

The Venturers Trust

Annual report and consolidated financial statements for period ended 31 August 2016

Company number 09465457

Charity number 1168516



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Reference and Administrative Details

Member

Society of Merchant Venturers

Present Trustees and Directors and those who have served during the period

Mr C J Curling	(Chairman)	(appointed 29 July 2016)
Mr P J Rilett		(resigned June 2016)
Mr T Smallwood		
Mr J R Ancell		
Mr R J Morris		(resigned 10 November 2015)
Mrs A Burrell		(resigned 1 April 2016)
Mrs E Draisey		(resigned 1 February 2016)
Mrs C-J Duckworth DL		(appointed 10 November 2015)
Mr D Potter		(appointed 29 July 2016)
Mr J S Laycock		(appointed 28 October 2016)

The individuals listed above are the trustees of the charity and directors of the company. Throughout the Trustees' Report they will be referred to as Trustees.

Registered office	The Venturers Trust Merchants' Hall The Promenade Bristol BS8 3NH
Company Registration Number	09465457
Charity Number	1168516
Independent Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE
Solicitors	Browne Jacobson Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Bankers	Natwest Bank plc 32 Corn Street Bristol BS99 7UG
Investment Managers	Smith & Williamson Investment Management Portwall Place Portwall Lane Bristol BS1 6NA

Trustees' Report

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their report and audited financial statements for the 17 month period ended 31 August 2016. The report serves the purposes of both a Trustees' Report and a Directors' Report under company law.

The Venturers Trust (the Trust) has been set up by the Society of Merchant Venturers as an umbrella trust to support schools and school improvement in greater Bristol. Control of Colston's Girls' School Trust (CGST) and Merchants' Academy transferred to the Trust on 25 March 2015. In July 2016 Merchants' Academy became a multi-academy trust, Merchants' Academy Trust (MAT). The sponsor of CGST and Merchants' Academy moved from the Society of Merchant Venturers to The Venturers Trust on 25 March 2015.

During the period of this report the Trust has overseen the growth of CGST which now comprises one secondary and five primary schools across East Central Bristol and the development of MAT which now comprises one all age Academy and the Venturers' Academy for children with autism. The Trust was developed to encourage all its schools to operate within a spirit of partnership whilst maintaining each school's individual identity, ethos and values.

The Society of Merchant Venturers (SMV) was established under Royal Charter in 1552 and its membership is made up of men and women from a wide range of occupations and backgrounds. They give their time and skills to contribute to the prosperity and well-being of the greater Bristol area and help to enhance the quality of life for all. Today SMV focusses on education, care for the elderly, social business and charitable giving. In addition, SMV and its members play an active role in many local charities. SMV educational activity now focusses on two geographical areas; South Bristol and East Central Bristol.

SMV has had a long association with education and became involved with the creation of Merchants' Academy at the start of the Government Academy programme. SMV became a sponsor, with the University of Bristol, of the new state secondary academy on the site of the failing Witherwood Community School. SMV's involvement was driven by a desire to help raise educational standards, improve the life chances of young people in this deprived area of the City and to support building a stronger, more resilient local community. Merchants' Academy opened in 2008. Since then, a local primary school, Gay Elms, has joined Merchants' Academy, making the school an all-through academy. There has been a consistent drive to improve educational standards and raise aspirations for all the young people attending the school.

Colston's Girls' School (CGS) was an independent day school until it transferred into the state sector in 2008 and became an Academy School sponsored solely by the Society of Merchant Venturers. Since then, pupil numbers have doubled and CGS continues to be a heavily over-subscribed school in the City with a reputation for academic excellence together with a rich extra-curricular offering. The academy has a very diverse intake and welcomes girls of all faiths and cultural backgrounds. Since the establishment of CGS Trust (CGST) a number of primary schools have joined from across East Central Bristol. The desire of the Trust continues to be the development of educational excellence and many of our schools support children from diverse and disadvantaged backgrounds.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Venturers Trust is a company limited by guarantee and gained charitable status on 29 July 2016. The charitable company's memorandum and articles of association are the primary governing documents of the Trust. The trustees of the Trust are also the directors of the charitable company for the purposes of company law.

Members and members' liability

As set out in the Articles of Association, the member of the Trust is the Society of Merchant Venturers. The Trust does not have share capital. The member of the Trust undertakes to contribute to the assets of the company in the event of it being wound up, such amount as may be required, but not exceeding £10, towards the debts and liabilities contracted by the Trust.

Trustees' report (*continued*)

STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

Directors/Trustees

Trustees are selected for the skills and expertise they can bring to the role and training is tailored specifically to each individual. All Trustees go through an induction programme which includes providing them with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustee. Where necessary, induction provides training on charity, educational, legal and financial matters. Trustees are also provided with regular updates on policies and procedures as well as refresher training as required.

Organisational management

The Trustees, as directors of the company, are legally responsible for the overall management and control of the Trust.

