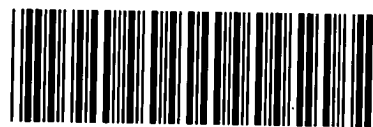


Company Registration No. 07837770 (England and Wales)

**THE EXCEL ACADEMY PARTNERSHIP**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

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# THE EXCEL ACADEMY PARTNERSHIP

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# THE EXCEL ACADEMY PARTNERSHIP

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

D D Hall (Chair)  
A J Hopgood (Vice Chair) (Resigned 31 August 2017)  
A Nicholas (Head Teacher and Accounting Officer) (Resigned 31 August 2017)  
K Cromarty  
P R Stewart  
J Thorns (Resigned 31 August 2017)  
A F Darnell  
J J Atkin  
R McLauchlan (Appointed 1 November 2016)  
M P Fleming  
R Warneford (Appointed 1 July 2017)

### Members

K Cromarty  
D D Hall  
M P Fleming

### Senior management team

- Head Teacher	A Nicholas (until 31st August 2017)
- Deputy Head Teacher	P Connor
- Deputy Head Teacher	F Thompson
- Business Director	W Pattison
- Assistant Head Teacher	J Rayson
- Assistant Head Teacher	R Wallace (until 27th November 2016)
- Assistant Head Teacher	H Richards

### Company registration number

07837770 (England and Wales)

### Registered office

Newton Drive  
Durham  
DH1 5BQ

### Independent auditor

Baldwins Audit Services Limited  
Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

### Bankers

Lloyds Bank plc  
19 Market Place  
Durham  
County Durham  
DH1 3NL

# THE EXCEL ACADEMY PARTNERSHIP

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Solicitors

Womble Bond Dickinson  
St Ann's Wharf  
112 Quayside  
Newcastle upon Tyne  
Tyne & Wear  
NE1 3DX

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

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The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1st September 2016 – 31st August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 - 18 serving an extensive area around central Durham. It has a pupil capacity of 1,348 and had a roll of 1,019 in the school census in October 2016.

#### **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 Directors of Excel Academy Partnership are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Excel Academy Partnership Trust.

The trust was formed as a Multi-Academy Trust which has the infrastructure to govern a family of schools through their Local Governing Boards. At present, the trust has responsibility for one secondary school, Framwellgate School Durham, and has a vision for expansion within a few years. Details of the trustees who served during the year 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.

##### Trustees' indemnities

The academy has purchased a risk management arrangement to protect trustees from claims arising against negligent acts, errors or omissions occurring whilst on academy business. This is included in the DfE RPA scheme.

##### Method of recruitment and appointment or election of trustees

The term of office for any Director shall be 4 years, save that this time limit shall not apply to the Principal or any post held ex officio. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

Recruitment of Trustees follows protocols outlined in the Standing Orders approved by the Board on 16th Dec 2014. When new Trustees are sought to fill a vacancy, the Nominations Committee shall consider any suggested nominations made by serving Trust Board Trustees, or by holders of senior posts, or through such other channels as it thinks fit. Having reached the conclusion of its deliberations regarding any particular vacancy, the Nominations Committee shall report its findings to the Trust Board, including in confidence the names of those persons whom it has considered, and shall recommend the preferred nominee(s) for appointment. It shall be for the Trust Board, in accordance with the Memorandum of Association, to consider and determine new appointments.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new trustees are given a tour of the academy and the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role. As there are normally only one or two new trustees a year, induction tends to be done informally and is tailored specifically to the individual. The Trust has widened and strengthened its training programme over this last year, in line with work also undertaken by the Local Governing Board. This has taken account of skills, and knowledge gaps. The local governing board undertook a skills audit and has a targeted training schedule in place which will help to address these. The Trust Board will undertake the same exercise this year to further strengthen overall and specific areas of knowledge. More details around governance, skills and training are available on the dedicated governance page on the school website at Framdurham.com

#### Organisational structure

The governance and leadership structure within the Academy Trust consist of three levels: the Trust Board, the Local Governing Board of schools within the multi-academy trust (presently Framwellgate School Durham) and the Senior Leadership Team, supported by the local workforce. The aim of the management structure is to provide a clear framework of accountability, encouraging involvement in strategic decision making at all levels.

The Head teacher of Framwellgate School Durham and its senior leadership team are responsible for supporting the Academy Trust at an executive level, implementing policies laid down by the trustees and reporting back to them. The committee structure facilitates this. As a group the senior leadership team are bound by the Academy Trust's scheme of delegation, which provides a clear framework for the delegation of authority and responsibility within the organisation.

#### Arrangements for setting pay and remuneration of key management personnel

Pay is determined in line with the Academy's pay policy which is reviewed and ratified annually by the Personnel Committee of the Trust Board. The pay policy for teaching and leadership staff complies with Teachers' Pay and Conditions, and performance related increments are based on successful performance achieved through the application of the Academy appraisal system. Support staff pay has undergone a thorough job evaluation process, with any new positions being job evaluated to ensure consistency of grade and responsibility. Support staff pay, including for senior leadership posts, is applied in line with Green Book pay and conditions, and is not performance related. The Academy does not pay governors or trustees.

#### Related parties and other connected charities and organisations

There are no related parties or other connected charities or organisations linked with Framwellgate School Durham.

