



MIDSOMER NORTON SCHOOLS' PARTNERSHIP
ANNUAL REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2013



Midsomer Norton Schools' Partnership

TRUSTEES' ANNUAL REPORT for the year ended 31 August 2013

The Trustees present their annual report and financial statements of the Midsomer Norton Schools' Partnership Ltd for the year ended 31 August 2013

REFERENCE AND ADMINISTRATIVE DETAILS

The Trustees (who were also Governors and Directors) during the period 1 September 2012 to 10 July 2013

Sarah Baldwin	Community Governor
Ken Bowen-Jones	Parent Governor (retired 15/07/13)
Chris Brace	Parent Governor
Robert Brewer	Community Governor (retired 30/6/13)
Steve Cox	Staff Governor (retired 30/6/13)
Sarah Crispin	Staff Governor (retired 30/6/13)
Chris Elstob	Staff Governor (retired 15/7/13)
Sheila Hill	Parent Governor (appointed 13/3/13, retired 15/7/13)
Michael Evans	LA Governor
Nigel Hartley	Parent Governor (appointed 13/3/13, retired 15/7/13)
Harry Hughes	Parent Governor (retired 30/6/13)
Tom Hockaday	Staff Governor (retired 28/12/12)
John Mander	Parent Governor (retired 30/6/13)
Simon Mills	Parent Governor
Robin Nash	Parent Governor
Amanda Perrott	Staff Governor (retired 30/6/13)
Jeni Randles	Community Governor (retired 30/6/13)
Andrew Sinden	Community Governor
Tonia Lovell	Parent Governor (retired 21/12/12)
Tanya Sykes	Community Governor (retired 30/6/13)
Stuart Warrener	Parent Governor (Chair)
Philip West	Community Governor (retired 30/6/13)
Alun Williams	Headteacher of Midsomer Norton Schools' Partnership & Accounting Officer (appointed 3/09/12)

From 11 July 2013, following conversion to Multi Academy Trust, a new structure was implemented and the following were appointed Trustees on that date

Sarah Baldwin #*	Andrew Sinden
Chris Brace	Stuart Warrener
Simon Mills	Alun Williams – Headteacher
Robin Nash	

Denotes member of LGB – Finance & Resources

** Denotes member of LGB – Education*

Governors who sit on the combined Local Governing Body (LGB) of the two schools were appointed on the following dates

Ken Bowen-Jones	16 September 2013
Debbie Caple	2 October 2013
Steve Cox	19 September 2013
Sarah Crispin	19 September 2013
Alan Gregory	16 September 2013
Nigel Hartley	16 September 2013
John Mander	2 October 2013
Jeni Randles	31 July 2013
Rachel Sales	2 October 2013
Phil West	31 July 2013
Peter Winterbottom	2 October 2013

Midsomer Norton Schools' Partnership

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The principal address of the charity and the registered office of the company are the premises of Norton Hill School at Charlton Road, Midsomer Norton, Radstock, BA3 4AD

Midsomer Norton Schools' Partnership is an exempt charity that is not therefore required to register with the Charity Commission, and the company is incorporated with the company registration number 07365778

The Trustees have made the following professional appointments

Solicitor	Stone King LLP, 13 Queen Square, Bath, BA1 2HJ
Auditor	Baker Tilly UK Audit LLP, Chartered Accountants, Springpark House, Basing View, Basingstoke, Hampshire, RG21 4HG
Banker	Nat West Bank, 3 High Street, Midsomer Norton, BA3 2ZY

In addition to the Headteacher, the following other key senior members of staff are responsible for the day-to-day management of the Partnership

Alison Wyatt	Bursar
Mark Kenny	Deputy Head (Somervale)
Mark Thompson	Deputy Head (Norton Hill)
Heather Mulgrew	Deputy Head (Norton Hill)
Cathie Evans	Assistant Headteacher (Somervale)
Gordon Green	Assistant Headteacher (Norton Hill)
Keith Howard	Assistant Headteacher (Somervale)
Mark Lynch	Assistant Headteacher (Norton Hill)
Amy McGuinness	Assistant Headteacher (Somervale)
Darren Phillips	Assistant Headteacher (Norton Hill)
Karen Ward	Assistant Headteacher (Norton Hill)

The Company Secretary is Claire Jackson

STRUCTURE, GOVERNANCE AND MANAGEMENT

Status & History

The Partnership is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

The current Trustees of the Partnership are the Directors of the Company.

The principal activity of the Partnership is currently to run two secondary schools for boys and girls who live in Midsomer Norton and surrounding villages.

The schools were originally operated within the local authority of Bath and North East Somerset. Norton Hill School was founded in 1911 and Somervale in 1964. The Partnership was incorporated on 3 September 2010 and the schools converted to the status of Academies on 1 October 2010.

The Partnership was governed by the rules and regulations set down in its company Articles of Association dated 3 September 2010 until conversion to Multi Academy Trust with revised Articles on 10 July 2013.

Organisational Structure

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Partnership, approving decisions reserved to Trustees and being involved in appointing key members of staff.

Trustees meet as a Trust Board six times in the year. All decisions reserved to the Trustees are taken by the Trust Board as a whole. Beneath the Trust Board there is a Local Governing Body which meets 12 times a year. 6 of these meetings focus on education and the remaining 6 focus on finance and premises. The Local Governing Body meets primarily to consider detailed matters and recommend decisions to the Trust Board.

Additionally, working groups with clear Terms of Reference are formed on an ad hoc basis to consider specific issues and make recommendations to the board.

There is one Headteacher for the Partnership. The Headteacher is the Accounting Officer and works closely with Trustees and the senior staff of the Partnership.

The day-to-day management rests with the Headteacher who has overall responsibility for the Partnership. The Headteacher is responsible for establishing senior management teams at each school.

The Trustees set strategic objectives and educational targets for the Partnership with some of these functions delegated to the Local Governing Body. Whilst the Local Governing Body may make recommendations the responsibility for these decisions rests with the Trust Board.