The Trustees, all of whom served throughout the period to 31 August 2016 and up to the date of this report unless otherwise stated, are listed on page 1.

Ultimate controlling party

The Society of Merchant Venturers is the Trust's ultimate controlling party.

Subsidiary and associated companies

The Trust controls Merchants' Academy Trust and Colston's Girls' School Trust since it appoints a majority of Governors to each of these multi-academy trusts. Through the Merchants' Academy Trust the Trust owns 100% of the issued ordinary shares of Merchants' Academy Services Limited, a company registered in England and Wales (no. 06707036). Further details about the subsidiary are given in note 10 to the accounts.

The Trust is also deemed to have control of Colston's Girls' School Trust Endowment Fund (registered charity number 1127105) through Colston's Girls' School Trust which is the sole trustee of the fund.

Organisational structure of multi-academy trusts

The Trust is an umbrella trust with both MAT and CGST sitting beneath its overarching structure. Each multi-academy trust has a board which is legally responsible for the overall management and control of that trust. The Trust is consulted on the appointment of the Chair and key Executive appointments of each multi-academy trust.

Both multi-academy trusts operate a committee structure which have clear terms of reference and have certain delegated functions from the multi-academy board. In each calendar year CGST and MAT delivers to the Trust their business plan for the following year and each quarter the multi-academy trusts deliver a projected out turn to the Trust showing actual performance against budget. Where any projected out turn identifies a significant variation against the budget, the multi-academy trust is required to provide a commentary explaining the variance, the implications for the full year budget and any steps proposed in response to the variance.

The Trust meets four times a year and there is a cycle of reporting covering academic performance, risk, finances, property, development and governance and audit.

When any new school is considering, or being considered, to join either of the multi-academy trusts, the Trust ensures that all due diligence is undertaken and that a viable business plan is in place before consent can be given. Improving educational standards will also be a key priority when any decisions are being taken to expand the number of schools in any multi-academy trust.

Trustees' report (*continued*)

STRUCTURE, GOVERNANCE AND MANAGEMENT (*continued*)

Schools within the Trust

The following schools form Colston's Girls' School Trust:

Colston's Girls' School
Bannerman Road Community Academy
Barton Hill Academy
The Dolphin School
Fairlawn School
The Kingfisher School

The following schools form Merchants' Academy Trust:

Merchants' Academy (Secondary and Primary)
The Venturers' Academy

OBJECTIVES AND ACTIVITIES

Charitable objects

The objects of the Trust are the advancement of education for the public benefit in Greater Bristol and the surrounding area, in particular by:

- (1) supporting, managing and developing academies;
- (2) providing teacher training and development; and
- (3) providing support and activities which develop people under the age of 25 years with skills, capacities and capabilities to enable them to participate in society and employment as mature and responsible individuals.

Public benefit

The facilities of each school within both Merchants' Academy Trust and Colston's Girls' School Trust are free to the end users and therefore the Trustees consider that the public benefit requirement has been met.

The Trustees have paid due regard to the guidance published by the Charity Commission in this respect.

Trustees' report (*continued*)

STRATEGIC REPORT

The Trust deed sets out the agreed core values and ethos that underpins the umbrella trust arrangements and the collaborative work of the parties which are fundamental to the success of the Academies. In addition there is an agreed schedule of prohibited matters requiring consent together with an agreed partnership protocol.

ACHIEVEMENTS AND PERFORMANCE

The objectives for the period were:

- To improve the level of educational attainment across all schools in the multi-academy trusts in addition to providing an enriching extra-curricular programme
- To register the Trust with the Charity Commission
- To fully integrate CGST and MAT into the Trust
- To develop the reporting and operating systems for the Trust
- To provide a robust framework for reporting from the academies to ensure delivery of the best possible outcomes for young people
- To facilitate the creation of the Merchants' Academy multi-academy trust
- To provide a robust framework for assessment and due diligence for any new academies wishing to join the Trust.

Achievements for the period

- The Trust was successfully registered with the Charity Commission on 29 July 2016
- The Trust oversaw greater collaborative working across the two multi-academy trusts and the Executive Principals meet regularly to share best practice and expertise and explore joint problem solving
- Reporting processes were put in place for the Trust to oversee the academic performance of both multi-academy trusts. The Trust regularly reviews the performance of the schools and oversees their improvement plans.

CGST

- Made strong progress over this period and was named as the best state-funded secondary school in the region by the Real Schools Guide in 2016
- Was successful in its submission to develop a new primary school on the former Fairfield Grammar School site. This opened in September 2015 with 29 pupils in early years
- Bristol City Council agreed the expansion of The Kingfisher School to a two form entry school as part of its strategic planning for primary places. The school will become two form entry from autumn 2019 following the completion of the new school build
- Permission was granted for the development of a new primary school building for The Dolphin School, scheduled for completion in early 2017
- Bannerman Road Community Academy joined CGST in September 2015
- Barton Hill Primary School joined CGST in September 2016
- An Executive Principal for Primaries was appointed from January 2016 to oversee the leadership of the CGST primary schools, to drive up standards and maintain greater consistency across the primary schools. This has resulted in greater collaboration, sharing of resources and best practice.

