by the Society of Merchant Venturers and not more than two will be nominated by the University of Bristol. The Trust can also appoint co-opted governors. Governors will have a term in office until the AGM following four years' service, when they may be eligible for re-election.

During the year under review the Governors held four full Governors' meetings. The Governor committees meet as frequently as is necessary for the provision of oversight of their areas of responsibility.

The governor committees are as follows:

- Finance & General Purpose Committee
- Audit Committee
- Pay Committee
- Fund Development Group

Trustees' report *(continued)*

Directors/Governors/Trustees *(continued)*

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction provides training on charity and educational, legal and financial matters. All new Governors are given a tour of the Academy Trust and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction is tailored specifically to the individual.

Organisational management

The Governors, as trustees of the company, are legally responsible for the overall management and control of the Academy Trust. The committees, as listed above, operate under specific terms of reference, which delegate the consideration of certain functions from the full Governing Body.

The Governors, all of whom served throughout the year to 31 August 2017 and up to the date of this report unless otherwise stated, are listed on page 1.

The day to day running of the Academy Trust is delegated to the Executive Principal and her team of Academy Trust Principals, but major contracts and key strategic decisions must be referred back to the Governing Body.

Merchants' Academy Services Limited ("MASL") is a separate company which is managed and owned entirely by the Academy Trust. MASL manages the sporting activities that take place on the Academy Trust's site. Some Governors are also directors of MASL.

Relationships with related parties

The Society of Merchant Venturers ("SMV") is the Academy Trust's ultimate controlling party (see note 24). In 2015 SMV set up The Venturers' Trust, which is an umbrella trust. The Academy Trust is a member of this organisation. Details of transactions between Merchants' Academy Trust and SMV are detailed in note 23.

Subsidiary and associated companies

The Academy Trust owns 100% of the issued ordinary shares of Merchants' Academy Services Limited, a company registered in England and Wales (no. 06707036). Now the subsidiary is in a positive profit and loss reserve position it has begun donating the whole of its profits to the Academy Trust. Further details about the subsidiary are given in note 13 to the accounts.

OBJECTIVES AND ACTIVITIES

Charitable objects

The Academy Trust's objects are:

- to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing an Academy Trust offering a broad curriculum with a strong emphasis on, but in no way limited to, enterprise and skills; and
- in so far as ancillary or incidental to the advancement of education, such other purposes for the benefit of the local community as shall be exclusively charitable.

The Academy Trust aims to meet these objects by the provision of an excellent independent education, through both academic success and wider social awareness and participation, to a broad spectrum of the community.

The Academy Trust will also help regenerate Withywood by providing its young people with a first class education, developing their ambition, skills, confidence and potential.

Trustees' report *(continued)*

OBJECTIVES AND ACTIVITIES *(continued)*

Charitable objects *(continued)*

This will be achieved through:

- recognising the needs of every student;
- engaging with students, parents and carers;
- focus on enterprise and skills;
- academic rigour with a vocational emphasis;
- investment in information and communications technology to support staff, students and parents; and
- being an innovative community of learning for adults and young people.

The main objectives of the Academy Trust during the year ended 31 August 2017 are summarised below:

- ensure maximum progress for students and highest attainment at external testing points;
- improve the quality of teaching and learning within the Academy Trust;
- improve the quality of leadership and management;
- develop attitudes, aspirations and ensure the safety of students;
- improve reading, writing, communication and maths for all students.

Public benefit

The facilities of the Academy Trust are free to the end users and therefore the Governors consider that the public benefit requirement has been met. The Governors have paid due regard to the guidance published by the Charity Commission in this respect.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Key Performance Indicators

Results 2017

Early Years Foundation Stage

GLD (good level of development)	2015	2016	2017	Highlight	National 2017
	53%	55%	56%	1% gain on last year	69%

Year 1 Phonics Screening

Phonics screening results	2015	2016	2017	Highlight	National 2017
	66%	68%	67%	1% loss on last year	81%

Trustees' report *(continued)*

STRATEGIC REPORT *(continued)*

Key Performance Indicators

Year 2 SATs results

SATs	2016	2017	Highlight	National 2017	Pupil Premium students	Other students	SEN
Reading	75%	62%	13% regression on last year	71%	53%	64%	36%
Writing	56%	38%	17% regression on last year	76%	53%	40%	7%
Maths	75%	73%	2% regression on last year	75%	82%	60%	43%

Key Stage 4 Examination Results/Attendance Rates	Summer 2017	Summer 2016
GCSE		
%5+ A*-C including English & Maths (whole cohort)	33%	30%
%5+ A*-C including English & Maths (Pupil Premium)	28%	25.6%
%5+ A*-C including English & Maths (non-Pupil Premium)	44.7%	35.7%
% A*-C English	39.8%	59%
% A*-C Maths	42%	41%
% A*-A grades overall	3%	7.7%
New Measures (Summer 2016 onwards)		
Progress 8	-0.82	-0.74
Attainment 8	34.2	4.54
EBacc	7%	4%
Progress 8 Pupil Premium	-0.92	-0.86
Progress 8 Other	-0.37	-0.55
Progress Maths	-0.94	-0.54
Progress English	-1.4	-0.65
VA A-Level	-0.1.00	
VA Applied	0.28	
A-Level average grade	D-	
Applied Average grade	Distinction*	

Trustees' report *(continued)*

STRATEGIC REPORT *(continued)*

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, albeit that the Trust's academies will be transferred to Venturers Trust with existing sponsors after the year end. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The majority of the Academy Trust's income is received from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charity Commissioners' Statement of Recommended Practice, grants and donations are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected life of the assets concerned.