The Senior Leadership Team at each of the two schools is responsible for the day to day operations and in particular for organising the teaching staff, facilities and students.

Method of Recruitment, Appointment, Election, Induction & Training of Trustees

The Trustees have set up procedures that will enable regular reviews of the mix of skills that should be available to the board. New Trustees will then be sought with these skills, either as additional Trustees or replacements when existing Trustees stand down. It is anticipated that the great majority of new Trustees will be drawn from the local community being either parents or guardians of pupils at the Partnership or others that have shown an interest in the future well-being of the Partnership and its pupils. Recruitment is therefore

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likely to be through a combination of approaches to individuals with known skills and by wider communications to those within the local community. The Local Governing Body can also recruit experts where appropriate to support the leadership of the two schools.

Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is fully up to date.

Risk & Corporate Governance Matters

The Partnership has been through a process to assess various risks and to identify and implement strategies for addressing these risks. This process identified various risk categories and their potential operational and financial impact, the probability of such occurrences and hence the overall gross risk. The Trustees have identified clear mechanisms to manage these risks in particular those relating to the specific teaching, provision of facilities and other operational areas of the Partnership and its finances. Appropriate and adequate insurance cover is in place as well as an effective system of internal financial controls.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The charitable objectives for which the Partnership was established are set down in the governing document dated July 2013 as follows:

- the advancement for the public benefit of education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing academies, including without limitation the Academies, offering a broad and balanced curriculum, and
- to promote for the benefit of the inhabitants of Midsomer Norton and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Charitable Activities

The principal activity of the Partnership is to run two secondary schools for boys and girls located in Midsomer Norton. The sole activity of the Partnership is the operation of the Academies. The Partnership currently operates two academies – Norton Hill and Somervale School.

Indicators, Milestones & Benchmarks

The following indicators are used at key milestones in pupils' education: these will be benchmarked against Fischer Family Trust D estimates to compare the schools to the middle of the top quartile of performance nationally.

At Key Stage 3

- % Level 5 and above in English
- % Level 5 and above in Mathematics
- % Level 6 and above in English
- % Level 6 and above in Mathematics

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Attainment at GCSE

- % achieving 5+ GCSEs at grade A* - C (or equivalent) including English and Maths GCSEs
- % achieving the English Baccalaureate
- % achieving A*-C GCSE in English and Maths
- Average total point score per pupil (best eight qualifications) with equivalences
- Average total point score per pupil (best eight qualifications) without equivalences
- % of pupils at the end of KS4 achieving 5 A* - C GCSEs (or equivalent) including English and Maths over the last 3 years

Progress from Year 7 to Year 11

- % of pupils at the end of Key Stage 4 achieving the expected level of progress in English
- % of pupils at the end of Key Stage 4 achieving the expected level of progress in Maths
- % of pupils at the end of Key Stage 4 achieving above the expected level of progress in English
- % of pupils at the end of Key Stage 4 achieving above the expected level of progress in Maths

Post 16

- Average point score per student
- Average point score per examination entry
- % of students achieving 3 or more A levels or the equivalent
- % of students achieving 2 or more A levels or the equivalent
- Average point score per student over the last 3 years
- Average point score per examination entry over the last 3 years

Public Benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Trustees' annual report and in reviewing the activities and achievements of the Partnership

Benefits & Beneficiaries

In accordance with its charitable objectives, the Partnership strives to advance the education of the pupils attending the school. The Partnership's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the Partnership.

Trustees' Assessment of Public Benefit

In order to determine whether or not the Partnership has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of Midsomer Norton Schools' Partnership's activities.

Relationships with Related Parties

Owing to the nature of the Partnerships operations and the composition of the Board of Trustees being drawn from the community, 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 Partnership's financial regulations and normal procurement procedures.

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the school 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.

ACHIEVEMENTS AND PERFORMANCE

Objects and Aims

The Partnership between Norton Hill and Somervale is now four years old and our original purpose of ensuring ALL the young people in our community have similar opportunities is being realised.

The Partnership has a philosophy based on

Inspirational Education – broad curriculum, valued qualifications, aspirational teaching, outstanding progression

Attitudes and values – strong ethos, support and challenge, extra-curricular programme, opportunity to lead, team work and communication

One Federation, Many Schools – Partnership working to achieve the best for young people, quality for all, different strengths

Impact of Activities & Events and Assessment of Public Benefit

At Somervale this year results improved significantly for all groups of learners. This builds on the 'good' OFSTED grading in January 2013. 55% of students achieved 5 A*-C grade passes including English and Mathematics, with 91% gaining 5 or more GCSE grades at A*-C – the highest ever in the school's history. The EBAC measure of achievement in academic subjects also moved passed the national average and stands at 23%. Mathematics outcomes achieved were the highest ever with 72% of students achieving A*-C. This is considerably above the national average. The number of points scored by students at Somervale across their subjects was the best in the school's history and once again surpassed both school-set targets and the national benchmarks. As a result of these impressive improvements across the school nearly 60% will be staying on to study at the Midsomer Norton Sixth Form.

At Norton Hill, the percentage of students achieving 5 good GCSE passes including both English and Mathematics was 65%, significantly above the national average. 92% of students at Norton Hill also achieved 5 GCSE grades at A*-C, the highest ever in the school's history. On all measures the school exceeded national averages. The EBAC (how many students gain a C or above in certain key subjects) topped 40%, well over double the national rate and 10% higher than results in 2012. 95% of subjects at the school also exceeded the national benchmarks for progress. The number of A*-A grades also rocketed with over a quarter of all grades awarded at A*-A and nearly 60% of grades at A*-B. In Mathematics, nearly 25% of grades were A*-A and 85% of students achieved two or more Science GCSE grades at C or above. English results were also high with 73% of students achieving a C or above, significantly higher than the national figure.