All details are stated in note 23 to the Financial Statements.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the charitable company is the operation of Framwellgate School Durham to provide education for students of different abilities between the ages of 11 and 18.

In accordance with the articles of association the charitable company has adopted a 'Scheme of Government' approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### Objectives, strategies and activities

The main objective of the academy during the year ended 31 August 2017 was to secure quality education for all of its students in order to support them to:

- become morally responsible and proactive citizens
- be curious, creative and adaptable thinkers who are inspired by learning
- challenge themselves to explore their potential and exceed their expectations
- be ambitious and confident about reaching their life goals
- develop academic, personal and social skills to succeed in further study and employment
- develop life long learning skills

#### **Objects and Aims**

The academy's main objectives are encompassed in its mission statement which is that all students in its care should "Aspire to excel" and "learn to succeed". To this end The Academy Trust aims to secure quality education for all its students which will:

- provide academic rigour and challenge to raise aspiration and foster ambition
- instil the academic and social skills necessary to take the next steps in education or employment
- inspire them to be creative and entrepreneurial
- encourage the skills of research, enquiry and independent learning
- provide individual support to overcome barriers to learning
- instil community responsibility and respect for others
- be inclusive and value diversity
- instil British Values

Framwellgate School Durham aims to:

- be an inspiring place to work and learn
- deliver excellence in curriculum provision and pastoral care for all its students
- be actively engaged in researching, developing and sharing best practice in teaching and learning
- contribute to and benefit from collaboration with educational partners

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 18.

#### Public benefit

The academy's aims and achievements are set out within this report and have been undertaken to further its charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales and the trustees have considered this guidance in deciding what activities the academy should undertake.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Strategic report**

#### **Achievements and performance**

Outcomes for the academic year 2016/17 were disappointing with a fall in both the headline attainment and progress indicators at Key Stage 4. English and Maths were graded on a new 9-1 scale this year so direct comparisons with previous years should only be made with caution. Nevertheless, on the most comparable attainment measure, the percentage of students achieving a 4+ in English and maths was 65% (down from the comparable 71% achieving C+ in 2016). On the Progress 8 measure, the indicator fell from -0.3 to -0.37 (provisional).

Outcomes in the core subjects were on or around national average at 4+. In English Language, the percentage of students achieving a 4+ was 73% (national average 70%), the percentage of students achieving 4+ in English Literature was 75% (national average 73%), and the percentage of students achieving 4+ in maths was 70% (national average 71%). Although the combined English 4+ percentage increased from 77% (C+) in 2016 to 82% in 2017, it was the decline in maths performance (from 79% in 2016 to 70% in 2017) which had the greatest impact on the overall attainment and progress figures for the school.

The percentage of students achieving a 5+ (a new measure in 2017, and not comparable to previous years) in English Language was 52.3% (national average 53.3%), in English Literature was 51.7% (national average 55.4%), and in maths was 46.4% (national average 49.7%). Despite being on or around national averages, attainment, given the ability of the students on entry into Year 6 was disappointing, resulting in the Progress 8 figure of -0.37.

Outcomes were stronger in the Sixth Form, with an average grade per entry at A Level of C+ (matching the 2016 outcome and above national average) and an average grade for applied general (vocational) subjects of Distinction+ (again, matching last year).

Despite the disappointments of this year's outcomes, plans are now advanced to see rapid improvement in the coming year(s). A new Headteacher was appointed on 1st September 2017 and a number of changes (some instigated at the end of the previous academic year, and some new) are being introduced. Among these are:

- A new school development plan focused on implementing the change necessary to ensure that the next Ofsted inspection grades the school as Good (the previous inspection designated the school as requiring improvement).
- A significant number of new teachers in the academic year 2017/18
- A new appraisal system to provide greater accountability and clarity and ensure good and outstanding performance is rewarded
- A new school day with 90 minutes of staff development time built in each week to ensure that staff are trained appropriately to teach outstanding lessons.
- Investment in infrastructure; a new sports centre opened in September 2017 and a new computer network was installed before the start of the academic year.
- A new website will come on-line in October 2017
- New routines (teaching and learning; marking and feedback; student behaviour; uniform) aimed at creating a culture of high expectations
- A relentless focus on continuous improvement and driving up standards

The dip in student numbers is reversing. The numbers in Years 10 and 11 (140 and 159 respectively) are being followed by much larger numbers in Years 7, 8 and 9 (no less than 180 in any of these year groups). There is more work to be done here but an improvement in standards, closer links with primary schools, better communication with parents and a greater profile in the local community will all contribute. The aim is to ensure year groups consistently over 240 per year.



# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Key performance indicators

To ensure our ongoing success and improvement, key financial performance indicators include regular reporting through senior leadership teams and the governing board and Trust Board through a well-structured meetings schedule.

The school has developed a bespoke monthly outturn package which includes all income and expenditure to date, and forecasts income and expenditure to year end including all accruals and prepayments. This allows senior leaders and trustees to have a regular report on the current and projected financial health of the academy.

Reports are also provided on cash balances, and free reserves.

The total number of pupils captured on the October 2016 census was 1,019, including the sixth form provision, out of a capacity available of 1,348. The successes achieved, particularly from our sixth form results, will assist Framwellgate School Durham in recruitment and retention of pupils, which remains a key priority. Trustees regularly review our student numbers, and the impact on future funding.