Expenditure for the year was covered by grants from the ESFA. As shown in the Statement of Financial Activities, there was a net deficit of £903,000 (2016: £2,738,000). This net deficit is after taking account of (amongst other things) a depreciation charge of £535,000 (2016: £532,000) in respect of the group's land and buildings and the movement in the pension reserve of £72,000 (2016: £1,904,000).

Financial position

The fund balances are adequate to fulfil the obligations of the Academy Trust and provide a balance against most unforeseen events. To achieve the development plan objectives and for other major capital projects the Academy Trust remains dependent on the provision of grants from the ESFA and commercial supporters.

Reserves policy

The Governors review the reserve levels of the Academy Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. As a state funded school the Governors have assumed that state funding will continue at least at current levels in real terms. The Governors will ensure that the reserves policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by the ESFA. The Trust has free reserves of £996,000 (2016: £1,222,000) which represents its unrestricted reserves. In addition to this, the Trust has restricted reserves (excluding the pension reserve and fixed asset reserves) of £300,000 (2016: £612,000).

These levels of reserves are being held to deal with short term deficits expected over the next two to three years plus the Trust's plans for capital projects.

Investment powers, policy and performance

The Governors may invest in such investments as they shall in their absolute discretion think fit. In practice, the Academy Trust does not currently hold any long term investments. Short term deposits are held with the Academy Trust's bankers.

Trustees' report *(continued)*

PRINCIPAL RISKS AND UNCERTAINTIES

In the light of Corporate Governance guidance contained within 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 Governors have spent time in identifying the major risks to which the Academy Trust is exposed. The principal risks and uncertainties facing the Academy Trust are as follows:

- Financial – the Academy Trust has considerable reliance on continued Government funding through the ESFA. In the current year approximately 90% of the Academy Trust's incoming resources was ultimately Government funded and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. Funding protection mechanisms are in place to prevent sudden major reductions in funding but there are no guarantees that such protection will remain in place in the medium to long term, which exposes the Academy Trust to the risk of potentially significant reductions in overall funding in the future. The Trustees examine the financial health of the Academy Trust every term reviewing performance against budgets through its Planning and Resources committee. In addition, on an annual basis the Academy Trust updates its five year rolling forecast.
- Reputational – the continuing success of the Academy Trust is dependent on continuing to attract students. The Academy Trust operates committees called Educational Excellence and Student Support to ensure that the students' success and achievements are closely monitored and reviewed.
- Staffing – the success of the Academy Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff.
- Safeguarding and child protection – the Trustees continue to ensure that the highest of standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health, safety and discipline.
- Fraud and mismanagement of funds – the Academy Trust has appointed internal audit to carry out checks on financial systems and records as required by the Academy Trust Financial handbook.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

September 2017 saw the opening of Venturers' Academy, the first state funded school in Bristol for children with a diagnosis of autism. The academy has been significantly oversubscribed such is the demand for specialist places of this nature in Bristol. Plans are in place to consolidate both Venturers' Academy and Merchants' Academy Primary onto the same site as Merchants' Academy Secondary. This is being funded via capital funding from the DfE/ESFA through the Free Schools programme and the Priority Schools Build Programme II. This should be achieved by Spring 2019.

On 1 September 2017, Merchant's Academy and Venturers Academy, the schools managed by the Trust, were transferred to Venturers Trust with existing sponsor arrangements. The Trustees are currently in discussions as to the future plans for the company following the transfer of the schools, and no decision has yet been taken as to its future.

DISCLOSURE OF INFORMATION

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.

Trustees' report *(continued)*

AUDITOR

KPMG LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditor will be proposed at the Annual General Meeting.

The Trustees' Report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, and signed on its behalf by:



R Ancell
Chairman

Date 14/12/2017

Governance statement

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge that we have overall responsibility for ensuring that the 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 Principal, as accounting officer, for ensuring that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy Trust and the Secretary of State for Education. The Principal is 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 governing body has formally met 4 times during the year. Attendance during the year at meetings of the governing body was as follows:

	Meetings Attended	Out of Possible
R Ancell	3	4
R Sutherland	4	4
L Robinson	3	4
P Despard	3	4
R MacKinnon	1	4
A Nisbet	1	4
C Duckworth	3	4
J Watson	4	4
Colin Skellett	3	4
John Laycock	3	3

The Finance & General Purpose Committee is a sub-committee of the main governing body. Its purpose is to advise the Academy Trust Governing Body on financial matters such as budgets, expenditure and financial and non-financial risk assessment and also incorporates HR matters within its brief. Attendance at meetings in the year was as follows:

	Meetings Attended	Out of Possible
L Robinson	2	4
J Watson	4	4

The Audit committee is a sub-committee of the main governing body. Its purpose is to review the annual audit and oversee the work of the internal audit function. Attendance at meetings in the year was as follows:

	Meetings Attended	Out of Possible
A Kenny	0	1
J Watson	2	2
A Nisbet	0	1
L Robinson	0	1

Governance statement *(continued)*

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.

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

- We have continued to focus on student attainment and focussed on 1:1 work with students. We have employed tutors from the University of Bristol to keep the cost down but provide a high quality provision;
- The Academy Trust continues to look for best value and continues to be a member of the Crescent Purchasing Consortium and appointed an energy broker to look at reducing costs of our energy; and
- The Academy Trust continues to look for ways of increasing revenues which is done largely through the Trust's trading subsidiary which continues to grow the use of its sporting facilities.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of 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 at the Academy Trust for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The governing body 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 governing body 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, along with and as part of the system for internal control for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the governing body.

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 Trustees;
- regular reviews by the Planning and Resourcing 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; and
- identification and management of risks.

