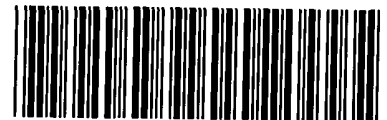


Company Registration No. 07865850 (England and Wales)

MAGNA LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

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

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MAGNA LEARNING PARTNERSHIP

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MAGNA LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

ST EDMUND'S SCHOOL

(1st September 2016 - 31st March 2017)

Members

Mr D Linaker (resigned 30th September 2016)
Mrs C Reavill (resigned 31st March 2017)
Mrs E Liversage (existing)
Mrs E Adams (resigned 31st March 2017)

Trustees

(Resigned 1st April 2017 unless otherwise stated)

Mrs C Reavill (Chairman)
Miss S Busby (Headteacher /Accounting Officer)*
Mrs E Adams (Co-Vice Chairman)
Dr H Adams
Mrs L Aldridge (Staff Trustee)
Mrs V J Broom *
Revd M Earwicker
Mr M Jones*
Miss L Knapp
Mr D Linaker*
Mrs E Liversage* (Co-Vice Chairman)
Mr J Squire*
Revd D Thornton*

* members of the Resources Committee

Senior management team

Headteacher	Miss S Busby
Deputy Headteacher	Mrs N Bull
Assistant Headteacher	Mr J Adams
Assistant Headteacher	Mr B Burley
Assistant Headteacher	Mrs C Smith
School Business Manager	Mrs F Inman

MAGNA LEARNING PARTNERSHIP

(1st April 2017 - 31st August 2017)

Members

Mr N Owen (appointed 1st April 2017)
Mrs E Liversage (existing)
Mr D Linaker (appointed 1st April 2017)
Revd J Findlay (appointed 1st April & resigned 5th July 2017)

Trustees

(Appointed 1st April 2017 unless otherwise stated)

Mr M Bower-Dyke (appointed 2nd May 2017)
Miss S Busby* (Executive Headteacher/Accounting Officer)
Revd M Earwicker (existing)
Ms J Hastings* (appointed 26th April 2017)
Ms S McKinley
Mr N Owen
Ms K Penn*
Mr P Radcliffe*
Ms E Slater (appointed 7th June 2017)
Ms A Clarke* (resigned 7th August 2017)
Mr M Allinson (appointed 26th April 2017)

* members of Resource Trustees Panel

MAGNA LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Senior management team

- Executive Headteacher and Headteacher Miss S Busby
St Edmund's
- Headteacher Trafalgar School Mr S Roderick
- Headteacher Wyvern College Mr P German
- Interim Partnership Business Manager Mrs F Inman

Company secretary Mr J Inman

Company registration number 07865850 (England and Wales)

Registered office Church Road
Laverstock
Salisbury
Wiltshire
SP1 1RD

Academies operated

St Edmund's School
Trafalgar School
Wyvern College
Magna Trust

Location

Salisbury
Downton
Salisbury
Salisbury

Headteacher

Miss S Busby
Mr S Roderick
Mr P German

Independent auditor

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Bankers

Lloyds Bank Plc Salisbury
38 Blue Boar Row
Salisbury
Wiltshire
SP1 1DB

Solicitors

Stone King LLP
16 St John's Lane
LONDON
EC1M 4BS

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

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

This report covers a financial year which consists of St Edmund's School Academy Trust for the period 1st September 2016 to 31st March 2017, and on the 1st April 2017 the trust became a Multi-Academy Trust (MAT). The change of name to Magna Learning Partnership was registered at Companies House on 8th April 2017.

Magna Learning Partnership is a multi-academy trust comprising three 11-16 secondary schools, two in Salisbury and one in Downton with approximately 1800 students in total on roll. St Edmund's Girls' School and Wyvern College are situated in Laverstock and The Trafalgar School is in Downton.

Name of Academy	PAN	Maximum Admission Number	Number on Roll	Number on Roll at Census
St Edmund's	168	192	907	5th October 2017
			876	19th January 2017
Trafalgar	135	150	618	5th October 2017
Wyvern College	90	98	306	5th October 2017

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Magna Learning Partnership are also the directors of the charitable company for the purposes of company law. The charitable company is Magna Learning Partnership and known as Magna Learning Partnership.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10.00, for the debts and liabilities contracted before they ceased to be a member.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Trustees' indemnities

Since the incorporation of the charitable company on 30th November 2011 every Trustee is indemnified out of the assets of the company against any liability incurred in the capacity of trustee.

Method of recruitment and appointment or election of trustees

Trustees are appointed under the rules contained within the MAT's Memorandum and Articles of Association. The members of the MAT may appoint between 6 and 8 trustees ensuring that the number of Foundation trustees does not fall below 50% of the total number of trustees. The members also ensure that not more than one third of the trustees are employees of the trust. The trustees acting jointly with the Diocesan Board of Education may appoint up to 3 Co-Opted Trustees.

The Executive Headteacher is an Ex-Officio Trustee.