Student numbers coming in to Year 7 in September 2017 were 190 which is a stronger position upon which Framwellgate School Durham aims to build.

Senior leaders and Trustees review teacher salaries each year, against performance and career stage expectations and will make recommendations for progressions in light of performance against targets.

Support staff salaries have been reviewed and undergo a job evaluation prior to appointment to vacancies to ensure consistency in grade and levels of responsibility.

Rigorous attendance monitoring is done monthly, with the application of the attendance management policy at all times. This allows the academy to improve attendance of staff whilst supporting individuals.

Rigorous quality assurance of data and student progress is undertaken on a regular basis by senior leaders, and members of the governing board, through a link governor model.

Internal assurance and internal audits throughout 2016-17 show outstanding results with no issues identified.

### 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 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.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Financial review**

Most of the academies income is obtained from the Department of education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/ESFA. In accordance with The Charities Statement of Recommended practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

In addition the school generates funding from the use of its own resources such as the use of the Sjøvoll Centre, lettings, and working in partnership with other Education providers in the delivery of some training programmes.

The Academy was successful again in securing ESFA funding through the Condition Improvement Fund in order to re clad and glaze Darwin Block, and for the building of a brand new sportshall, with demolition of the old structure. Darwin Block has been completed successfully, and the Sports Centre project will be completed within the coming financial year.

During the year ended 31 August 2017, total expenditure of £5,356,000 (excluding depreciation and the LGPS adjustments) was less than recurrent grant funding from the DfE/ESFA together with other incoming resources. The excess of expenditure over income for the year (before transfers and actuarial gains) was £179,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academies objectives.

At 31 August 2017 the net book value of fixed assets was £8,812,000 and movements in tangible fixed assets are shown in note 12 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of FRS102 have been applied in full, resulting in a deficit of £1,407,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2017 of £324,000 comprising entirely of unrestricted funds.

### **Reserves policy**

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- to provide funds which can be designated to specific areas to support priorities in the school improvement plan
- to cover ongoing costs in relation to the running of the academy including catering provisions, school trips, infrastructure upgrades and extra-curricular activities
- to support the maintenance and repair of an aging building
- to support staffing reduction plans enabling the academy to set a balanced budget

The level of reserves is reviewed by the trustees regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy is reviewed by the trustees on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of no more than 5% of the total budget allocation.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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This is considered sufficient to cover:

- a) unplanned activities
- b) emergency repairs/maintenance
- c) longer term financial planning to manage downturns in roll and therefore funding
- d) a salary safety net

The academy's current level of free reserves are in surplus by £324,000 and although are under the ideal level of reserves required for the ongoing needs of the academy, have been managed well within a significant financial downturn, ensuring the academy does not ever set a deficit budget. The trustees continue to consider additional activities related to the academy's objectives to which excess reserves may be achieved by:

- a) seeking to make savings from non-salary areas wherever possible
- b) seeking to achieve additional income including maximising CIF funding opportunities on a regular basis
- c) Ensuring that budget planning and curriculum design processes are conflated

#### Investment policy and powers

If free funds were available, the academy would invest surplus funds through money market accounts. Interest rates would be reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum. The Academy has not invested funds within the last financial year.

#### Principal risks and uncertainties

The principal risks and uncertainties are centred on changes in the level of funding from the DfE/ESFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

The trustees have assessed the major risks, to which the academy is exposed, in particular those relating specifically to teaching provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate risk protection arrangements, procured through the DfE RPA scheme. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The academy has fully implemented the requirements of the Safer Recruitment procedures and all key staff have received training in this area. In addition all staff have received training on Child Protection, Prevent Strategy, safer working practices and Keeping Children Safe in Education.

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks.

#### Plans for future periods

In order to expand as a Multi Academy Trust Framwellgate School Durham must endeavour to continue on a performance improvement journey. Our aim continues to be to achieve at least a good Ofsted judgement as quickly as possible, which will be used as a platform for the Trust's development and expansion. Our back office systems have been identified as offering best practice in many areas and this will support any plan for expansion having systems ready to implement across a family of schools.

# THE EXCEL ACADEMY PARTNERSHIP

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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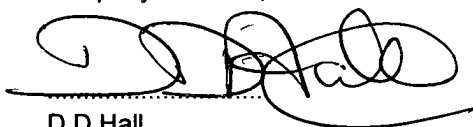
### **Auditor**

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

A resolution proposing that Baldwins Audit Services Limited be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on .....<sup>17/11/17</sup>..... and signed on its behalf by:



D D Hall  
Chair

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that The Excel Academy Partnership has an effective and appropriate system of control, financial and otherwise. However, such a system is design 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 Head teacher, as accounting officer, for ensuring financial controls conform to the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Excel Academy Partnership 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
D D Hall (Chair)	3	3
A J Hopgood (Vice Chair) (Resigned 31 August 2017)	2	3
A Nicholas (Head Teacher and Accounting Officer) (Resigned 31 August 2017)	3	3
K Cromarty	2	3
P R Stewart	0	3
J Thorns (Resigned 31 August 2017)	3	3
A F Darnell	3	3
J J Atkin	2	3
R McLauchlan (Appointed 1 November 2016)	3	3
M P Fleming	3	3
R Warneford (Appointed 1 July 2017)	1	1

Throughout the year, a lot of work has been undertaken to provide distinct layers of governance through separation of roles and responsibilities at all levels (Members, Trustees and Local Governors). Moving in to 2017-18, other than Chair of the Local Governing Board at Framwellgate School Durham, no other local governors will also be Trustees.