The Trustees have considered the need for a specific internal audit function and have decided to appoint Bishop Fleming as internal auditor. The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The auditor reports to the Trustees twice a year on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

Governance statement *(continued)*

REVIEW OF EFFECTIVENESS

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

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

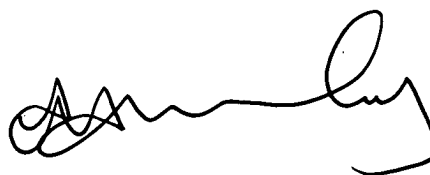
The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Planning and Resourcing Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



R Ancell
Chairman

Date 14/12/2017




Dr H Macaulay
Executive Principal and Accounting Officer

Statement of Regulatory, Propriety and Compliance

As accounting officer of Merchants' 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 ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 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.



Dr H Macaulay

Accounting Officer

Date 14/12/2017

Statement of Trustees' Responsibilities

The trustees (who are 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 applicable law and regulations, including the Annual Accounts Direction published by the Education and Skills Funding Agency (ESFA).

Company law requires the trustees to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Academies Accounts Direction further requires the financial statements to be prepared in accordance with the Charities SORP (FRS 102).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charitable company and of the group and charitable company's incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102) and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the parent charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the parent charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

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

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



Ross Ancell
Chairman

Date 14/12/2017

Independent auditor's report to the members of Merchants' Academy Trust

Opinion

We have audited the financial statements of Merchants' Academy Trust ("the charitable company") for the year ended 31 August 2017 which comprise the consolidated statement of financial activities (including the income and expenditure account), trust statement of financial activities (including the income and expenditure account), consolidated balance sheet, trust balance sheet, consolidated statement of cash flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the charitable company's affairs as at 31 August 2017, and of the Group's and the charitable company's incoming resources and application of resources, including the Group and charitable company's income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP (FRS 102) and the *Academies Accounts Direction 2016 to 2017* issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The trustees are responsible for the other information, which comprises the Reference and Administrative Details, the Trustees' Report and Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Trustees' Report, which constitutes the Strategic Report and the Directors' Report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

Independent auditor's report to the members of Merchants' Academy Trust *(continued)*

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

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 14, the Trustees (who are the Directors of the charitable company for the purposes of company law) are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditors' 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.



Victoria Sewell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 19/12/2017

Independent Reporting Accountant's Assurance Report on Regularity to Merchants' Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 7 October 2016 and variation letter dated 13 December 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Merchants' Academy Trust (the 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 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 the Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of the Academy Trust's funding agreement with the Secretary of State for Education dated 2 August 2016 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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 our conclusion included:

- Documenting the framework of authorities which govern the activities of the Academy Trust;
- Reviewing the evidence supporting the representations included in the Accounting Officer's statement on regularity, propriety and compliance with the framework of authorities;
- Undertaking a risk assessment based on our understanding of the general control environment and any weaknesses in internal controls identified by our audit of the financial statements;
- Reviewing the output from the self-assessment questionnaires completed by all staff with Budget Holder responsibility and the Principal on behalf of the Governing Body;
- Testing compliance with delegated authorities for a sample of material transactions;

**Independent Reporting Accountant's Assurance Report on Regularity to
Merchants' Academy Trust and the Education & Skills Funding Agency (*continued*)**

- Testing transactions with connected parties to determine whether the Trust has complied with the 'at cost' requirements of the Academies Financial Handbook 2016
- Confirming through enquiry and sample testing that the Trust has complied with its procurement policies and that these policies comply with delegated authorities; and
- Reviewing any evidence of impropriety resulting from our work and determining whether it was significant enough to be referred to in our regularity report.

This list is not exhaustive and we performed additional procedures designed to provide us with sufficient appropriate evidence to express a negative conclusion on regularity consistent with the requirements of Part 9 of the Academies Accounts Direction 2016 to 2017.

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 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Victoria Sewell
Reporting Accountant
for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

Date: 19/12/2017

Consolidated statement of financial activities (including the income and expenditure account)

for year ended 31 August 2017

	Note	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	2017 £000	2016 £000
Income and endowments from:						
Donations and capital grants	3	-	65	55	120	50
Charitable activities						
Funding for the Academy Trust's educational operations	4	-	8,682	-	8,682	8,149
Other trading activities	5	277	129	-	406	425
Investment income	6	7	-	-	7	12
Total		284	8,876	55	9,215	8,636
Expenditure on						
Raising funds		198	46	-	244	253
Charitable activities:						
Academy Trust's educational operations	7,8	46	9,579	643	10,268	9,416
Total	7	244	9,625	643	10,512	9,669
Net income / (expenditure)		40	(749)	(588)	(1,297)	(1,033)
Transfers between funds		(266)	-	266	-	-
Other recognised losses						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	365	-	365	(1,705)
Net movements in funds		(226)	(384)	(322)	(932)	(2,738)
Reconciliation of funds						
Funds brought forward	17	1,222	(2,001)	22,367	21,588	24,326
Fund carried forward		996	(2,385)	22,045	20,656	21,588

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

Trust Statement of financial activities (including the income and expenditure account)

for year ended 31 August 2017

	Note	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	2017 £000	2016 £000
Income and endowments from:						
Donations and capital grants	3	-	65	55	120	50
Charitable activities						
Funding for the Academy Trust's educational operations	4	-	8,682	-	8,682	8,149
Other trading activities	5	89	129	-	218	249
Investment income	6	22	-	-	22	27
Total		111	8,876	55	9,042	8,475
Expenditure on						
Raising funds		24	46	-	70	73
Charitable activities:						
Academy Trust's educational operations	7,8	46	9,579	643	10,268	9,416
Total	7	70	9,625	643	10,338	9,489
Net income / (expenditure)		41	(749)	(588)	(1,296)	(1,014)
Transfers between funds		(266)	-	266	-	-
Other recognised losses						
Actuarial gains/(losses) on defined benefit pension schemes	23	-	365	-	365	(1,705)
Net movements in funds		(225)	(384)	(322)	(931)	(2,719)
Reconciliation of funds						
Funds brought forward	17	1,159	(2,001)	22,367	21,525	24,244
Fund carried forward		934	(2,385)	22,045	20,594	21,525