Students at Midsomer Norton Sixth Form have had another year of outstanding A Level results. Students achieved a pass rate of 100% and a quarter of all results were either A* or A grades, and over 50% of students achieved A* - B grades. Students obtained an average UCAS point score of 303 equivalent to BBB, with 80% of students scoring A*-C grades. Students who sat the Cambridge Pre-U courses achieved exceptional results and guaranteed themselves places in the top Russell Group universities. Students sat the Pre-U examinations in a range of subjects including History and Economics. The qualification allows students to achieve grades above the A* grade available at A level. Those who took this qualification improved on impressive results seen last year, with 75% of students achieving A* - B grades.

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Universities attracting large numbers of Midsomer Norton Sixth Form students include Bristol, Exeter, Plymouth, Reading, Southampton, York, Birmingham, and Leeds. Over 15% of students obtained at least AAB in their A level qualifications.

Attendance figures at both schools are above the national average, Somervale 94.4% and Norton Hill 95.2% and exclusions were the lowest in the history of both schools (Significantly below the national rates). An impressive number of students participated in Outdoor Education this year - approximately 400 pupils encompassing Duke of Edinburgh Bronze, Silver and Gold, and Ten Tors 35, 45 and 55 mile expeditions. In addition, all of Year 8 at Norton Hill (245 pupils) attended the Forest of Dean camp. There was also the opportunity to participate in a wide variety of other extracurricular experiences from theatre trips to overseas residential trips at both schools.

FINANCIAL REVIEW

Financial Outcome of Activities & Events

The Partnership's accounting period is from 1 September 2012 to 31 August 2013.

Most of the Partnership's income is obtained from the Education Funding Authority ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2013, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

The Partnership also received capital grants from the Academies Capital Maintenance Fund. Such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. Unrestricted income comprises Catering Income, Sports Centre and Other Lettings and Departmental sales.

Under Accounting Standard FRS17, it is necessary to charge projected deficits on the Local Government Pension Scheme, provided to support staff, to the restricted fund. This resulted in reducing the reserves in the restricted fund. It should be noted that this does not present the Partnership with any current liquidity problem.

Norton Hill has been successful with a capital bid to the EFA to fund the second and final phase of temporary classroom replacement. This phase will include 4 classrooms and a sixth form area. The demolition of 3 temporary classrooms occurred over the summer holiday 2013. The project is due for completion by May 2014. All remaining temporary classrooms will be demolished in the Summer of 2014 and the resulting areas landscaped.

Somervale has also been successful with capital bids for window, atrium and roof replacements.

Reserves Policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Trustees intend to review the reserves policy annually to ensure that this aim is being achieved.

At the balance sheet date, the Partnership had free reserves of £229,565.

The Trustees will continue to use reserves to improve school facilities in line with the Premises Development plan.

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Investments Policy

The Trustees' investment powers are set down in the Partnership's Memorandum and Articles of Association, which permit the investment of monies of the Partnership that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law

The Partnership's current policy is to invest surplus funds in short-term cash deposits

For the year ended 31 August 2013 and in the current economic climate, the Partnership's cash held in the Interest Bearing account generated an income of 0.5%. During the year funds were also held in 6 month Fixed Rate Bonds generating income at 1.25%, 1.5%, 1.6% and 1.8% and 12 month Fixed Rate Bonds generating income at 3% and 3.25%

The Partnership also held deposits in a Virgin Charity Account generating an income of 2.6%

PLANS FOR FUTURE PERIODS

Future Strategy

The strategic vision for Midsomer Norton Schools' Partnership is for the best education possible across the two schools, both in terms of Academic rigour and Personal and Social qualities

An inspirational education will be provided supported by a broad curriculum, valued qualifications and inspirational teaching. Personal and social qualities will be developed backed by a strong ethos, emphasis on curriculum and an extensive extra-curricular programme

The two schools will offer the same quality with different strengths

Future Activities & Events

The results at both Sixth Forms in the Partnership provide a solid platform for the Sixth Form which came into being in September 2011. The Midsomer Norton Sixth Form – based across Norton Hill and Somervale sites provides a huge range of courses and opportunities for the young people of our town. Clearly, from this platform they will gain access to the very best opportunities across the country

Impact of Future Activities & Events

Targets set for 2014 are as follows

	Norton Hill	Somervale
Key Stage 4		
% achieving 5 or more A* - C grades at GCSE and equivalent, including English & Maths	73%	67%
% making expected progress in English	85%	78%
% making expected progress in Maths	73%	68%
English Baccalaureate	51%	42%
Attendance	94.67%	94.67%
Post 16 Targets (Sixth Form)		
Average Total Point Score per student (UCAS points)	To beat FFTD	
Average Point Score per entry	To beat FFTD	

Midsomer Norton Schools' Partnership

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Public Benefit

It is the objective of the Partnership to continue its work to provide the best education possible for students of the Partnership both in terms of Academic rigour and personal and social qualities

Funds Held As Custodian

Although the Partnership maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose, the Partnership does not hold, and the Trustees do not anticipate that it will in the future hold, any funds as custodian for any third party

Auditor

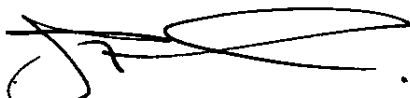
Baker Tilly UK Audit LLP has indicated its willingness to continue in office

Statement as to Disclosure of Information to the Auditor

In so far as the Trustees are aware

- there is no relevant audit information of which the Partnership'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

This report was approved by the Board of Trustees on 18 December 2013, and was signed for and on behalf of the board by


Mr Stuart Warrener
Chair

.....18/12/13
Date

**GOVERNANCE STATEMENT
for the year ended 31 August 2013**

Scope of responsibility

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

The Trust Board has delegated the day-to-day responsibility to Alun Williams, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between Midsomer Norton Schools' Partnership and the Secretary of State for Education. They are also responsible for reporting to the Trust Board any material weaknesses or breakdowns in internal control.

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 the Partnership's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Midsomer Norton Schools' Partnership for the year ended 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Trust Board has reviewed the key risks to which the Partnership is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust is of the view that there is a formal on-going process for identifying, evaluating and managing the Partnership's significant risks that has been in place for the year ending 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust,
- regular reviews by the LGB (Finance & Resources) 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 guidelines
- delegation of authority and segregation of duties,
- identification and management of risks

The Trust has considered the need for a specific internal audit function and has now appointed a Local Authority Officer to act as internal audit. This role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. Reports are provided three times per year to the newly appointed Audit Committee.