During 2016-17, the Trust appointed a new Head teacher who will be in post from 1st September 2017. The Board is confident that the new Head teacher will support the Trust in bringing about the necessary improvements required to allow the school to move quickly to a good Ofsted judgement, and to realise its vision for a family of successful and like minded schools under the umbrella of the Excel Academy Partnership.

The Chair of the Local Governing Board, Angela Darnell, has undertaken a governor led self evaluation of governance during 2016-17, has herself attended an external course for Chairs of Boards, and has worked closely with governors to identify areas of strength and gaps in knowledge which have been targeted through a well developed training programme, and have been used to help identify link governors to key subject areas across school. The results of the skills audit categorically reflect that every member of the Governing Board is fully committed to supporting the Head teacher and senior leadership team in driving school improvement.

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

The Audit Committee is a sub-committee of the main board of trustees. Its purpose is to operate as a sub committee of the Trust Board, to deal with finance, audit and assurance matters.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
A J Hopgood (Vice Chair) (Resigned 31 August 2017)	3	3
A Nicholas (Head Teacher and Accounting Officer) (Resigned 31 August 2017)	3	3
A F Darnell	1	3
J J Atkin	2	3
R McLauchlan (Appointed 1 November 2016)	3	3

### Review of value for money

As accounting officer the Head teacher has responsibility for ensuring that the academy trust delivers good value in 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 taxpayers 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 as detailed below:

The school has endeavoured to develop an efficient curriculum. Curriculum analysis is undertaken on annual basis to ensure that staffing ratios, contact time and class sizes are managed effectively. In 2016-17, the Pupil Teacher Ratio was 15.9 and the Contact Ratio was 0.71. The new Headteacher will be reviewing both curriculum and staffing, with a view to improving efficiency further in the future.

Due to falling pupil numbers, the school has faced reductions in funding. Consequently, this has required a reduction in staffing. From 2015/16 to 2016/17, 4.4 teaching positions, 1 leadership position and 5 support staff positions were removed from the staffing structure, or adapted. Leadership positions and those of middle leaders were reviewed, and efficiencies achieved. This reduction was largely managed through non-replacement of departing colleagues and the discontinuation of temporary contracts. Redundancy payments were made in 4 instances.

During 2016/17 the school was provided with a pupil premium allocation of circa £165,000. This funding was utilised to target a number of interventions to support pupils who had triggered the grant funding. Progress of our disadvantaged students continues to be better than the national average, and in 2016-17 the attainment gap reduced significantly.

The Academy has secured £2.4m through the ESFA condition improvement fund, for a new sportshall, and to reclad and reglaze Darwin block. The success of these two bids has allowed our revenue expenditure to shrink in line with reduced funding from the ESFA, and to spend within our budget allocation without having to invest internally on significantly aging buildings.

Savings have again been achieved during the year through a review of contracts and SLA's used by the Academy. These, together with the savings achieved through the Academy staffing reduction programme have ensured that the Academy can set a balanced budget again in 2017-18.

Due to an aging ICT infrastructure, it was essential that the school invested in a new ICT network. The Trust Board agreed to implement the network over the summer months and has funded a £110,000 investment in to this from our reserves budget. A procurement exercise was undertaken in June 2017, with the cheapest supplier chosen to design and implement the project.

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **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 effectively, efficiently and economically. The system of internal control has been in place in Excel Academy Partnership Trust for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

The academy trust's system of internal financial control is based on 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 audit 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:

- To appoint an experienced and qualified auditor as a peer reviewer who will follow an internal audit process three times a year. Trustees will appoint an external auditor, to perform a full year end audit to support this process.

The peer review role includes giving advice on financial matters and performing a range of checks on the academy trusts financial systems. In particular the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis the peer reviewer provides a report to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

During the year the Academy Trust Internal Assurance function has been fully delivered in line with the ESFA's requirements, as dictated by the regulations in the Academies Financial Handbook.

The external auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

# THE EXCEL ACADEMY PARTNERSHIP

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **Review of effectiveness**

As accounting officer the Head teacher 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 assurer
- The work of the external auditor
- The work of the peer reviewer
- 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 audit committee and ensures continuous improvement of the system in place.

Approved by order of the board of trustees on 15/12/17 and signed on its behalf by:



D D Hall  
Chair



A Byers  
Accounting Officer



# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

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As accounting officer of The Excel Academy Partnership, since 1 September 2017, I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding; under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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

A Byers  
Accounting Officer



15/11/17

# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2017**

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

Company law requires the trustees to prepare 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:

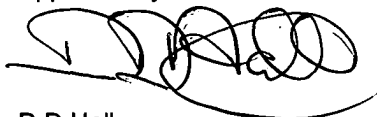
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 board of trustees on .....15/11/17..... and signed on its behalf by:



D D Hall  
Chair

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCEL ACADEMY PARTNERSHIP

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### Opinion

We have audited the accounts of The Excel Academy Partnership for the year ended 31 August 2017 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 2016 to 2017 issued by the Education and 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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2016 to 2017.