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

Consolidated Balance Sheet

As at 31 August 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	14	22,151	22,468
Current assets			
Debtors	15	362	256
Cash at bank and in hand	21	1,687	2,043
		2,049	2,299
Creditors: amounts falling due within one year	16	(859)	(566)
Net current assets		1,190	1,733
Total assets less current liabilities		23,341	24,201
Net assets excluding pension scheme liability		23,341	24,201
Pensions and similar obligations	23	(2,685)	(2,613)
Net assets including pension scheme liability		20,656	21,588
Charity funds			
Restricted funds			
Fixed asset funds	17	22,045	22,367
General funds	17	113	443
Pension reserve	17	(2,685)	(2,613)
Other	17	187	169
Total restricted funds	17	19,660	20,366
Unrestricted funds			
General fund(s)	17	365	325
Designated capital fund	17	631	897
Total unrestricted funds	17	996	1,222
Total funds		20,656	21,588

These financial statements were approved by the board of directors and were signed on its behalf by:


R Ancell
Chairman

Company registered number: 05598063

Date 14/12/2017

Trust Balance Sheet
as at 31 August 2017

	<i>Note</i>	2017 £000	2016 £000
Fixed assets			
Tangible assets	14	22,044	22,366
Current assets			
Debtors	15	607	585
Cash at bank and in hand	21	1,423	1,742
		<hr/>	<hr/>
Creditors: amounts falling due within one year	16	2,030 (795)	2,327 (555)
		<hr/>	<hr/>
Net current assets		1,235	1,772
		<hr/>	<hr/>
Total assets less current liabilities		23,279	24,138
		<hr/>	<hr/>
Net assets excluding pension scheme liability		23,279	24,138
		<hr/>	<hr/>
Pensions and similar obligations	20	(2,685)	(2,613)
		<hr/>	<hr/>
Net assets including pension scheme liability		20,594	21,525
		<hr/>	<hr/>
Charity funds			
<i>Restricted funds</i>			
Fixed asset funds	17	22,045	22,367
General funds	17	113	443
Pension reserve	17	(2,685)	(2,613)
Other	17	187	169
		<hr/>	<hr/>
Total restricted funds	17	19,660	20,366
		<hr/>	<hr/>
<i>Unrestricted funds</i>			
General fund(s)	17	302	262
Designated capital fund	17	632	897
		<hr/>	<hr/>
Total unrestricted funds	17	934	1,159
		<hr/>	<hr/>
Total funds		20,594	21,525
		<hr/>	<hr/>

These financial statements were approved by the board of directors and were signed on its behalf by:



R Ancell
Chairman

Company registered number: 05598063

Date

14/12/2017

Consolidated Statement of Cash Flows
for year ended 31 August 2017

	<i>Note</i>	2017 £000	2016 £000
Cash flows from operating activities			
Net cash used in operating activities	<i>19</i>	(69)	(417)
Cash flows from investing activities			
Net cash used in investing activities	<i>20</i>	(287)	(38)
Change in cash and cash equivalents in the reporting period		(356)	(455)
Cash and cash equivalents at 1 September 2016		2,043	2,498
Cash and cash equivalents at 31 August 2017	<i>21</i>	1,687	2,043

Notes

(forming part of the financial statements)

1 Principal accounting policies

The accounting policies that the Group has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently in the current and prior year and are shown below.

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Merchants' Academy Trust meets the definition of a public benefit entity under FRS 102.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Going concern

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

The Trustees have a reasonable expectation that the Academy Trust has adequate resources to continue in operation existence for 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. This is notwithstanding the fact that, with effect from 1 September 2017 the two academies included within the Merchant's Academy Trust were transferred on a going concern basis to Venturers Trust as detailed in note 23. At the present time, the Trustees are in discussions with regard to the future plans for the company following the transfer of the academies, and at the present time no decision has been taken.

Basis of consolidation

The Group financial statements consolidate the financial statements of the charitable company (Merchants' Academy Trust) and its subsidiary (Merchants' Academy Services Limited) for the year ended 31 August 2017.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes (continued)

1 Principal accounting policies (continued)

Incoming resources

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

- **Grants receivable**

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.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

- **Sponsorship**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where receipt is probable and it is measurable.

- **Donations**

Donations are recognised in the Statement of Financial Activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and receivable by the balance sheet date.

- **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 services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust is recognised in the Statement of Financial Activities at their value to the Academy Trust, as determined by the Trustees, in the period in which they are receivable, and where the benefit is both quantifiable and material.

Resources expended

All expenditure is accounted for on an accruals basis and is recognised when there is a legal or constructive obligation. All costs have been directly attributed to one of the functional categories of resources expended in the statement of financial activities. Support costs are

- **Expenditure on raising funds**

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes cost 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.

All resources expended are inclusive of irrecoverable VAT.

Notes (continued)

1 Principal accounting policies (continued)

Allocation of costs

Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include:

Cost category	Basis of apportionment
Maintenance of premises	Capacity of accommodation utilised
Other occupancy costs	Capacity of accommodation utilised
Depreciation	Capacity of accommodation utilised

Tangible fixed assets

Tangible fixed assets are included in the financial statements at cost. 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. The related grants are credited to a restricted fixed asset fund (in the Statement of Financial Activities and carried forward in the balance sheet) and depreciation is charged to the fund over the expected useful economic life of the related assets.