Trustees' report (*continued*)

ACHIEVEMENTS AND PERFORMANCE (*continued*)

MAT

- Merchants' Academy multi-academy trust was created from July 2016
- Achieved its best ever A level results in August 2016 with more pupils achieving university places and no pupils becoming NEETS (not in education, employment or training)
- GCSE results in summer 2016 were disappointing and halted a period of continual improvement in recent years. An action plan for improvement is now in place which focusses on supporting those children most in need through extra tuition, tailored tutoring and close monitoring. High staff turnover issues have been identified and plans put in place to reduce staff turnover which include improved staff benefit package, alteration of working hours and the opportunity for staff to complete a Masters Degree through the University of Bristol
- Venturers' Academy opened as part of MAT, a school for children with autism. Children joined the school from September 2016 and came from across Bath & North East Somerset, Bristol, South Gloucestershire and North Somerset
- Funding was agreed with the DfE for a new school on the existing MAT site to house Venturers' Academy and Merchants' Academy Primary. Building will commence during 2017.

FINANCIAL REVIEW AND RESULTS FOR THE PERIOD

The Trust was dormant for its first accounting period of 22 days to 24 March 2015. On 25 March 2015 control of CGST and MAT transferred to the Trust and the assets and liabilities of these two entities were transferred to the consolidated balance sheet of the Trust (see note 22).

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

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

Expenditure for the period was covered by grants from the EFA. As shown in the Consolidated Statement of Financial Activities on page 12 there was a net surplus of £5,781,000 for the period.

Financial position

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

Reserves policy

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. As a state funded entity the Trustees have assumed that state funding will continue at least at current levels in real terms. The Trust has free reserves of £1,766,000 which represents its unrestricted reserves excluding fixed assets. In addition to this, the Trust has restricted reserves (excluding the pension reserve, fixed asset reserves and permanent endowment) of £654,000.

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

Trustees' report (*continued*)

FINANCIAL REVIEW AND RESULTS FOR THE PERIOD (*continued*)

Investment powers, policy and performance

The Trust's policy is to increase income whilst preserving the real value of the investments with short term returns being used to enhance the activities of the Trust.

Going concern

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

PRINCIPAL RISKS AND UNCERTAINTIES

In the light of Corporate Governance guidance contained within the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Trustees have spent time in identifying the major risks to which the Trust is exposed. The Trust and each multi-academy trust jointly perform an Annual Risk Assessment to monitor and assess its achievement, quality of teaching, behaviour and safety and quality of leadership. The format used is based on risk assessment guidelines (RAG) which are consistent with OFSTED guidelines.

The principal risks and uncertainties facing the Trust are as follows:

- Failure of Academies to meet public expectation and standards
- Loss of Executive Principals
- Loss of Education Adviser
- Financial risk due to changes in Government funding
- Major Health & Safety compliance failure which undermined public confidence

PLANS FOR FUTURE PERIODS

- Explore the merger of the two multi-academy trusts
- Secure the academic performance at MAT particularly at GCSE level
- Secure the academic performance at Primary level particularly at Kingfisher School
- Develop a collaborative approach between the two multi-academy trusts and develop a school improvement plan using all the resources available within the Trust
- Support both multi-academy trusts with the acquisition of new schools to the Trusts to ensure long-term financial sustainability
- Develop and submit a bid for a new Sixth Form in collaboration with Excalibur MAT and Weston College MAT
- The advancement of inclusive, high quality and sustainable education and learning for children and young persons with strong links to the business community

Trustees' report *(continued)*

DISCLOSURE OF INFORMATION

In so far as the Trustees are aware:

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

AUDITOR

Following a competitive tender KPMG LLP were appointed as external auditors.

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

Trustees' report (*continued*)

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and applicable law and regulations.

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

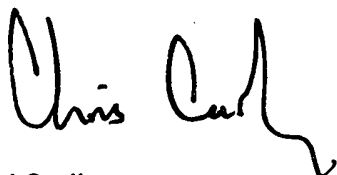
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management.