### 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.

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCEL ACADEMY PARTNERSHIP (CONTINUED)

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### Opinions on other matters prescribed by the Companies Act 2006

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

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EXCEL ACADEMY PARTNERSHIP (CONTINUED)

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### Auditor's responsibilities for the audit of the financial statements

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.

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

Baldwins

Graham Fitzgerald BA FCA DChA (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services Limited

15/12/17  
.....

Chartered Accountants  
Statutory Auditor

Wynyard Park House  
Wynyard Avenue  
Wynyard  
TS22 5TB

# THE EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EXCEL ACADEMY PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY

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In accordance with the terms of our engagement letter dated 15 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Excel Academy Partnership 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 The Excel Academy Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Excel Academy Partnership 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 Excel Academy Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of The Excel Academy Partnership's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of The Excel Academy Partnership's funding agreement with the Secretary of State for Education dated 30 November 2011 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the 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 EXCEL ACADEMY PARTNERSHIP

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE EXCEL ACADEMY PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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The work undertaken to draw to our conclusion includes:

- completion of self assessment questionnaire by Accounting Officer
- discussions with the Accounting Officer and finance team
- review of Internal Assurance reports
- review of trustee and committee meeting minutes
- review of finance and other relevant policies
- review of purchases, expenses and expense claims on a sample basis including the application of controls and tendering processes where applicable
- review of gifts and hospitality transactions including the application of controls
- review of credit and debit card transactions including the application of controls
- review of payroll transactions on a sample bases including the application of controls
- review of potential special payments to staff
- review of leases and consideration of areas where borrowing may have been incurred
- consideration of transactions with related and connected parties
- review of register of business interests for completeness and compliance with regulations
- enquiries into transactions that may require disclosure under ESFA delegated authority rules
- consideration of value for money and appropriateness of transactions

### 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.



### Reporting Accountant

Baldwins Audit Services Limited

Dated: 16/11/17 .....

# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	-	1,665	1,665	867
Charitable activities:						
- Funding for educational operations	4	318	4,814	-	5,132	5,274
Other trading activities	5	228	-	-	228	152
Investments	6	1	-	-	1	4
<b>Total income and endowments</b>		<u>547</u>	<u>4,814</u>	<u>1,665</u>	<u>7,026</u>	<u>6,297</u>
<b>Expenditure on:</b>						
Raising funds	7	335	-	-	335	-
Charitable activities:						
- Educational operations	8	186	5,019	521	5,726	5,973
<b>Total expenditure</b>	7	<u>521</u>	<u>5,019</u>	<u>521</u>	<u>6,061</u>	<u>5,973</u>
<b>Net income/(expenditure)</b>		26	(205)	1,144	965	324
Transfers between funds		(54)	19	35	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	602	-	602	(884)
<b>Net movement in funds</b>		<u>(28)</u>	<u>416</u>	<u>1,179</u>	<u>1,567</u>	<u>(560)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>352</u>	<u>(1,823)</u>	<u>8,166</u>	<u>6,695</u>	<u>7,255</u>
Total funds carried forward		<u>324</u>	<u>(1,407)</u>	<u>9,345</u>	<u>8,262</u>	<u>6,695</u>



# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds £'000	General £'000	Fixed asset £'000	2016 £'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	867	867
Charitable activities:					
- Funding for educational operations	4	253	5,021	-	5,274
Other trading activities	5	152	-	-	152
Investments	6	4	-	-	4
<b>Total income and endowments</b>		<u>409</u>	<u>5,021</u>	<u>867</u>	<u>6,297</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	392	5,045	536	5,973
<b>Total expenditure</b>	7	<u>392</u>	<u>5,045</u>	<u>536</u>	<u>5,973</u>
<b>Net income/(expenditure)</b>		17	(24)	331	324
Transfers between funds		-	(27)	27	-
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	19	-	(884)	-	(884)
<b>Net movement in funds</b>		17	(935)	358	(560)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>335</u>	<u>(888)</u>	<u>7,808</u>	<u>7,255</u>
Total funds carried forward		<u>352</u>	<u>(1,823)</u>	<u>8,166</u>	<u>6,695</u>

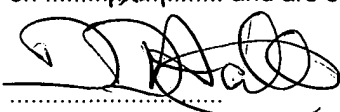
# THE EXCEL ACADEMY PARTNERSHIP

## BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		8,814		7,609
<b>Current assets</b>					
Debtors	13	269		140	
Cash at bank and in hand		1,150		1,252	
		<u>1,419</u>		<u>1,392</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(441)		(339)	
<b>Net current assets</b>			978		1,053
<b>Total assets less current liabilities</b>			9,792		8,662
Creditors: amounts falling due after more than one year	15		(123)		(144)
<b>Net assets excluding pension liability</b>			9,669		8,518
Defined benefit pension liability	19		(1,407)		(1,823)
<b>Net assets</b>			<u>8,262</u>		<u>6,695</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			9,345		8,166
- Pension reserve			(1,407)		(1,823)
<b>Total restricted funds</b>			7,938		6,343
<b>Unrestricted income funds</b>	17		324		352
<b>Total funds</b>			<u>8,262</u>		<u>6,695</u>