Depreciation

Depreciation has been provided at the following annual rates in order to reduce each asset to its estimated residual value at the end of its estimated useful life. A full year's depreciation is charged in the first year of acquisition.

Freehold Land	Not depreciated
Leasehold Land	Depreciated over the life of the lease
Buildings	2% on cost
Furniture and equipment	10% to 20% on cost
Computer equipment	25% on cost
Assets in the course of construction	Not depreciated

Operating leases

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

Taxation

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

The trading subsidiary, Merchants' Academy Trust Services Limited has a policy of gifting its profits to the Academy Trust every year where distributable profits exist, with no tax charge arising. Where profits are not gifted to the parent charity they are subject to corporation tax.

Pensions

Retirement benefits to employees of the Group 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 Group.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantial level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Notes (continued)

1 Principal accounting policies (continued)

Pensions (continued)

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

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

Liquid resources

Term deposits of less than one year are classified as investments within current assets.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Group at the discretion of the Governors. Unrestricted funds with designations placed upon them by the trustees are detailed in note 17.

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

Restricted general and other funds comprise all other restricted funds received, to be used for specific purposes, and include grants from the Education & Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no such judgements in either the current or prior year.

Notes (continued)

2 General annual grant (GAG)

The Trust's funding agreement does not contain limits on the amount of GAG that it is permitted to carry forward.

3 Donations and capital grants

Consolidated and Trust	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Donations – capital	-	65	65	21
Other donations	-	55	55	29
	-	120	120	50
2016 total	-	50	50	

4 Funding for Academy Trust's educational operations

Consolidated and Trust	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
DfE/ESFA revenue grants				
General Annual Grant (GAG) (note 2)	-	6,786	6,786	6,768
Start-up grants	-	105	105	
Other DfE/ESFA grants	-	888	888	893
	-	7,779	7,779	7,661
Other government grants				
SEN and Early Years from Bristol City Council	-	903	903	488
	-	8,682	8,682	8,149

All of the funding for educational operations received in 2016 was restricted.

Notes (continued)

5 Other trading activities

Consolidated	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	217	-	217	222
Catering income	-	93	93	97
Uniform sales	19	-	19	22
Trips and other income	41	36	77	84
	<u>277</u>	<u>129</u>	<u>406</u>	<u>425</u>
2016 total	<u>278</u>	<u>147</u>	<u>425</u>	

Trust	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Catering income	-	93	93	97
Uniform sales	19	-	19	22
Trips and other income	41	36	77	84
Gift Aid income	29	-	29	46
	<u>89</u>	<u>129</u>	<u>218</u>	<u>249</u>
2016 total	<u>102</u>	<u>147</u>	<u>249</u>	

6 Investment income

Consolidated	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short-term deposits	7	-	7	12
	<u>12</u>	<u>-</u>	<u>12</u>	
2016 total	<u>12</u>	<u>-</u>	<u>12</u>	

Trust	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Short-term deposits	7	-	7	12
Interest on inter-company loans	15	-	15	15
	<u>22</u>	<u>-</u>	<u>22</u>	<u>27</u>
2016 total	<u>27</u>	<u>-</u>	<u>27</u>	

Notes (continued)

7 Expenditure

Consolidated

	Staff Costs £000	Non-pay expenditure		2017 £000	2016 £000
		Premises £000	Other £000		
Expenditure on raising funds	103	67	74	244	253
Academy Trust's educational operations					
- Direct costs	5,960	644	879	7,483	6,958
- Allocated support costs	1,826	559	400	2,785	2,458
Total	7,889	1,270	1,353	10,512	9,669
Total for 2016	7,065	1,235	1,369	9,669	

Trust

	Staff Costs £000	Non-pay expenditure		2017 £000	2016 £000
		Premises £000	Other Costs £000		
Expenditure on raising funds	-	-	70	70	73
Academy Trust's educational operations					
- Direct costs	5,960	644	879	7,483	6,958
- Allocated support costs	1,826	559	400	2,785	2,458
Total	7,786	1,203	1,349	10,338	9,489
Total for 2016	6,962	1,179	1,348	9,489	

Notes (continued)

8 Charitable activities – Academy Trust's educational operations

Consolidated	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Trust's educational operations direct costs				
Teaching and educational support staff costs	-	5,960	5,960	5,472
Depreciation	-	643	643	616
Educational supplies	-	669	669	502
Examination fees	-	59	59	75
Staff development	-	58	58	44
Educational consultancy	-	5	5	49
Other direct costs	46	43	89	200
	<u>46</u>	<u>7,437</u>	<u>7,483</u>	<u>6,958</u>
Trust's educational operations allocated support costs				
Support staff costs	-	1,826	1,826	1,490
Recruitment and support	-	97	97	89
Maintenance of premises and equipment	-	288	288	282
Fuel	-	139	139	127
Cleaning	-	15	15	15
Rent and rates	-	50	50	47
Insurance	-	45	45	59
Security and transport	-	32	32	47
Catering	-	163	163	145
Bank interest and charges	-	3	3	4
Governance costs	-	-	-	32
Other support costs	-	127	127	121
	<u>-</u>	<u>2,785</u>	<u>2,785</u>	<u>2,458</u>
Total direct and support costs	<u>46</u>	<u>10,222</u>	<u>10,268</u>	<u>9,416</u>
2016 total	-	9,416	9,416	

Notes (continued)