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

Approved by order of the members of the board of trustees on 22 March 2017 and signed on its behalf by:



C J Curling
Chairman

Independent Auditor's Report to the member of The Venturers Trust

We have audited the financial statements of The Venturers' Trust for the period ended 31 August 2016 set out on pages 12 to 35. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

Respective responsibilities of the Directors and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the Trustees (who act as Directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those auditing standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group and charitable company's affairs at 31 August 2016, and of the Group's incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006;

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information in the Trustees' Report, which constitutes the Strategic Report and the Directors' Report, for the financial period for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the member of The Venturers Trust (continued)

Matters on which we are required to report by exception

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

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



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

Date:

Consolidated Statement of Financial Activities (including the income and expenditure account)
for 17 month period ended 31 August 2016

	Note	Unrestricted funds	Restricted General funds	Restricted Fixed asset funds	Property Endowment fund	Restricted Endowment fund	2016	Period Ended 24 March 2015
		£000	£000	£000	£000	£000	£000	£000
Income and endowments from:								
Donations and capital grants	2	54	158	11,131	-	-	11,343	-
Charitable activities								
Funding for the Trust's educational operations	3	18	23,547	-	-	-	23,565	-
Other trading activities		789	285	-	-	-	1,074	-
Investment income	4	99	95	-	-	-	194	-
Total		960	24,085	11,131	-	-	36,176	-
Expenditure on								
Raising funds	5	605	80	-	-	-	685	-
Charitable activities:								
The Trust's educational operations	5	34	25,620	1,499	85	-	27,238	-
Total	5	639	25,700	1,499	85	-	27,923	-
Net income/(expenditure)		321	(1,615)	9,632	(85)	-	8,253	-
Transfers between funds		(196)	(150)	346	-	-	-	-
Other recognised losses								
Actuarial losses on defined benefit pension schemes	18	-	(2,607)	-	-	-	(2,607)	-
Net gain on investment		-	-	-	-	135	135	-
Net movements in funds		125	(4,372)	9,978	(85)	135	5,781	-
Reconciliation of funds								
Funds brought forward	15	-	-	-	-	-	-	-
Transferred at 25 March 2015	15	1,743	787	33,374	7,024	1,603	44,531	-
Funds carried forward		1,868	(3,585)	43,352	6,939	1,738	50,312	-

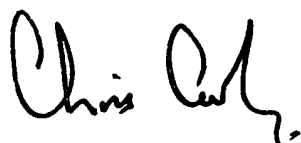
All of the Trust's activities derive from continuing operations during the above two financial periods.

Consolidated Balance Sheet

As at 31 August 2016

	Note	2016	2015
		£000	£000
Fixed assets			
Property Endowment	11	6,938	-
Tangible assets	11	42,235	-
Investments	12	1,922	-
		<u>51,095</u>	<u>-</u>
Current assets			
Debtors	13	1,102	-
Cash at bank and in hand		4,030	-
		<u>5,132</u>	<u>-</u>
Creditors: amounts falling due within one year	14	<u>(1,676)</u>	<u>-</u>
Net current assets		<u>3,456</u>	<u>-</u>
Total assets less current liabilities		<u>54,551</u>	<u>-</u>
Pensions and similar obligations	18	(4,239)	-
Net assets including pension scheme liability		<u>50,312</u>	<u>-</u>
Charity funds			
Restricted funds			
Fixed asset funds	15	43,352	-
General funds	15	(3,585)	-
Property Endowment Fund	15	6,939	-
Restricted Endowment	15	1,738	-
		<u>48,444</u>	<u>-</u>
Total restricted funds	15	<u>48,444</u>	<u>-</u>
Unrestricted funds			
General funds	15	971	-
Designated capital fund	15	897	-
		<u>1,868</u>	<u>-</u>
Total unrestricted funds	15	<u>1,868</u>	<u>-</u>
Total funds		<u>50,312</u>	<u>-</u>

These financial statements were approved by the board of directors on 22 March 2017 and were signed on its behalf by:



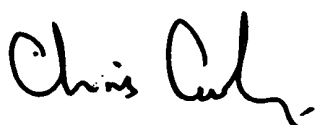
C J Curling
Chairman

Company registered number: 09465457

Trust Balance Sheet
as at 31 August 2016

	Note	2016 £000	2015 £000
Current assets			
Cash at bank and in hand		4	-
		<hr/>	<hr/>
		4	-
Creditors: amounts falling due within one year	14	4	-
		<hr/>	<hr/>
Net current assets		-	-
		<hr/>	<hr/>
Total assets less current liabilities		-	-
		<hr/>	<hr/>
Net assets		-	-
		<hr/>	<hr/>
Unrestricted funds			
General fund		-	-
		<hr/>	<hr/>
Total unrestricted funds		-	-
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 22 March 2017 and were signed on its behalf by:



C J Curling
Chairman

Company registered number: 09465457

Consolidated Statement of Cash Flows for 17 months ended 31 August 2016

	Note	2016 £000	2015 £000
Cash flows from operating activities			
Net income for the period		8,253	-
<i>Adjustments for:</i>			
Depreciation	6	1,613	-
Capital grant income		(7,565)	-
Interest receivable and similar income		(32)	-
Dividends received		(95)	-
Rental income		(67)	-
Defined benefit pension scheme cost less contributions paid		370	-
Defined benefit pension scheme finance cost		54	-
Fixed assets recognised on transfer of school	11	(3,566)	-
Pension liability recognised on transfer of school		435	-
		(600)	-
Decrease in trade and other debtors		166	-
Increase in trade and other creditors		517	-
Net cash from operating activities		83	-
Cash flows from investing activities			
Cash recognised on gaining control of multi-academy trusts	22	3,091	-
Dividends, interest and rents receivable		194	-
Acquisition of tangible fixed assets	11	(6,857)	-
Capital grants received		7,565	-
Investment in Endowment Fund		(46)	-
Net cash from investing activities		3,947	-
Change in cash and cash equivalents in the reporting period		4,030	-
Cash and cash equivalents at 25 March 2015		-	-
Cash and cash equivalents at 31 August 2016		4,030	-