GOVERNANCE STATEMENT
for the year ended 31 August 2013

Review of effectiveness

As Accounting Officer, Alun Williams 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 Responsible Officer
- The work of the external auditor
- The work of the executive managers within the Partnership 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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Governance

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

Governor		Meetings attended	Out of possible
Sarah Baldwin	Community Governor	6	6
Ken Bowen-Jones	Parent Governor	6	6
Chris Brace	Parent	4	6
Robert Brewer	Community Governor	6	6
Steve Cox	Staff Governor	6	6
Sarah Crispin	Staff Governor	6	6
Chris Elstob	Staff Governor	3	6
Michael Evans	LA Governor	5	6
Nigel Hartley	Parent Governor	1	3
Sheila Hill	Partner Governor	5	6
Tom Hockaday	Staff Governor	2	2
Harry Hughes	Parent Governor	6	6
Tonia Lovell	Parent Governor	1	1
John Mander	Parent Governor	5	6
Simon Mills	Parent Governor	6	6
Robin Nash	Parent Governor	6	6
Amanda Perrott	Staff Governor	6	6
Jeni Randles	Community Governor	6	6
Andrew Sinden	Community Governor	6	6
Tanya Sykes	Community Governor	2	6
Stuart Warrener	Parent Governor	6	6
Philip West	Community Governor	3	6
Alun Williams	Headteacher	6	6

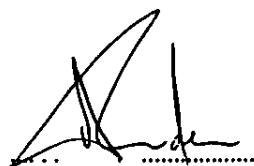
Midsomer Norton Schools' Partnership

**GOVERNANCE STATEMENT
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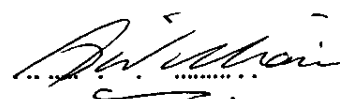
During 2012/13 the finance committee was a sub-committee of the main governing body, and its members and attendance were as follows

Governor	Meetings attended	Out of possible
Nigel Hartley	2	2
Tonia Lovell	1	2
Simon Mills	6	6
Andrew Sinden	6	6
Stuart Warrener	5	6
Philip West	4	6
Alun Williams	6	6

Approved by order of the members of the Trust on 18 December 2013 and signed on its behalf by



Mr Andrew Sinden
Trustee



Mr Alun Williams
Accounting Officer

Midsomer Norton Schools' Partnership

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
for the year ended 31 August 2013**

As accounting officer, Midsomer Norton Schools' Partnership have considered my responsibility to notify the Trust and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Partnership and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

One operating lease agreement for more than three years was entered into during the period without prior consent of the Secretary of State as required under the Funding Agreement. The total value of the lease is £17,880. Retrospective consent for this agreement is being sought.

I confirm that any instances of material irregularity, impropriety of funding or non-compliance discovered to date have been notified to the Board of Trustees and the EFA or, if occurring after the date of this statement, will be notified to the Board of Trustees and the EFA.



Mr Alun Williams
Accounting Officer

18th December 2013
Date

STATEMENT OF TRUSTEES' RESPONSIBILITIES
for the year ended 31 August 2013

The Trustees are also the directors of the Charitable Company for the purposes of company law are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

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

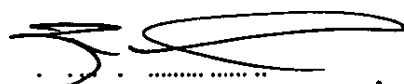
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures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

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

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

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

Approved by order of the members of the Board of Trustees on 18 December 2013 and signed on its behalf by



Stuart Warrener
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MIDSOMER NORTON SCHOOLS PARTNERSHIP

We have audited the financial statements of Midsomer Norton Schools' Partnership for the year ended 31 August 2013 on pages 16 to 34. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 14, the Trustees (who act as governors for the charitable activities of the charitable company, and are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 standards require us to comply with the Auditing Practices Board's (APB'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 [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013 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 Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2013 issued by the Education Funding Agency.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Baker Tilly UK Audit LLP

KERRY GALLAGHER (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Hartwell House
55-61 Victoria Street
Bristol, BS1 6AD

Date *20 December 2013*

Midsomer Norton Schools' Partnership

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 August 2013
including Income and Expenditure Account

		Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total 2013	Year end 31 August 2012
	Notes	£	£	£	£	£
INCOMING RESOURCES						
<i>Incoming resources from generated funds</i>						
Voluntary income	1	-	740	-	740	236
Activities for generating funds	2	447,417	525,270	-	972,687	854,341
Investment income	3	39,946	-	-	39,946	23,237
<i>Incoming resources from charitable activities</i>						
Funding for the Partnership's educational operations	4	-	10,442,875	2,666,376	13,109,251	10,413,271
TOTAL INCOMING RESOURCES		487,363	10,968,885	2,666,376	14,122,624	11,291,085
RESOURCES EXPENDED						
Cost of generating funds						
Costs of generating voluntary income	5	-	356,302	-	356,302	262,925
Fundraising trading cost of goods sold and other costs	6	384,956	15,273	-	400,229	402,288
Charitable activities						
Partnership's educational operations	7	-	9,703,975	731,606	10,435,581	10,341,305
Governance costs	8	-	45,034	-	45,034	60,202
TOTAL RESOURCES EXPENDED		384,956	10,120,584	731,606	11,237,146	11,066,720
NET INCOMING RESOURCES BEFORE TRANSFERS		102,407	848,301	1,934,770	2,885,478	224,365
TRANSFERS						
Gross transfers between funds		-	36,248	(36,248)	-	-
NET INCOME FOR THE YEAR		102,407	884,549	1,898,522	2,885,478	224,365
OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains (losses) on defined benefit pension schemes		-	94,000	-	94,000	(220,000)
NET MOVEMENT IN FUNDS		102,407	978,549	1,898,522	2,979,478	4,365
RECONCILIATION OF FUNDS						
BALANCES BROUGHT FORWARD AT 1 SEPTEMBER		127,158	(359,829)	23,812,177	23,579,506	23,575,141
FUND BALANCES CARRIED FORWARD AT 31 AUGUST		229,565	618,720	25,710,699	26,558,984	23,579,506