8 Charitable activities – Academy Trust's educational operations (continued)

Trust	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000	Total 2016 £000
Direct costs				
Teaching and educational support staff costs	-	5,960	5,960	5,472
Depreciation	-	643	643	616
Educational supplies	-	669	669	502
Examination fees	-	59	59	75
Staff development	-	58	58	44
Educational consultancy	-	5	5	49
Other direct costs	46	43	89	200
	<u>46</u>	<u>7,437</u>	<u>7,483</u>	<u>6,958</u>
Allocated support costs				
Support staff costs	-	1,826	1,826	1,490
Recruitment and support	-	97	97	89
Maintenance of premises and equipment	-	288	288	282
Fuel	-	139	139	127
Cleaning	-	15	15	15
Rent and rates	-	50	50	47
Insurance	-	45	45	59
Security and transport	-	32	32	47
Catering	-	163	163	145
Bank interest and charges	-	3	3	4
Governance costs	-	-	-	32
Other support costs	-	127	127	121
	<u>-</u>	<u>2,785</u>	<u>2,785</u>	<u>2,458</u>
Total direct and support costs	<u>46</u>	<u>10,222</u>	<u>10,268</u>	<u>9,416</u>
2016 total	-	9,416	9,416	

Notes (continued)

9 Net movement in funds

Consolidated	2017 £000	2016 £000
Net movement in funds is stated after charging:		
Depreciation	666	634
Auditors' remuneration (including unrecoverable VAT)		
- For audit services	13	16
- For corporation tax services	2	2
- Review of AAR	-	1
	<u>15</u>	<u>19</u>

10 Information regarding Trustees and Employees

Consolidated	2017 £000	2016 £000
Staff costs during the year:		
Wages and salaries	5,995	5,587
Social security costs	456	388
Pension costs	1,305	970
	<u>7,756</u>	<u>6,945</u>
Supply teacher costs	133	120
	<u>7,889</u>	<u>7,065</u>

Average number of persons employed:

	No.	No.
Teaching	82	75
Administrative and support	120	106
Management	13	12
	<u>215</u>	<u>193</u>

The number of employees whose emoluments fell within the following bands was:

	Number	Number
£60,001 to £70,000	3	3
£70,001 to £80,000	1	2
£80,001 to £90,000	1	-
£120,001 to £130,000	-	-
£140,001 to £150,000	1	-
	<u>6</u>	<u>5</u>

Notes (continued)

11 Trustees' remuneration and expenses

Consolidated and Trust

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 £443,000 (2016: £334,000).

Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees.

No Trustee received expenses during the current or prior year.

12 Trustees' and officers' insurance

Consolidated and Trust

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £2,000 (2016: £2,000).

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

13 Investment in subsidiary (Trust)

	2017	2016
Subsidiary undertaking	<u>1</u>	<u>1</u>

Merchants' Academy Trust owns 100% of the share capital of Merchants' Academy Services Limited, a Company incorporated in the United Kingdom. The principal activity of the subsidiary undertaking is the management and operation of Merchants' Academy Trust Sports Centre.

The trading results of the subsidiary were as follows:

	2017 £000	2016 £000
Years to 31 August:		
Turnover	217	222
Expenditure	(222)	(233)
Loss for the financial year	<u>(5)</u>	<u>(11)</u>

The aggregate of the assets, liabilities and funds was:

	£000	£000
Assets	376	407
Liabilities	(314)	(340)
Shareholders' funds	<u>62</u>	<u>67</u>

Notes (continued)

14 Tangible fixed assets

Consolidated

	Land and buildings £000	Furniture and equipment £000	Computer Equipment £000	Total £000
Cost				
Balance at 1 September 2016	26,357	525	1,251	28,133
Additions	198	80	71	349
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	26,555	605	1,322	28,482
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
Balance at 1 September 2016	4,170	324	1,171	5,665
Charge for the year	535	56	75	666
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	4,705	380	1,246	6,331
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2017	21,850	225	76	22,151
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	22,187	201	80	22,468
	<hr/>	<hr/>	<hr/>	<hr/>

Trust

	Land and buildings £000	Furniture and equipment £000	Computer Equipment £000	Total £000
Cost				
Balance at 1 September 2016	26,242	340	1,251	27,833
Additions	198	52	71	321
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	26,440	392	1,322	28,154
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
Balance at 1 September 2016	4,134	162	1,171	5,467
Charge for the year	529	39	75	643
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 August 2017	4,663	201	1,246	6,110
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2017	21,777	191	76	22,044
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	22,108	178	80	22,366
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

15 Debtors

	Group 2017 £000	Group 2016 £000	Trust 2017 £000	Trust 2016 £000
Trade debtors	10	5	5	-
VAT recoverable	55	80	55	80
Prepayments and accrued income	165	170	165	170
Other debtors	79	1	79	1
Intercompany debtors	53	-	303	334
	<u>362</u>	<u>256</u>	<u>607</u>	<u>585</u>

Amounts owed by intercompany debtors include a loan for £250k which bears interest at a rate of 6% and which is repayable on demand.