The accounts set out on pages 22 to 45 were approved by the board of trustees and authorised for issue on 15/09/17 and are signed on its behalf by:



D D Hall  
Chair

Company Number 07837770

# THE EXCEL ACADEMY PARTNERSHIP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £'000	2016 £'000
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	20	(15)	(120)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		1	4
Capital grants from DfE and EFA		1,651	867
Capital funding from sponsors and others		14	-
Payments to acquire tangible fixed assets		(1,726)	(355)
Proceeds from sales of tangible fixed assets		-	5
		(60)	521
<b>Cash flows from financing activities</b>			
Repayment of other loan		(27)	(26)
		(27)	(26)
<b>Change in cash and cash equivalents in the reporting period</b>		(102)	375
Cash and cash equivalents at 1 September 2016		1,252	877
<b>Cash and cash equivalents at 31 August 2017</b>		<u>1,150</u>	<u>1,252</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 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 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Excel Academy Partnership meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 accounts 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 accounts.

##### 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 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. 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.

###### Sponsorship income

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 there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

###### 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 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 and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the 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'.

#### Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

### 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.

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 1 Accounting policies

(Continued)

#### 1.5 Tangible fixed assets and depreciation

Assets costing £1,000 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.

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

Long leasehold property	over 22 years
Computer equipment	over 3 years
Fixtures, fittings and equipment	over 7 years

The trust's land and buildings are occupied on a 125 year lease from the local authority. In the view of the trustees, the risks and rewards of occupying the site have been substantially transferred to the trust and therefore the land and buildings have been recognised as a donation on conversion and capitalised within the restricted fixed assets fund. The basis of valuation has been disclosed within the fixed assets note.

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 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

(Continued)

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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 chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.10 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 prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.11 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### 1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary and other funds from the ESFA and private sponsors. Payments received and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in the notes to the accounts.

#### 1.13 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 areas of judgement

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 cost 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 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:

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy. The value of depreciation charge during the year was £519,606.

Land and buildings - Land and buildings are held under a 125 year lease from Durham County Council. These assets are included on the balance sheet of the academy due to the significant risks and rewards of ownership belonging to the academy, the lease term being the major part of the economic life of the assets and the assets being of such a specialised nature that only the academy could use them without major modification.

### 2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the academy trust was subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2017.



# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Capital grants	-	1,665	1,665	867

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	4,614	4,614	4,845
Other DfE / ESFA grants	-	165	165	162
	-	4,779	4,779	5,007
<b>Other government grants</b>				
Local authority grants	-	35	35	14
<b>Other funds</b>				
Catering income	298	-	298	253
Other incoming resources	20	-	20	-
	318	-	318	253
<b>Total funding</b>	318	4,814	5,132	5,274

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Lettings	50	-	50	43
Catering income	20	-	20	12
Parental contributions	105	-	105	-
Catering income	19	-	19	22
Other income	34	-	34	75
	228	-	228	152

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	1	-	1	4
	<u>1</u>	<u>-</u>	<u>1</u>	<u>4</u>

### 7 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2017 £'000	Total 2016 £'000
Expenditure on raising funds	-	-	335	335	-
Academy's educational operations					
- Direct costs	3,468	-	246	3,714	3,812
- Allocated support costs	990	826	196	2,012	2,161
	<u>4,458</u>	<u>826</u>	<u>777</u>	<u>6,061</u>	<u>5,973</u>

#### Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	7	9
- Other services	3	4
Operating lease rentals	17	14
Depreciation of tangible fixed assets	521	536
Net interest on defined benefit pension liability	35	31
	<u>583</u>	<u>614</u>

### 8 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Direct costs - educational operations	24	3,690	3,714	3,812
Support costs - educational operations	162	1,850	2,012	2,161
	<u>186</u>	<u>5,540</u>	<u>5,726</u>	<u>5,973</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 8 Charitable activities

(Continued)

	2017 £'000	2016 £'000
<b>Analysis of support costs</b>		
Support staff costs	990	884
Depreciation and amortisation	521	536
Technology costs	44	39
Premises costs	258	264
Other support costs	153	425
Governance costs	46	13
	<u>2,012</u>	<u>2,161</u>

### 9 Staff costs

	2017 £'000	2016 £'000
Wages and salaries	3,266	3,492
Social security costs	290	256
Operating costs of defined benefit pension schemes	680	561
	<u>4,236</u>	<u>4,309</u>
Staff costs	4,236	4,309
Supply staff costs	167	95
Staff restructuring costs	37	20
Staff development and other staff costs	18	8
	<u>4,458</u>	<u>4,432</u>

#### Staff numbers

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

	2017 Number	2016 Number
Teachers	56	60
Administration and support	55	53
Management	7	8
	<u>118</u>	<u>121</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

(Continued)

#### Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	2
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
	<u>      </u>	<u>      </u>

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £37,486 (2016: £20,000). Individually, the payments were: £18,350 and £19,136.

#### 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 £481,638 (2016: £528,000).

### 10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

#### A Nicholas (Head teacher):

Remuneration	£85,001 - £90,000 (2016: £95,001 - £100,000)
Employer's pension contributions	£10,001 - £15,000 (2016: £15,001 - £20,000)

During the year, no trustees received any benefits in kind (2016 - £nil)

During the year, no trustees received any reimbursement of expenses (2016 - £nil).