Notes

(forming part of the financial statements)

1 Principal accounting policies

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

Basis of preparation

The financial statements of the 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 Charities Act 2011 and the Companies Act 2006.

The Trust meets the definition of a public benefit entity under FRS 102.

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

Going concern

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

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operation for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of the charitable company (The Venturers Trust) and its subsidiaries: Merchants' Academy Trust, Merchants' Academy Services Limited, Colston's Girls' School Trust and Colston's Girls' School Trust Endowment Fund for the period ended 31 August 2016.

Basic financial instruments

Trade and other debtors / creditors

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

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term deposits.

Notes (continued)

1 Principal accounting policies (continued)

Incoming resources

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

- **Grants receivable**

Grants are included in the Consolidated Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet.

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

- **Sponsorship**

Sponsorship income provided to the Trust which amounts to a donation is recognised in the Consolidated Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is measurable.

- **Donations**

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

- **Other income**

Other income including the hire of facilities and commission from school uniform sales is recognised in the period it is receivable.

- **Investment income**

Investment income is accounted for on a receivable basis.

- **Donated services and gifts in kind**

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

Resources expended

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

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Notes (continued)

1 Principal accounting policies (continued)

Allocation of costs

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

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

Tangible fixed assets

Tangible fixed assets are included in the financial statements at cost. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the Consolidated Statement of Financial Activities and carried forward in the balance sheet) and depreciation is charged to the fund over the expected useful economic life of the related assets.

Depreciation

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

Freehold Land	Not depreciated
Leasehold Land	Depreciated over the life of the lease
Long leasehold property	0.8% on cost
Buildings	2% on cost
Fixtures, fittings and equipment	10% to 33⅓% on cost
Computer equipment	25% to 33⅓% on cost
Motor vehicles	33⅓% on cost
Assets in the course of construction	Not depreciated

Operating leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the life of the lease.

Investments

Fixed asset investments are stated at the closing mid-market value at the balance sheet date. This is not in accordance with the FRS102 which generally recommends bid value but is consistent with the entity's performance management process. Using bid value would lead to a reduction in the valuation of these listed investment of an amount which is considered by the Trustees to be immaterial.

Any realised or unrealised gains and losses on revaluation or disposal are shown separately in the statement of financial activities.

Taxation

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

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

Notes *(continued)*

1 Principal accounting policies *(continued)*

Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Group in such a way that the pension cost is a substantial level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in note 18, the TPS is a multi-employer scheme and the Group is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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

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

Liquid resources

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

Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for a particular purpose.

Unrestricted funds with designations placed upon them by the Trustees are detailed in note 15.

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The 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.

Notes (continued)

1 Principal accounting policies (continued)

Pensions (continued)

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

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

2 Donations and capital grants

Consolidated	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Endowment	-	45	45	-
Other donations	19	113	132	-
Capital grants	-	7,565	7,565	-
Transfer of school to CGST	35	3,566	3,601	-
	<u>54</u>	<u>11,289</u>	<u>11,343</u>	<u>-</u>
2015 total	<u>-</u>	<u>-</u>	<u>-</u>	

Notes (continued)

3 Funding for the Trust's educational operations

Consolidated	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	19,913	19,913	-
Start-up grants	-	85	85	-
Other Local Authority Grants (LEA)	-	1,282	1,282	-
Other DfE/EFA grants	-	2,034	2,034	-
Non EFA income	18	233	251	-
	<u>18</u>	<u>23,547</u>	<u>23,565</u>	<u>-</u>
2015 total	-	-	-	-

4 Investment income

Consolidated	Unrestricted Funds £000	Restricted Funds £000	Total 2016 £000	Total 2015 £000
Investment listed on recognised stock exchange	-	95	95	-
Short-term deposits	32	-	32	-
Rental income	67	-	67	-
	<u>99</u>	<u>95</u>	<u>194</u>	<u>-</u>
2015 total	-	-	-	-

5 Expenditure

Consolidated

	Non-pay expenditure			2016 £000	2015 £000
	Staff Costs £000	Premises £000	Other £000		
Expenditure on raising funds					
The Trust's educational operations	145	70	470	685	-
- Direct costs	15,727	1,162	3,308	20,197	-
- Allocated support costs	3,548	2,094	1,399	7,041	-
	<u>19,420</u>	<u>3,326</u>	<u>5,177</u>	<u>27,923</u>	<u>-</u>
2015 total	-	-	-	-	-