16 Creditors: amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Trust 2017 £000	Trust 2016 £000
Trade creditors	129	282	128	279
Taxation and social security	131	120	131	120
Accruals	82	100	76	92
Deferred income	517	64	460	64
	<u>859</u>	<u>566</u>	<u>795</u>	<u>555</u>

Group Deferred Income

	2017 £000	2016 £000
Deferred income at 1 September 2016	64	174
Released from previous years	(57)	(165)
Resources deferred in the year	510	55
Deferred income at 31 August 2017	<u>517</u>	<u>64</u>

Notes (continued)

17 Funds

Consolidated

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	428	6,786	(7,116)	-	98
Pupil Premium	-	758	(758)	-	-
Other	15	1,267	(1,267)	-	15
Pension reserve	(2,613)	-	(437)	365	(2,685)
	<u>(2,170)</u>	<u>8,811</u>	<u>(9,578)</u>	<u>365</u>	<u>(2,572)</u>
Restricted other funds					
Army Cadet Centre	46	-	(3)	-	43
Merchants Academy Trust Hall	13	-	-	-	13
Youth Worker	21	-	-	-	21
Fundraising	29	-	(1)	-	28
Osborne Clarke	8	-	-	-	8
Other	52	65	(43)	-	74
	<u>169</u>	<u>65</u>	<u>(47)</u>	<u>-</u>	<u>187</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	22,177	55	(563)	-	21,669
Capital Expenditure from GAG	119	-	(47)	-	72
Capital Expenditure from Unrestricted	71	-	(33)	266	304
	<u>22,367</u>	<u>55</u>	<u>(643)</u>	<u>266</u>	<u>22,045</u>
Total restricted funds	<u>20,366</u>	<u>8,931</u>	<u>(10,268)</u>	<u>631</u>	<u>19,660</u>
Unrestricted funds					
Unrestricted funds	325	284	(244)	-	365
	<u>325</u>	<u>284</u>	<u>(244)</u>	<u>-</u>	<u>365</u>
Designated capital fund	897	-	-	(266)	631
	<u>897</u>	<u>-</u>	<u>-</u>	<u>(266)</u>	<u>631</u>
Total unrestricted funds	<u>1,222</u>	<u>284</u>	<u>(244)</u>	<u>(266)</u>	<u>996</u>
Total funds	<u>21,588</u>	<u>9,215</u>	<u>(10,512)</u>	<u>365</u>	<u>20,656</u>

Notes (continued)

17 Funds (continued)

Trust	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	428	6,786	(7,116)	-	98
Pupil Premium	-	758	(758)	-	-
Other	15	1,267	(1,267)	-	15
Pension reserve	(2,613)	-	(437)	365	(2,685)
	<u>(2,170)</u>	<u>8,811</u>	<u>(9,578)</u>	<u>365</u>	<u>(2,572)</u>
Restricted other funds					
Army Cadet Centre	46	-	(3)	-	43
Merchants Academy Trust Hall	13	-	-	-	13
Youth Worker	21	-	-	-	21
Fundraising	29	-	(1)	-	28
Osborne Clarke	8	-	-	-	8
Other	52	65	(43)	-	74
	<u>169</u>	<u>65</u>	<u>(47)</u>	<u>-</u>	<u>187</u>
Restricted fixed asset funds					
DfE/ESFA capital grants	22,177	55	(563)	-	21,669
Capital Expenditure from GAG	119	-	(47)	-	72
Capital Expenditure from Unrestricted	71	-	(33)	266	304
	<u>22,367</u>	<u>55</u>	<u>(643)</u>	<u>266</u>	<u>22,045</u>
Total restricted funds	<u>20,366</u>	<u>8,931</u>	<u>(10,268)</u>	<u>631</u>	<u>19,660</u>
Unrestricted funds					
Unrestricted funds	262	111	(70)	-	303
	<u>262</u>	<u>111</u>	<u>(70)</u>	<u>-</u>	<u>303</u>
Designated capital fund	897	-	-	(266)	631
	<u>897</u>	<u>-</u>	<u>-</u>	<u>(266)</u>	<u>631</u>
Total unrestricted funds	<u>1,159</u>	<u>111</u>	<u>(70)</u>	<u>(266)</u>	<u>934</u>
Total funds	<u>21,525</u>	<u>9,042</u>	<u>(10,338)</u>	<u>365</u>	<u>21,594</u>

Notes (continued)

17 Funds (continued)

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

Restricted general funds

This fund represents grants received for the Academy Trust's operational activities and development. The pension reserve relates to the Academy Trust's share of the deficit to the Local Government Pension Scheme administered by Avon Pension Fund.

Restricted other funds

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short-term.

Fixed asset fund

These grants relate to funding received from the DfE, ESFA and private sponsors to carry out works of a capital nature as part of the School Building project.

DfE/ESFA capital grants is capital funding for the construction of the new Academy Trust buildings, including fixtures and fittings, received from the Education & Skills Funding Agency.

Unrestricted funds

The general fund represents funds available to the Governors to apply for the general purposes of the Academy Trust. These funds are earmarked to contribute to future capital programmes that the Academy Trust wishes to undertake.

The designated capital fund relates to funds that Governors have put aside for future capital projects. These projects may or may not have been identified yet but the Academy Trust has plans for future development of the site and recognises that it may need to use some of its own reserves to fund this.

Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Merchants' Academy	1,281	1,819
Venturers' Academy	15	15
	<hr/>	<hr/>
Total before fixed asset and pension reserve	1,296	1,834
Restricted fixed asset reserve	22,045	22,367
Pension reserve	(2,685)	(2,613)
	<hr/>	<hr/>
Total	20,656	21,588
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

17 Funds (continued)

Analysis of cost by Academy

	Teaching and Educational Support Staff Costs £000	Other Support Staff costs £000	Educational Supplies £000	Other Costs (excluding depreciation) £000	2017 £000	2016 £000
Merchants' Academy	4,830	1,929	181	1,311	8,251	8,862
Venturers' Academy	1,130	-	486	-	1,616	191
Academy Trust	5,960	1,929	667	1,311	9,867	9,053

No central services were provided by the Trust to its academies during the period and no central charges arose.