### 11 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Long leasehold property £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
<b>Cost</b>				
At 1 September 2016	8,766	353	499	9,618
Additions	1,671	44	11	1,726
At 31 August 2017	10,437	397	510	11,344
<b>Depreciation</b>				
At 1 September 2016	1,607	247	155	2,009
Charge for the year	374	75	72	521
At 31 August 2017	1,981	322	227	2,530
<b>Net book value</b>				
At 31 August 2017	8,456	75	283	8,814
At 31 August 2016	7,159	106	344	7,609

### 13 Debtors

	2017 £'000	2016 £'000
Trade debtors	6	6
VAT recoverable	9	8
Other debtors	1	55
Prepayments and accrued income	253	71
	269	140

### 14 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Other loans	27	33
Trade creditors	93	36
Other taxation and social security	149	176
Other creditors	52	11
Accruals and deferred income	120	83
	441	339

### 15 Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Other loans	123	144

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

		(Continued)	
15	Creditors: amounts falling due after more than one year	2017	2016
	<b>Analysis of loans</b>		
	Wholly repayable within five years	150	177
	Less: included in current liabilities	(27)	(33)
		<hr/>	<hr/>
	Amounts included above	123	144
		<hr/>	<hr/>
	<b>Loan maturity</b>		
	Debt due in one year or less	27	33
	Due in more than one year but not more than two years	27	26
	Due in more than two years but not more than five years	81	78
	Due in more than five years	15	40
		<hr/>	<hr/>
		150	177
		<hr/>	<hr/>
Included within other loans is an interest free Salix loan of £150,000 (2016: £177,000).			
16	<b>Deferred income</b>	<b>2017</b>	<b>2016</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income is included within:		
	Creditors due within one year	56	33
		<hr/>	<hr/>
	Deferred income at 1 September 2016	33	29
	Released from previous years	(33)	(29)
	Amounts deferred in the year	56	33
		<hr/>	<hr/>
	<b>Deferred income at 31 August 2017</b>	<b>56</b>	<b>33</b>
		<hr/>	<hr/>

At the balance sheet date the Academy Trust was holding deferred income relating to rates relief and school trip income received in advance.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	4,614	(4,633)	19	-
Other DfE / ESFA grants	-	165	(165)	-	-
Other government grants	-	35	(35)	-	-
	<u>-</u>	<u>4,814</u>	<u>(4,833)</u>	<u>19</u>	<u>-</u>
Funds excluding pensions	-	4,814	(4,833)	19	-
Pension reserve	(1,823)	-	(186)	602	(1,407)
	<u>(1,823)</u>	<u>4,814</u>	<u>(5,019)</u>	<u>621</u>	<u>(1,407)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	6,144	-	(321)	-	5,823
DfE / ESFA capital grants	1,676	1,665	(83)	-	3,258
Capital expenditure from GAG	346	-	(117)	35	264
	<u>8,166</u>	<u>1,665</u>	<u>(521)</u>	<u>35</u>	<u>9,345</u>
<b>Total restricted funds</b>	<u>6,343</u>	<u>6,479</u>	<u>(5,540)</u>	<u>656</u>	<u>7,938</u>
<b>Unrestricted funds</b>					
General funds	325	528	(500)	(54)	299
School fund	27	19	(21)	-	25
	<u>352</u>	<u>547</u>	<u>(521)</u>	<u>(54)</u>	<u>324</u>
<b>Total funds</b>	<u>6,695</u>	<u>7,026</u>	<u>(6,061)</u>	<u>602</u>	<u>8,262</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 17 Funds

(Continued)

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

General Annual Grant must be used for the normal running costs of the academy. 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 2017.

Other DfE/ESFA grants include pupil premium.

Other grants include income funding for pupils with special educational needs from the local authority.

The pension reserve reflects the LGPS transactions. The costs and income associated with the defined benefit pension scheme have been recorded in the restricted fund. Staff costs are paid from this fund, including contributions to the LGPS, and the pension liability has therefore been aligned with these funds.

DfE/ESFA capital grants consist of a devolved capital grant of £35,000, capital improvement fund of £1,608,000 and a capital grant from the local authority of £14,000 of which £682,000 has been carried forward.

Inherited fixed asset fund reflects the fixed assets acquired from Durham County Council on conversion. Depreciation on these assets is charged against this fund.

Unrestricted funds are available to be spent on any purpose, at the discretion of the trustees, within the objectives of the academy trust. During the current academic year, the academy transferred £27,000 of its free reserves to fund an in year GAG deficit and to reflect the repayment of the salix loans.

The academy's restricted general and unrestricted funds were £324,000 as at 31 August 2017.



# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 17 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	-	4,845	(4,818)	(27)	-
Other DfE / ESFA grants	-	162	(162)	-	-
Other government grants	-	14	(14)	-	-
	<u>-</u>	<u>5,021</u>	<u>(4,994)</u>	<u>(27)</u>	<u>-</u>
Funds excluding pensions	-	5,021	(4,994)	(27)	-
Pension reserve	(888)	-	(51)	(884)	(1,823)
	<u>(888)</u>	<u>5,021</u>	<u>(5,045)</u>	<u>(911)</u>	<u>(1,823)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	6,465	-	(321)	-	6,144
DfE / ESFA capital grants	857	867	(48)	-	1,676
Capital expenditure from GAG	486	-	(167)	27	346
	<u>7,808</u>	<u>867</u>	<u>(536)</u>	<u>27</u>	<u>8,166</u>
<b>Total restricted funds</b>	<u>6,920</u>	<u>5,888</u>	<u>(5,581)</u>	<u>(884)</u>	<u>6,343</u>
<b>Unrestricted funds</b>					
General funds	292	387	(354)	-	325
Other funds	43	22	(38)	-	27
	<u>335</u>	<u>409</u>	<u>(392)</u>	<u>-</u>	<u>352</u>
<b>Total funds</b>	<u>7,255</u>	<u>6,297</u>	<u>(5,973)</u>	<u>(884)</u>	<u>6,695</u>

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	8,813	8,814
Current assets	349	388	682	1,419
Creditors falling due within one year	(26)	(388)	(27)	(441)
Creditors falling due after one year	-	-	(123)	(123)
Defined benefit pension liability	-	(1,407)	-	(1,407)
	<u>323</u>	<u>(1,407)</u>	<u>9,345</u>	<u>8,262</u>
	<u><u>323</u></u>	<u><u>(1,407)</u></u>	<u><u>9,345</u></u>	<u><u>8,262</u></u>
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	7,609	7,609
Current assets	352	306	734	1,392
Creditors falling due within one year	-	(306)	(33)	(339)
Creditors falling due after one year	-	-	(144)	(144)
Defined benefit pension liability	-	(1,823)	-	(1,823)
	<u>352</u>	<u>(1,823)</u>	<u>8,166</u>	<u>6,695</u>
	<u><u>352</u></u>	<u><u>(1,823)</u></u>	<u><u>8,166</u></u>	<u><u>6,695</u></u>

### 19 Pensions 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 Durham County Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £67,000 (2016: £66,000) were payable to the schemes at 31 August 2017 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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

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#### 19 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**

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £395,000 (2016: £427,000).

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 trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

##### **Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.4% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming 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.

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

Total contributions made	2017 £'000	2016 £'000
Employer's contributions	103	114
Employees' contributions	42	37
Total contributions	145	151
Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.4	3.4
Rate of increase for pensions in payment	1.9	1.9
Discount rate	2.5	2.0
Inflation assumption (CPI)	1.9	1.9

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

	2017 Years	2016 Years
Retiring today		
- Males	23.2	22.7
- Females	24.9	25.2
Retiring in 20 years		
- Males	25.4	24.9
- Females	27.2	27.5

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

	2017 £'000	2016 £'000
Discount rate + 0.1%	3,334	3,420
Discount rate - 0.1%	3,510	3,598
Mortality assumption + 1 year	3,320	3,397
Mortality assumption - 1 year	3,523	3,620
CPI rate + 0.1%	3,475	3,563
CPI rate - 0.1%	3,368	3,454

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

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

	2017 Fair value £'000	2016 Fair value £'000
Equities	989	736
Government bonds	620	546
Corporate bonds	173	143
Cash	87	125
Property	145	135
Total market value of assets	2,014	1,685

#### Actual return on scheme assets - gain/(loss)

208	229
-----	-----

#### Amounts recognised in the statement of financial activities

	2017 £'000	2016 £'000
Current service cost	254	117
Past service cost	-	17
Interest income	(35)	(51)
Interest cost	70	82
Total operating charge	289	165

#### Changes in the present value of defined benefit obligations

	2017 £'000	2016 £'000
Obligations at 1 September 2016	3,508	2,106
Current service cost	254	117
Interest cost	70	82
Employee contributions	42	37
Actuarial (gain)/loss	(429)	1,062
Benefits paid	(24)	87
Past service cost	-	17
At 31 August 2017	3,421	3,508

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Pensions and similar obligations

(Continued)

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

	2017 £'000	2016 £'000
Assets at 1 September 2016	1,685	1,218
Interest income	35	51
Actuarial gain	173	178
Employer contributions	103	114
Employee contributions	42	37
Benefits paid	(24)	87
At 31 August 2017	2,014	1,685

### 20 Reconciliation of net income to net cash flows from operating activities

	2017 £'000	2016 £'000
Net income for the reporting period	965	324
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(1,665)	(867)
Investment income receivable	(1)	(4)
Defined benefit pension costs less contributions payable	151	20
Defined benefit pension net finance cost	35	31
Depreciation of tangible fixed assets	521	536
(Increase)/decrease in debtors	(129)	71
Increase/(decrease) in creditors	108	(231)
Net cash used in operating activities	(15)	(120)

### 21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £'000	2016 £'000
Amounts due within one year	16	12
Amounts due in two and five years	41	3
	57	15

# THE EXCEL ACADEMY PARTNERSHIP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2017**

### **22 Capital commitments**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Expenditure contracted for but not provided in the accounts	762	-

### **23 Related party transactions**

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector 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. The following related party transaction took place in the period of account.

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.

### **25 Agency arrangements**

The academy trust distributes 16-19 and vulnerable bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £12,000 and disbursed £12,000 from the fund. An amount of £nil is included in other creditors relating to undistributed funds that is repayable to ESFA.