Local Governing Bodies (LGBs) - Each school in Magna Learning Partnership has a Local Governing Body which provides focused governance at a local level. Membership is determined by the trustees. Each LGB includes at least 1 Parent Representative.

The trustees must ensure that:

- St Edmund's, as a former Voluntary Controlled School, has a LGB consisting of 25% Foundation Governors.
- Wyvern College, as a former Voluntary Aided School, has a LGB with a majority of Foundation Governors.

LGBs are committees of the Magna Learning Partnership Board of Trustees.

Policies and procedures adopted for the induction and training of trustees

The training and induction provided for new trustees will depend on existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. Induction tends to be done informally and is tailored specifically to the needs of the individual.

The Board of Trustees maintains a Service Level Agreement with Wiltshire Council's Governor Support service. This Agreement allows for any or all of the members of the Board of Trustees to attend the governor training courses provided by Wiltshire Council. All new trustees are offered the opportunity to attend the New Governor Training day run by Wiltshire Governor Support.

All new trustees are actively encouraged to take advantage of the Agreement so as to gain a better understanding of the role and responsibilities of being a school trustee. Additionally, trustees with specific roles within the Board of Trustees are strongly encouraged to undertake specific training. Trustees also have access to training provided by Salisbury Diocesan Board of Education and Modern Governor online training.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

Magna Learning Partnership has a management structure of the Board of Trustees and an Executive Headteacher and each academy has a management structure of a Local Governing Body and Senior Leadership Team led by a Headteacher.

The Board of Trustees is responsible for appointing the Executive Headteacher, making major strategic decisions, setting general policy and adopting an annual budget.

The Executive Headteacher is the Accounting Officer and the Headteacher of each school is responsible for the day to day running of that school.

The trustees are responsible for the strategic management of the schools, including strategic direction, annual budgets, senior staff appointments, policy changes etc. Operational management is the responsibility of the individual Headteacher and staff. The latter is carried out at a number of levels, for example Senior Leadership Team, Subject Leaders, Heads of Year.

School policies are developed by senior members of the schools' staff to reflect both the strategic direction agreed by the trustees and also statutory requirements. These policies are approved and adopted in accordance with the Scheme of Delegation and implemented as procedures and systems by the Senior Leadership Team of each school and other designated members of staff.

Arrangements for setting pay and remuneration of key management personnel

The trust board delegates to the resource trustees the responsibility of the Pay Panel to set the pay range on the leadership scale for the Executive Headteacher, Headteachers, Deputy Headteachers, Assistant Headteachers and the Partnership Business Manager. Progression on the pay range is dependent on meeting appraisal objectives.

The only Trustee that is paid is the Executive Headteacher in the capacity of employee, not Trustee.

Related parties and other connected charities and organisations

Salisbury Diocesan Board of Education is a Member of the Academy Trust Company and owns the land and buildings of St Edmund's School and Wyvern College. Wiltshire Council owns the playing fields of St Edmund's School and Wyvern College.

Objectives and activities

Objects and aims

Our vision: Excellence Together

Objects and Aims

Magna Learning Partnership comprises three different schools, each with its own distinctive ethos and values, but we share a goal to ensure that every young person has access to an excellent educational experience.

The core aim of our partnership is to improve and further develop the quality of education provision across Salisbury and the surrounding villages for the benefit of all young people in the area, by creating a sustainable education partnership that, through the achievements of its young people, enhances the reputation of education across Salisbury.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

The partner schools have a commitment to collaborate & support each other to:

- Enhance curriculum breadth, quality and flexibility across all partner schools
- Share good practice and innovation, in order to establish a hub of excellence within Salisbury
- Raise educational standards and aspirations across Salisbury
- Share the great practice, skills, expertise and facilities that exist across the partner schools
- Explore ways to be more effective through sharing resources, reducing costs and delivering services more efficiently.

Improving outcomes for the young people attending the schools in our Trust is at the heart of the partnership.

We aim to:

- Promote high expectations and aspirations for all, regardless of social, economic or cultural background;
- Ensure that students are at the centre of everything we do;
- Ensure that all schools in the partnership are working towards outstanding status through excellence in teaching and learning;
- Promote collaborative and innovative working within a culture of challenge and support;
- Support all schools to develop students into well rounded, confident, happy and resilient individuals, prepared well for life in 21st century society;
- Provide excellent value for money in the quality of education for our students through effective and efficient organisation.

We share the following core values:

- Recognising that everyone is of equal worth and has a valuable contribution to offer;
- Working collaboratively, sharing ideas and best practice;
- Acknowledging that respect, responsibility, aspiration and commitment are the watchwords for our success as a partnership;
- Taking a positive and open minded approach to all opportunities provided for us.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The key areas agreed by the Trust Board as the strategy for the development of Magna Learning Partnership are as follows:

1. Education

Through membership of Magna Learning Partnership, children and young people in Salisbury and the surrounding area will receive educational opportunities that are wider and deeper than in any single institution and as a result, will allow them to fulfil their potential and improve their life chances.