The net movement in funds for the year arises from the charitable Partnership's continuing operations

No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the Statement of Financial Activities

BALANCE SHEET
 for the year ended 31 August 2013

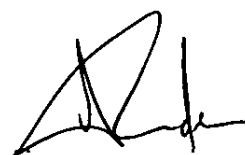
Company Number 07365778

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	12	24,864,260	23,633,695
CURRENT ASSETS			
Stock	13	3,247	2,814
Debtors	14	1,205,889	145,276
Cash on deposit		700,000	1,600,000
Cash at bank and in hand		2,594,896	1,017,718
		<u>4,504,032</u>	<u>2,765,808</u>
CREDITORS Amounts falling due within one year	15	(684,472)	(679,172)
NET CURRENT ASSETS		<u>3,819,560</u>	<u>2,086,636</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>28,683,820</u>	<u>25,720,331</u>
CREDITORS Amounts falling due after one year	16	(3,836)	(52,825)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>28,679,984</u>	<u>25,667,506</u>
Defined benefit pension scheme liability	21	(2,121,000)	(2,088,000)
NET ASSETS INCLUDING PENSION LIABILITY		<u>26,558,984</u>	<u>23,579,506</u>
THE FUNDS OF THE PARTNERSHIP			
Restricted income funds			
General fund	17	2,739,720	1,728,171
Inherited fixed asset fund	17	25,710,699	23,812,177
		<u>28,450,419</u>	<u>25,540,348</u>
Pension reserve	17	(2,121,000)	(2,088,000)
		<u>26,329,419</u>	<u>23,452,348</u>
Unrestricted funds			
General fund	17	229,565	127,158
		<u>26,558,984</u>	<u>23,579,506</u>

The financial statements on pages 16 to 34 were approved by the Governors and authorised for issue on 18 December 2013, and are signed on their behalf by



Mr Stuart Warrener
Chair



Mr Andrew Sinden
Trustee

Midsomer Norton Schools' Partnership

CASH FLOW STATEMENT
for the year ended 31 August 2013

	Notes	2013	2012
NET CASH FLOW FROM OPERATING ACTIVITIES	A	(68,890)	756,495
Returns on investments and servicing of finance	B	39,946	23,237
Capital expenditure and financial investment	C	706,122	(301,237)
Increase in Cash		677,178	478,495

A Reconciliation of net income to net cash inflow from operating activities

Net income	2,979,478	4,365
Investment income	(39,946)	(23,237)
Depreciation	731,606	665,032
Gain on disposal of fixed assets	(1,917)	-
Decrease/(increase) in stock	(433)	98
Decrease/(increase) in debtors	(1,060,613)	157,273
(Decrease)/Increase in creditors	(43,689)	(118,450)
Increase in pension liability	33,000	311,000
Capital grants from DfE	(2,666,376)	(239,586)
Net cash (outflow)/inflow from operating activities	(68,890)	756,495

B Returns on investments and servicing finance

Bank interest received	39,946	23,237
Net cash inflow from operating activities	39,946	23,237

C Capital expenditure and financial investment

Purchase of tangible fixed assets	(1,968,914)	(540,823)
Capital grants from DfE	2,666,376	239,586
Receipts from sale of fixed assets	8,660	-
Net cash inflow/(outflow) from Capital expenditure and financial investment	706,122	(301,237)

ANALYSIS OF CHANGES IN NET FUNDS

	At 01-Sep 2012	Cash Flows	31-Aug 2013
Cash in hand and at bank	2,617,718	677,178	3,294,896

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Statement of Recommended Practice ('SORP 2005') 'Accounting and Reporting by Charities', the Academies Accounts Direction 2013 issued by the Education Funding Agency and Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

GOING CONCERN

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

INCOMING RESOURCES

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

GRANTS RECEIVABLE

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is recognised on a receivable basis and is credited directly to the Statement of Financial Activities to the extent of the entitlement of the funds; any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised as voluntary income on a receivable basis to the extent there is entitlement.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

OTHER INCOME

Other income including hire of facilities is recognised in the period it is receivable and to the extent the goods have been provided or the completion of the service.

INTEREST RECEIVABLE

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

RESOURCES EXPENDED

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated to each activity cost category on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
ACCOUNTING POLICIES

Charitable activities are costs incurred on the Academy Trust's educational operations

Governance costs include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses

All resources expended are inclusive of irrecoverable VAT

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 General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency where the asset acquired or created is held for a specific purpose

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more are capitalised at cost 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 the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy, the corresponding amount charged to the restricted fixed asset fund in the Statement of Financial Activities

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 lives, as follows

Freehold Buildings	2% pa
Plant & Machinery	10% pa
Computer & Office equipment	33% pa

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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

LEASED ASSETS

Rentals under operating leases are charged on a straight-line basis over the lease term

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
ACCOUNTING POLICIES

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, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), 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 quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the Academy Trust 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.

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 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

AGENCY ARRANGEMENTS

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the EFA.