Notes (continued)

6 Net movement in funds

Consolidated	2016 £000	2015 £000
Net movement in funds is stated after charging:		
Depreciation	1,613	-
Operating leases – land and buildings	180	-
Operating leases - equipment	31	-
Auditors' remuneration (including unrecoverable VAT)		-
- For audit services	48	-
- For corporation tax services	3	-
- Other services	3	-
	<u>1,878</u>	<u>-</u>

7 Information regarding Employees

Consolidated	2016 £000	2015 £000
Staff costs during the period:		
Wages and salaries	15,317	-
Social security costs	1,096	-
Pension costs	2,493	-
	<u>18,906</u>	<u>-</u>
Supply teacher costs	577	-
	<u>19,483</u>	<u>-</u>

Notes (continued)

7 Information regarding Employees (continued)

Average number of persons employed:

	No.	No.
Teaching	157	-
Administrative and support	174	-
Management	12	-
	<u>343</u>	<u>-</u>

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

	Number	Number
£60,001 to £70,000 per annum	4	-
£70,001 to £80,000 per annum	3	-
£120,001 to £130,000 per annum	1	-
	<u>8</u>	<u>-</u>

Trust only

The Trust has no employees.

8 Trustees' remuneration and expenses

Consolidated and Trust

The Treasurer of the Society of Merchant Venturers only receives remuneration in respect of services provided undertaking this role and not in respect of their services as Trustee to the Trust.

No Trustee received any remuneration or expenses from the Trust during the current period.

9 Trustees' insurance

Trust only

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The cost for the period ended 31 August 2016 was £13 (2015: £nil).

10 Investment in subsidiaries

Legal Structure

Subsidiary	Company Number	Charity Number	Means of Control
Colston's Girls' School Trust	6511936	-	The Venturers Trust is sponsor and appoints up to nine governors
Merchants' Academy Trust	5598063	-	The Venturers Trust is principal sponsor and appoints up to six governors
Colston's Girls' School Trust Endowment Fund	-	1127105	Colston's Girls' School Trust is the Trustee
Merchants' Academy Services Ltd	6707036	-	Merchants' Academy Trust owns 100% issued share capital

Notes (continued)

10 Investment in subsidiaries (continued)

Financial Information

Subsidiary	at 31 August 2016			period ended 31 August 2016		
	Assets £000	Liabilities £000	Funds £000	Income £000	Expenditure £000	Surplus £000
Colston's Girls' School Trust	29,479	2,759	26,720	23,789	14,329	9,460
Merchants' Academy Trust	24,693	3,168	21,525	12,073	13,326	(1,253)
Colston's Girls' School Trust Endowment Fund	2,012	8	2,004	142	63	79
Merchants' Academy Services Ltd	407	344	63	318	338	(20)

Notes (continued)

11 Tangible fixed assets

Consolidated only

	Assets under construction	Land and buildings £000	Property endowment (leasehold) £000	Long leasehold £000	Leasehold improvements £000	Fixtures and fittings £000	Total £000
Cost							
Balance at 24 March 2015	-	-	-	-	-	-	-
Transfer from Academy Trusts	1,217	26,357	7,413	-	9,395	2,861	47,243
Additions	6,526	-	-	-	64	267	6,857
Transfer to Trust	-	-	-	3,513	27	26	3,566
Transfers	(569)	-	-	-	533	36	-
Disposals	-	-	-	-	-	(144)	(144)
Balance at 31 August 2016	7,174	26,357	7,413	3,513	10,019	3,046	57,522
Depreciation							
Balance at 24 March 2015	-	-	-	-	-	-	-
Transfer from Academy Trusts	-	3,408	389	-	805	2,278	6,880
Charge for the year	-	762	86	58	334	373	1,613
Disposals	-	-	-	-	-	(144)	(144)
Balance at 31 August 2016	-	4,170	475	58	1,139	2,507	8,349
Net book value							
At 31 August 2016	7,174	22,187	6,938	3,455	8,880	539	49,173
At 24 March 2015	-	-	-	-	-	-	-

12 Investments

Consolidated only

	2016 £000	2015 £000
Index linked investments	82	-
UK Fixed interest investments	145	-
Overseas Fixed interest investments	46	-
UK Equities	895	-
Overseas investments	456	-
Funds held awaiting investment	4	-
Alternative investments	294	-
	1,922	-

Notes (continued)

12 Investments (continued)

Analysis of movements of investments:	£000	£000
Market value at 24 March 2015	-	-
Transfer at 25 March 2015	1,742	-
Additions in the year	46	-
Gain on revaluation	134	-
	<u>1,922</u>	<u>-</u>
Market value at 31 August 2016	<u>1,922</u>	<u>-</u>