18 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	Total 2017 £000
Tangible fixed assets	106	22,045	22,151
Current assets	922	1,127	2,049
	1,028	23,172	24,200
Creditors: amounts falling due within one year	(32)	(827)	(859)
Pension fund deficit	-	(2,685)	(2,685)
Total net assets	996	19,660	20,656

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000
Tangible fixed assets	102	22,366	22,468
Current assets	1,131	1,168	2,299
	1,233	23,534	24,767
Creditors: amounts falling due within one year	(11)	(555)	(566)
Pension fund deficit	-	(2,613)	(2,613)
Total net assets	1,222	20,366	21,588

Notes (continued)

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

	Total 2017 £000	Total 2016 £000
Net income/(expenditure) for the reporting period	(1,297)	(1,033)
Adjusted for:		
Depreciation	666	634
Capital grants from the DfE/ESFA	(55)	(21)
Interest receivable	(7)	(12)
Defined benefit scheme adjustments	380	199
Defined benefit scheme finance cost	57	
(Increase)/decrease in debtors	(106)	(38)
Increase/(decrease) in creditors	293	(146)
	<hr/>	<hr/>
Net cash provided by/(used in) operating activities	(69)	(417)
	<hr/>	<hr/>

20 Cash flows from investing activities

	Total 2017 £000	Total 2016 £000
Interest received	7	12
Purchase of tangible fixed assets	(349)	(71)
Capital grants	55	21
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	(287)	(38)
	<hr/>	<hr/>

21 Analysis of cash and cash equivalents

	Total 2017 £000	Total 2016 £000
Cash in hand and at bank	1,687	2,043
	<hr/>	<hr/>

22 Pensions and similar obligations

Consolidated and Academy Trust

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 Avon Pension Fund. 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 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014.

Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

Notes (continued)

20 Pensions and similar obligations (continued)

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year, the employer contribution rate was 14.1%. 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 the April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £559,000 (2016: £521,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £428,000 (2016: £346,000), of which employer's contributions totalled £313,000 (2016: £240,000) and employees' contributions totalled £115,000 (2016: £106,000). The agreed contribution rates for future years are 15.1% for employers and 5.5% to 12.5% for employees depending on salary banding.

As the scheme is in a deficit position the Trust is paying an additional annual contribution over and above the contribution rates noted above. For the year ending 31 August 2017 this payment was £8,000 (2016: £8,000).

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

Notes (continued)

21 Pensions and similar obligations (continued)

Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	3.7%	3.3%
Rate of increase for pensions in payment/inflation	2.2%	1.9%
Discount rate for scheme liabilities	2.4%	2.1%
Inflation assumption (CPI)	2.2%	1.8%
Commutation of pensions to lump sums	50.0%	50.0%

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

	At 31 August 2017	At 31 August 2016
Retiring today		
Males	23.5	23.5
Females	26.0	26.0
Retiring in 20 years		
Males	26.0	25.9
Females	28.7	28.9

Sensitivity analysis

	At 31 August 2017 £000
Discount rate +0.1%	2,489
Discount rate -0.1%	(2,489)
Mortality assumption – 1 year increase	2,481
Mortality assumption – 1 year decrease	(2,481)
CPI rate +0.1%	2,885
CPI rate -0.1%	(2,885)

Notes (continued)

20 Pensions and similar obligations (continued)

The Academy Trust's share of net assets in the scheme were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	3,037	2,465
Government bonds	687	595
Other bonds	472	468
Property	540	473
Cash/liquidity	221	(24)
Other assets	1,178	903
Total market value of assets	6,135	4,880

The actual return on scheme assets was £486,000 (2016: £630,000)

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost (net of employee contributions)	660	393
Net interest cost	57	23
Benefit changes, (gain)/loss on curtailment and (gain)/loss on settlement	24	27
Administration expenses	9	7
Total operating charge	750	450

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

	2017 £000	2016 £000
At 1 September	(7,493)	(4,739)
Current service cost	(660)	(393)
Interest cost	(173)	(189)
Employee contributions	(115)	(105)
Actuarial gain/(loss)	280	(2,169)
Curtailments	(24)	(27)
Benefits transferred	111	129
Business combinations	(746)	-
At 31 August	(8,820)	(7,493)

Notes (continued)

20 Pensions and similar obligations (continued)

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

	2017 £000	2016 £000
At 1 September	4,880	4,030
Interest on plan assets	116	166
Actuarial gain/(loss)	386	464
Employer contributions	313	251
Employee contributions	115	105
Benefits transferred	(111)	(129)
Administration expenses	(9)	(7)
Business combinations	445	-
	<hr/>	<hr/>
At 31 August	6,135	4,880
	<hr/>	<hr/>

21 Related parties transactions

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

The following related party transactions took place in the period of account:

- Nisbets PLC – a company in which A Nisbet, a Trustee, has a majority interest. Transactions totalling £7,000 (2016: £3,000) relating to the purchase of kitchen equipment took place during the year. This was provided at cost. £nil was outstanding as at 31 August 2017 (2016: £nil). In entering the transaction, the trust has complied with the requirements of the Academies Financial Handbook 2016.
- The Society of Merchant Venturers – a charity that controls the Trust through its powers to nominate members and trustees. Transactions totalling £16,500 (2016: £19,000) relating to the purchase of education consultancy and PR services took place in the year. This was provided at cost. No amounts were outstanding as at 31 August 2017 (2016: £nil). In entering the transaction, the trust has complied with the requirements of the Academies Financial Handbook 2016.

22 Ultimate controlling party

The Academy Trust is controlled by the Society of Merchant Venturers as they nominate the majority of the members and Trustees/Governors/Directors of the Academy Trust. Further details on appointment of members and Trustees/Governors/Directors are included in the Trustees' Report.

23 Events after the reporting period

On 1 September Merchants' Academy Trust transferred all its assets and liabilities into Colston's Girls' School Trust which was renamed Venturers Trust.