STOCK

Catering stock is valued at the lower of cost or net realisable value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

1 VOLUNTARY INCOME

	Unrestricted Funds	Restricted Funds		Total 2013	Total 2012
	£	General £	Fixed Assets £	£	£
- Donations	-	740	-	740	236
	<u>-</u>	<u>740</u>	<u>-</u>	<u>740</u>	<u>236</u>

2 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds	Restricted Funds		Total 2013	Total 2012
	£	General £	Fixed Assets £	£	£
Sundry lettings, services and hire of facilities	93,925	-	-	93,925	103,101
Student teacher training	-	31,940	-	31,940	20,130
Computer Assisted Purchase scheme	-	15,273	-	15,273	-
Fees charged for music tuition	-	35,119	-	35,119	32,590
Catering income	349,781	-	-	349,781	320,866
Other income	-	23,115	-	23,115	82,788
Departmental and miscellaneous sales	3,711	-	-	3,711	-
Trips income	-	419,823	-	419,823	294,866
	<u>447,417</u>	<u>525,270</u>	<u>-</u>	<u>972,687</u>	<u>854,341</u>

3 INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds		Total 2013	Total 2012
	£	General £	Fixed Assets £	£	£
Bank interest receivable on short term cash deposits	39,946	-	-	39,946	23,237
	<u>39,946</u>	<u>-</u>	<u>-</u>	<u>39,946</u>	<u>23,237</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

4 SCHOOL OPERATING INCOME

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
From the Department for Education GAG allocation for current year	-	10,032,281	-	10,032,281	9,675,585
Capital grants	-	-	2,666,376	2,666,376	239,586
Other grants and government funding	-	410,594	-	410,594	498,100
	<u>-</u>	<u>10,442,875</u>	<u>2,666,376</u>	<u>13,109,251</u>	<u>10,413,271</u>

5 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
Trips expenditure	-	356,302	-	356,302	262,925
	<u>-</u>	<u>356,302</u>	<u>-</u>	<u>356,302</u>	<u>262,925</u>

6 FUNDRAISING TRADING COST OF GOODS SOLD AND OTHER COSTS

	Unrestricted Funds £	Restricted Funds General £	Fixed Assets £	Total 2013 £	Total 2012 £
Catering	338,866	-	-	338,866	318,723
Sports centre lettings and event costs	42,379	-	-	42,379	77,343
Computer Assisted Purchase scheme costs	-	15,273	-	15,273	-
Cost of Departmental sales	3,711	-	-	3,711	6,222
	<u>384,956</u>	<u>15,273</u>	<u>-</u>	<u>400,229</u>	<u>402,288</u>

RESOURCES EXPENDED

	2013 £	2012 £
Net incoming/(outgoing) resources for the year		
Operating leases		
plant and machinery	12,015	9,780
other	-	-
Fees payable to Baker Tilly UK Audit LLP and its associates for		
Audit	16,500	16,000
Other Services	2,950	2,950
Profit on disposal of fixed assets	<u>(1,917)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

7 SCHOOL OPERATING COSTS

	Restricted Funds			Total 2013 £	Total 2012 £
	Unrestricted Funds £	General £	Fixed Assets £		
Direct costs					
Teaching and educational support staff costs	-	6,825,930	-	6,825,930	6,876,058
Direct depreciation	-	-	725,666	725,666	661,605
Educational consumables	-	321,913	-	321,913	314,409
Examination fees	-	188,933	-	188,933	203,678
Direct staff development	-	19,497	-	19,497	13,221
External educational provision and supplies	-	146,515	-	146,515	162,748
	-	7,502,788	725,666	8,228,454	8,231,718
Allocated support costs					
Support staff costs	-	1,021,799	-	1,021,799	1,020,421
Depreciation	-	-	5,940	5,940	3,427
Utilities	-	199,359	-	199,359	168,668
Other occupancy costs	-	72,316	-	72,316	61,130
Cleaning	-	12,129	-	12,129	10,690
Communications	-	30,908	-	30,908	34,495
Professional fees	-	81,420	-	81,420	97,163
Marketing	-	24,846	-	24,846	29,255
Recruitment	-	34,315	-	34,315	57,680
Other employment costs	-	26,606	-	26,606	28,021
Rates	-	46,657	-	46,657	45,894
Repairs and maintenance	-	241,312	-	241,312	203,043
Insurance	-	95,184	-	95,184	88,272
Technology costs	-	102,645	-	102,645	70,401
Staff development	-	19,279	-	19,279	24,941
Other support costs	-	65,412	-	65,412	75,086
Pension scheme	-	127,000	-	127,000	91,000
	-	2,201,187	5,940	2,207,127	2,109,587
	-	9,703,975	731,606	10,435,581	10,341,305

GOVERNANCE COSTS

	Restricted Funds			Total 2013 £	Total 2012 £
	Unrestricted Funds £	General £	Fixed Assets £		
Staff costs	-	14,562	-	14,562	14,622
Audit fees	-	18,885	-	18,885	17,475
Other costs	-	11,587	-	11,587	28,105
	-	45,034	-	45,034	60,202

The Partnership strives to analyse expenditure as direct costs when transactions are being processed, but thereafter, allocates support costs on the basis of estimated staff time involved

Included within auditor's remuneration are amounts payable to Baker Tilly UK Audit LLP in respect of audit services of £16,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

9 STAFF COSTS

	2013	2012
	No.	No.
The average monthly number of persons employed by the Partnership (including governors) during the year was as follows		
Teachers	128	130
Administration and support	155	160
Management	12	12
	<u>295</u>	<u>302</u>
Expressed as full-time equivalents		
Teachers	121	125
Administration and support	110	109
Management	12	12
	<u>243</u>	<u>246</u>
Staff costs for the above persons	£	£
Wages and salaries	6,698,106	6,723,842
Social security costs	482,375	484,671
Pension costs - defined benefit schemes		
Teachers' pension scheme	639,594	665,374
Local government pension scheme	261,862	241,039
	<u>8,081,937</u>	<u>8,114,926</u>
The number of employees whose emoluments for the year exceeded £60,000 fell within the following ranges	2013	2012
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£100,001 - £110,000	1	-
£120,001 - £130,000	<u>-</u>	<u>1</u>

All three of the above employees participated in the Teachers' Pension Scheme During the year ended 31 August 2013, pension contributions for these staff amounted to £33,571 (2012 £36,729)

10 TRUSTEES REMUNERATION AND EXPENSES

The Principal and 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 Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees

The value of the Principal's remuneration was £ 102,534 in 2013 (2012 £124,926) The Principal is accruing retirement benefits under the Teachers' Pension Scheme and contributions paid in the year amounted to £14,457 (2012 £17,615)

The value of staff Trustees' remuneration who held post during the year was

S Cox	£45,768	(2012 £45,768)
C Elstob	£45,768	(2012 £45,768)
S Crispin	£20,820	(2012 £20,732)
A Perrott	£13,010	(2012 £13,191)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