13 Debtors

	Group 2016 £000	Group 2015 £000	Trust 2016 £000	Trust 2015 £000
Trade debtors	97	-	-	-
Prepayments and accrued income	329	-	-	-
Other debtors	676	-	-	-
	<u>1,102</u>	<u>-</u>	<u>-</u>	<u>-</u>

14 Creditors: amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Trust 2016 £000	Trust 2015 £000
Trade creditors	484	-	-	-
Taxation and social security	474	-	-	-
Accruals	490	-	4	-
Deferred income	228	-	-	-
	<u>1,676</u>	<u>-</u>	<u>4</u>	<u>-</u>

Consolidated Deferred Income

	2016 £000	2015 £000
Deferred income at 24 March 2015	-	-
Transfer from Academies at 25 March 2015	224	-
Released from previous years	(322)	-
Resources deferred in the period	326	-
	<u>228</u>	<u>-</u>
Deferred income at 31 August 2016	<u>228</u>	<u>-</u>

Notes (continued)

15 Funds

Consolidated

	At 24 March 2015	Transfer at 25 March 2015	Incoming Resources	Resources Expended	Gains, losses and transfers	Balance at 31 August 2016
Restricted Reserves						
Fixed Asset Funds	£000	£000	£000	£000	£000	£000
DfE/EFA capital grants	-	23,587	10,592	(1,033)	(5,482)	27,664
Capital Expenditure from GAG	-	166	-	(47)	0	119
Capital Expenditure from Unrestricted LEA grants	-	29	-	(32)	74	71
	-	9,592	539	(387)	5,754	15,498
	-	33,374	11,131	(1,499)	346	43,352
General funds						
General Annual Grant (GAG)	-	893	20,163	(21,052)	29	33
Start Up grant	-	307	181	(106)	(132)	250
Pupil Premium	-	-	1,141	(1,141)	-	-
Other DEF/EFA grants	-	-	264	(248)	1	17
Other LEA grants	-	36	544	(544)	(36)	-
Other restricted grants	-	145	1,734	(1,682)	(12)	185
Pension reserve	-	(773)	-	(859)	(2,607)	(4,239)
Army Cadet Centre	-	48	-	(2)	-	46
Merchants Academy Trust Hall	-	13	-	-	-	13
Youth Worker	-	22	-	(1)	-	21
Fundraising	-	30	-	(1)	-	29
Osborne Clarke	-	8	-	-	-	8
Other	-	58	58	(64)	-	52
	-	787	24,085	(25,700)	(2,757)	(3,585)
Property Endowment Fund	-	7,024	-	(85)	-	6,939
Restricted endowment	-	1,603	-	-	135	1,738
Unrestricted funds						
General fund	-	772	960	(639)	(122)	971
Designated capital fund	-	971	-	-	(74)	897
	-	1,743	960	(639)	(196)	1,868
Total funds	-	44,531	36,176	(27,923)	(2,472)	50,312

Notes *(continued)*

15 Funds *(continued)*

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

Restricted general funds

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

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

Restricted fixed asset fund

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

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

Unrestricted funds

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

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

Notes (continued)

15 Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £000	Total 2015 £000
<u>Colston's Girls' School Trust</u>		
Colston's Girls' School	393	-
The Dolphin School	304	-
The Kingfisher School	(52)	-
Fairlawn School	64	-
Bannerman Road School	5	-
Colston's Girls' School Trust	(293)	-
Endowment Fund	267	-
	<hr/>	<hr/>
Total before fixed asset and pension reserve	688	-
Restricted fixed asset fund	29,662	-
Pension reserve	(1,626)	-
	<hr/>	<hr/>
	28,724	-
	<hr/>	<hr/>
<u>Merchants' Academy Trust</u>		
Merchants' Academy	1,819	-
Venturers Academy	15	-
	<hr/>	<hr/>
Total before fixed asset and pension reserve	1,834	-
Restricted fixed asset fund	22,367	-
Pension reserve	(2,613)	-
	<hr/>	<hr/>
	21,588	-
	<hr/>	<hr/>
Total reserves	50,312	-
	<hr/>	<hr/>

Notes (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted Funds	Restricted Endowment Fund	Total 2016
	£000	£000	£000	£000
Tangible fixed assets	102	49,255	1,738	51,095
Net current assets	1,766	1,690	-	3,456
Pension fund deficit	-	(4,239)	-	(4,239)
Total net assets	1,868	46,706	1,738	50,312

17 Members' liability

The Trust is a company limited by guarantee. The member has undertaken to contribute to the assets of the company to meet its liabilities in the event of it being wound up, such amount as may be required, not exceeding £10 for the debts and liabilities contracted.

18 Pensions and similar obligations

Consolidated

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

Notes (continued)

18 Pensions and similar obligations (continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,497,000 (2015: £nil).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £639,000 (2015: £nil), of which employer's contributions totalled £444,000 (2015: £nil) and employees' contributions totalled £195,000 (2015: £nil). The agreed contribution rates for future years are 14.2% and 15.2% for 2016/17 and 5.5% to 9.9% for employees depending on salary banding.