10 TRUSTEES REMUNERATION AND EXPENSES (CONTINUED)

Staff Trustees were accruing retirement benefits as follows

S Cox	TPS	£6,453	(2012 £6,453)
C Elstob	TPS	£6,453	(2012 £6,453)
S Crispin	LGPS	£2,519	(2012 £2,509)
A Perrott	LGPS	£1,596	(2012 £1,574)

During the year ended 31 August 2013, travel and subsistence expenses totalling £452 (2012 £1,988) were reimbursed to 4 Trustees (2012 3) Related party transactions involving the Trustees are set out in note 22

TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2013 was £2,120 (2012 £2,120)

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

11 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS	2013	2012
	£	£
Reconciliation of net income to net cash (outflows)/ inflows	(68,890)	756,495
Returns on investments and servicing of finance	39,946	23,237
Capital expenditure and financial investment	706,122	(301,237)
Increase in cash in the year	677,178	478,495
Net funds at 01 September	2,617,718	2,139,223
Net funds at 31 August	3,294,896	2,617,718

12 TANGIBLE FIXED ASSETS	Freehold Land & Buildings £	Plant & Machinery £	Computer & Office Equipment £	Total £
COST				
At 1 September 2012	23,966,012	255,944	648,526	24,870,482
Additions	1,702,594	22,106	244,214	1,968,914
Disposals	(3,400)	-	(9,180)	(12,580)
At 31 August 2013	25,665,206	278,050	883,560	26,826,816
DEPRECIATION				
At 1 September 2012	891,531	58,335	286,921	1,236,787
Charged in year	473,166	26,691	231,749	731,606
Disposals	-	-	(5,837)	(5,837)
At 31 August 2013	1,364,697	85,026	512,833	1,962,556
NET BOOK VALUE				
At 31 August 2013	24,300,509	193,024	370,727	24,864,260
At 31 August 2012	23,074,481	197,609	361,605	23,633,695

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

13 STOCK	2013	2012
	£	£
Catering Stock	3,247	2,814
14 DEBTORS	2013	2012
	£	£
Amounts falling due within one year		
Trade debtors	10,968	10,671
Prepayments & Accrued income	1,028,863	83,289
Other Debtors	166,058	51,316
	<u>1,205,889</u>	<u>145,276</u>
15 CREDITORS	2013	2012
	£	£
Amounts falling due within one year		
Trade creditors	(325)	(3)
Other taxation and social security costs	147,815	161,287
Other creditors	153,721	141,490
Accruals and deferred income	383,261	376,398
	<u>684,472</u>	<u>679,172</u>
Included in other creditors are pension contributions of £88,012 (2012 £80,820)		
Deferred Income	2013	2012
	£	£
Deferred income at 1 September	114,928	141,046
Net movement in the year	(28,919)	(26,118)
Deferred income at 31 August	<u>86,009</u>	<u>114,928</u>

At the balance sheet date the Academy Trust was holding funds received in advance relating to a Devolved Schools Grant from the Local Authority and Devolved Capital

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

16 CREDITORS	2013	2012
	£	£
Amounts falling due after one year		
Other loans	3,836	49,860
Net obligations under finance leases	-	2,965
	<u>3,836</u>	<u>52,825</u>
Analysis of loans		
Other loans	49,860	95,884
Included in current liabilities	(46,024)	(46,024)
	<u>3,836</u>	<u>49,860</u>
Loan maturity analysis		
In more than one year but not more than two years	3,836	46,024
In more than two years but not more than five years	-	3,836
In more than five years	-	-
	<u>3,836</u>	<u>49,860</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	-	2,260
Repayable between one and five years	-	2,965
	-	<u>5,225</u>
Included in liabilities falling due within one year	-	2,260
	-	<u>2,260</u>

17 THE FUNDS OF THE CHARITY	Balance at 01 September 2012	Incoming Resources	Outgoing Resources	Actuarial Gains	Transfers Between funds	Balance at 31 August 2013
Restricted income funds:						
General Annual Grant fund	1,728,171	10,558,291	(9,582,990)	-	36,248	2,739,720
Other grants & government funding	-	410,594	(410,594)	-	-	-
Pension reserve	(2,088,000)	-	(127,000)	94,000	-	(2,121,000)
Inherited fixed asset fund	23,812,177	2,666,376	(731,606)	-	(36,248)	25,710,699
	<u>23,452,348</u>	<u>13,635,261</u>	<u>(10,852,190)</u>	<u>94,000</u>	<u>-</u>	<u>26,329,419</u>
Unrestricted income funds:						
General fund	127,158	487,363	(384,956)	-	-	229,565
	<u>23,579,506</u>	<u>14,122,624</u>	<u>(11,237,146)</u>	<u>94,000</u>	<u>-</u>	<u>26,558,984</u>

General Annual Grant (GAG) represents the core funding for the educational activities of the schools that has been provided to the Partnership via the Education Funding Agency by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the Partnership. 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 2013. Funds are set aside for capital projects, specifically to contribute towards the replacement of temporary buildings at Norton Hill School and provision of an Astroturf at Somervale School.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

17 THE FUNDS OF THE CHARITY (CONTINUED)

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the Partnership upon conversion by the local authority which represent the school sites inherited from the local authority including the Land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

Transfer between Funds

The method of accounting for fixed assets purchased from GAG or other EFA recurrent grants is to show the purchase as a fixed asset on the balance sheet and transfer an amount equal to the purchase of fixed assets from the restricted general fund to the restricted fixed asset fund.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General Fund	Restricted Fund	Restricted Fixed Assets Fund	Pension Scheme Liability	Net Assets
<i>Fund balances at 31 August 2013 are represented by</i>					
Tangible Assets	-	-	24,864,260	-	24,864,260
Current Assets	229,565	3,428,028	846,439	-	4,504,032
Creditors due < 1 year	-	(684,472)	-	-	(684,472)
Creditors due > 1 year	-	(3,836)	-	-	(3,836)
Pension Liability	-	-	-	(2,121,000)	(2,121,000)
Total	<u>229,565</u>	<u>2,739,720</u>	<u>25,710,699</u>	<u>(2,121,000)</u>	<u>26,558,984</u>

19 MEMBERS' LIABILITY

Midsomer Norton Schools' Partnership is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £1 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

20 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2013, the Partnership was committed to make the following payments during the next year under non-cancellable operating leases as follows	2013 £	2012 £
In respect of plant and machinery operating leases		
Expiring within one year	7,870	9,780
Expiring within two to five years	<u>12,665</u>	<u>4,890</u>
	<u>20,535</u>	<u>14,670</u>

21 PENSION & 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 Avon Pension Fund. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

Contributions amounting to £88,012 (2012: £89,983) were payable to the scheme at 31 August 2013 and are included within creditors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

21 PENSION COMMITMENTS (CONTINUED)

Teachers' Pension Scheme

The Teachers' Pensions Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pension Regulations 2010. Retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded PTS, teachers' contributions on a 'pay as you go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pensions Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%) which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary (GA) using normal actuarial principles, conducts a formal actuarial review of the TPS. 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. Many of these are being discussed in the context of the design for a reformed PTS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 – 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions current in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

Employer and Employee Contribution Rates

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75% and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5% which translated into an employee contribution rate of 6.4% and employer contribution rate for 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

21 PENSION COMMITMENTS (CONTINUED)

The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation

The pension costs paid to TPS in the year amounted to £639,594 (2012 £665,374)

Under the definitions set out in Financial Standards (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated rates.

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 2013 was £351,941, of which employer's contributions total £261,862 and employees' contribution totalled £90,079. The agreed rates for future years are 13.1% for employers and an average of 6.1% for employees.

The deficit is £2,225,000 to be recovered over 20 years.

The Academy Trust also makes additional contributions in addition to normal funding levels. These annual deficit recovery contributions were calculated to be paid over a period of 20 years from 1 September 2014.

		As at 31 August 2013	As at 31 August 2012
Rate of increase in salaries		3.9%	3.8%
Rate of increase in pensions in payment		2.4%	2.3%
Discount rate		4.6%	4.5%
Inflation assumption	- rpi	N/A	N/A
	- cpi	2.4%	2.3%

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

	2013 Years	2012 Years
Retiring today		
Males	22.9	22.8
Females	25.9	25.7
Retiring in 20 years		
Males	25.2	25.1
Females	28.2	28.1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

21 PENSION COMMITMENTS (CONTINUED)

The assets in the scheme and the expected rate of return were

	Value at 31 August 2013		Value at 31 August 2012	
	%	£'000	%	£'000
Equities	64.5	858	58.5	494
Bonds	8.8	117	12.1	102
Property	7.1	95	7.4	62
Cash	1.8	24	1.8	15
Gilts	10.7	143	12.4	105
Other	7.1	95	7.8	66
Total market value of assets		1,332		844
Present value of scheme liabilities		(3,453)		(2,932)
Deficit in the scheme		(2,121)		(2,088)

Analysis of the amount charged to the Statement of Financial Activities

	2013 £'000	2012 £'000
As staff costs		
Current service cost	301	245
Past service cost	-	-
Losses on curtailments	-	-
Inherited deficit on transferred members	-	-
Total operating charge	301	245
As finance costs		
Expected return on assets	(56)	(37)
Interest on liabilities	140	127
Other finance costs	84	90
Total pension costs	385	335

Analysis of changes in the present value of defined benefit obligations

	2013 £'000	2012 £'000
Opening defined benefit obligations	2,932	2,247
Upon conversion to academy status	-	-
Members' contributions	89	84
Current service cost	301	245
Past service benefit	-	-
Losses on curtailments	-	-
Interest cost	140	127
Actuarial experience loss/(gain)	-	237
Benefits paid	(9)	(8)
Closing defined benefit obligations	3,453	2,932

The estimated value of employer contributions for the year ended 31 August 2014 is £256,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

21 PENSION COMMITMENTS (CONTINUED)

	2013	2012
	£'000	£'000
Analysis of changes in the fair value of plan assets:		
Opening fair value of assets	844	470
Upon conversion to academy status		-
Employer contributions	258	244
Members' contributions	89	84
Expected return	56	37
Actuarial experience gain	94	17
Benefits paid	(9)	(8)
Closing fair value of assets	<u>1,332</u>	<u>844</u>
 Reconciliation of the movement in scheme deficit over the year	 2013	 2012
	£'000	£'000
Deficit in scheme at the beginning of the year	(2,088)	(1,777)
Upon conversion to academy status	-	-
Movement in year		
Current service cost	(301)	(245)
Past service benefit	-	-
Losses on curtailments	-	-
Employer contributions	258	244
Other finance income	104	(90)
Actuarial loss	(94)	(220)
Deficit in scheme at the end of the year	<u>(2,121)</u>	<u>(2,088)</u>
 3 year History of experience adjustments	 2013	 2012
	£'000	£'000
Plan assets at fair value	1,332	844
Defined benefit obligation	(3,453)	(2,932)
Deficit	<u>(2,121)</u>	<u>(2,088)</u>
 Experience adjustments on plan assets	 <u>94</u>	 <u>17</u>
 Experience adjustments on plan liabilities	 <u>-</u>	 <u>-</u>

22 RELATED PARTY TRANSACTIONS

Owing to the nature of the Partnership'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 governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Partnership's financial regulations and normal procurement procedures.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2013

23 AGENCY ARRANGEMENTS

The Academy Trust administers the disbursement of the new discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFA. In the year it received £26,891 and disbursed £14,890 with therefore an amount of £12,001 at the 31 August 2013 which is included in other creditors. The Academy Trust retained a beneficial interest in individual transactions such that £1,907 has been recognised in income and expenditure in the Statement of Financial Activities.

24 CAPITAL COMMITMENTS

	2013	2012
	£	£
Contracted for, but not provided for in the financial statements	<u>1,287,721</u>	<u>1,202,690</u>