As the scheme is in a deficit position the Trust is paying an additional annual contribution over and above the contribution rates noted above. For the year ending 31 August 2016 this payment was £10,000 (2015: £nil). This is in place for one more year until such time that a new actuarial valuation will be performed.

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

Principal Actuarial Assumptions

Rate of increase in salaries	3.3-3.4%
Rate of increase for pensions in payment/inflation	1.9-2.0%
Discount rate for scheme liabilities	2.1-2.2%
Inflation assumption (CPI)	1.8-1.9%

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

Retiring today

Males	23.4-23.5
Females	25.9-26.0

Retiring in 20 years

Males	25.8-25.9
Females	28.8-28.9

Notes (continued)

18 Pensions and similar obligations (continued)

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

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	3,563	-
Government bonds	861	-
Other bonds	677	-
Property	685	-
Cash/liquidity	(34)	-
Other assets	1,306	-
	<hr/>	<hr/>
Total market value of assets	7,058	-
	<hr/> <hr/>	<hr/> <hr/>
Amounts recognised in the statement of financial activities		
	2016 £000	2015 £000
Current service cost (net of employee contributions)	924	-
Net interest cost	53	-
Benefit changes, (gain)/loss on curtailment and (gain)/loss on settlement	-	-
Administration expenses	16	-
	<hr/>	<hr/>
Total operating charge	993	-
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

18 Pensions and similar obligations (continued)

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

	2016 £000	2015 £000
At 24 March 2015	-	-
Transfer at 25 March 2015	6,166	-
Current service cost	924	-
Interest cost	383	-
Employee contributions	245	-
Benefits paid	(368)	-
Actuarial loss	3,227	-
Curtailments	27	-
Transfer of school into the Trust	693	-
	<hr/>	<hr/>
At 31 August 2016	11,297	-
	<hr/>	<hr/>

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

	2016 £000	2015 £000
At 24 March 2015	-	-
Transfer at 25 March 2015	5,393	-
Interest on plan assets	330	-
Actuarial gain/(loss)	620	-
Employer contributions	596	-
Employee contributions	245	-
Benefits paid	(368)	-
Administration expenses	(16)	-
Transfer of school into the Trust	258	-
	<hr/>	<hr/>
At 31 August 2016	7,058	-
	<hr/>	<hr/>

Notes (continued)

19 Capital commitments

	2016 £000	2015 £000
Contracted for but not provided in the financial statements	878	-

20 Financial commitments

Consolidated only

The CGST leases certain land and buildings and other assets on short and long-term leases. Rental amounts payable under non-cancellable operating leases are as follows:

	Land and buildings 2016 £000	2015 £000	Fair value at 31 August 2016 £000	Other Fair value at 31 August 2015 £000
Less than one year	127	-	13	-
Two to five years	520	-	-	-
More than five years	828	-	-	-
	<u>1,475</u>	<u>-</u>	<u>13</u>	<u>-</u>

21 Related parties transactions

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

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

Consolidated

- Delegated Services C.I.C. – a company in which P McCarthy, a former Governor of Merchants' Academy Trust, has a majority interest. Transactions totalling £28,000 (2015: £nil) relating to the purchases of some facilities management services took place in the year. This was provided at cost. £3,000 was outstanding as at 31 August 2016 (2015: £nil).
- Nisbets PLC – a company in which A Nisbet, a Governor of Merchants' Academy Trust, has a majority interest. Transactions totalling £4,000 (2015: £nil) relating to the purchase of kitchen equipment took place during the year. This was provided at cost. £nil was outstanding as at 31 August 2016 (2015: £nil).
- The Society of Merchant Venturers – an entity that controls the Trust through its powers to nominate Trustees. Transactions totalling £16,000 (2015: £nil) relating to the purchase of PR services took place in the period. This was provided at cost. No amounts were outstanding as at 31 August 2016 (2015: £nil).

Notes (continued)

22 Accounting Period

These financial statements cover the period from 25 March 2015 to 31 August 2016, approximately 17 months. On 25 March 2015 control of Merchants' Academy and CGST transferred to the Trust.

The assets and liabilities transferred to the Trust on 25 March 2015 were:

Fixed Assets

Property Endowment	7,024
Tangible assets	33,339
Investments	1,742
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	42,105

Current Assets

Debtors	1,268
Cash & cash equivalents	3,091
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	4,359
Creditors – amounts falling due within one year	(1,160)
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Net current assets	3,199
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Total assets less current liabilities	45,304
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Pensions and similar obligations	(773)
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Net assets including pension scheme liability	44,531
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23 Ultimate controlling party

The Trust is controlled by the Society of Merchant Venturers as it nominates all the Trustees of the Trust. Further details on appointment of Trustees are included in the Trustees' Report.