2. Finance

The financial health of Magna Learning Partnership will stem from a surplus in each school year on year. Operational efficiencies will support accelerated opportunities and progress for students.

3. Student Numbers

It is expected that Magna Learning Partnership will grow to a student population of 3000 by 2020.

4. Growth and Development

Magna Learning Partnership is expected to grow at an appropriate pace to become a community MAT of schools in all phases and in line with the expected numbers within three years.

5. Ethos and community

'Excellence together', Magna Learning Partnership's strapline, provides the benchmark for all developmental activity in the MAT.

Public benefit

The key public benefit delivered by Magna Learning Partnership is the maintenance and development of the high quality education provided by the schools to students aged 11 – 16 in Salisbury and the surrounding areas. In setting our objectives and planning our activities the trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

As the MAT is newly formed there is no historical data for our key performance indicators, the following key performance indicators will be used to assess ongoing performance:

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

Education

- All schools in partnership rated good or better by Ofsted
- Attendance above the national average
- Progress 8 or value added scores positive for all schools

Finance

- The percentage of costs indirectly associated with education reducing as a proportion of total revenue
- Positive cashflow for the MAT as a whole

Student Numbers

- Each school achieving 90% of PAN
- Magna Learning Partnership schools becoming the schools of choice for local and wider population

Growth and Development

- Sarum Academy joins the MAT by November 2017
- The first primary partners join the MAT by September 2018
- Other post 16 providers are considered as joiners
- Inclusive education in all phases informs provision and therefore growth
- The partnership grows at an appropriate pace but remains focused on Salisbury and the surrounding area

Ethos and Community

- The best practice in every school informs the improvement of practice in all
- Collaborative work provides increased opportunities for young people
- Local communities benefit from the existence of the MAT through the development of and support for children and young people
- Partnerships with other MATs and other agencies, such as health, support the development of Magna Learning Partnership and its impact on young people.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

<u>GCSE Results 2017</u>	St Edmund's School	Trafalgar School	Wyvern College
% English (Lit/Lang) and Maths A*-C (4+)	74	71	46
% English (Lit/Lang) and Maths (5+)	41	42	13
% Maths 5+	43	46	31
% Maths 4+	75	79	63
% English 5+	69	68	29
% English 4+	93	80	56

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. These enquiries have taken account of the following:

- Recruitment of students based on actual and forecast numbers, with number of first choices for Year 7 entry across the Trust increased year on year
- Five year planning cycle
- Business strategy in place
- The ability to pay debts when they fall due
- The reliability of income streams from the ESFA
- Growth of the trust and the impact of any new schools joining
- Educational standards in the Trust's schools, with all schools rated Good by Ofsted.

For this reason the Board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The majority of the trust's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of its General Annual Grant (GAG), the use of which is restricted to particular purposes; ie the objects of the MAT. The GAG received during the period covered by this Report and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

St Edmund's School submitted a bid for a grant from the Capital Improvement Fund in December 2015 for a new build permanent block to replace temporary mobiles, which was successful. This project has been closely monitored for capital and unrestricted expenditure, and the building was completed in August 2017.

In addition the MAT has received Devolved Formula Capital Grant (DFC). In accordance with the Charities SORP 2015, the DFC received is shown in the SOFA as restricted fixed asset funds. The DFC funding has been used as follows:

- as part payment towards IT commitments for the new build for St Edmund's
- a new server for Wyvern College.

The balance sheet restricted fixed asset fund is reduced by depreciation charges over the expected useful life of the assets concerned, as explained in Note 1 to the Financial Statements.

The combined General Restricted Fund and Unrestricted Fund show a surplus of £136,356 before the actuarial gains on defined benefit pension schemes, of £1,766,000.

A fund analysis per academy is shown in Note 17 of the Financial Statements.

The trustees are aware of the large deficit that the Local Government Pension Fund is reporting, and the agreed loan repayments for Trafalgar School and Wyvern College. (See Note 19 & 26 to the Financial Statements).

Reserves policy

As at the 31st August 2017 the school has a deficit restricted balance. It recognises a significant pension fund deficit for the Local Government Pension Scheme, and as this is included within the restricted funds the overall position becomes a deficit. However, this does not mean that an immediate liability for this amount crystallises.

The deficit position of the pension scheme could result in a cash flow effect in the form of an increase or decrease in employer's contributions over a period of years. Therefore the Academy Trust constantly monitors and reviews current business plans and budget scenarios to ascertain how pension costs might affect budgets in the future to ensure that the academy trust is able to respond to the pension deficit and still provide the objects and aims of Magna Learning Partnership. However, the pension deficit will not be eliminated.

At 31st August 2017 the unrestricted reserves balance is £472,752, and the restricted deficit reserves balance is £336,396 (excluding the pension reserve). This means that there is a net surplus of £136,356.

The Reserves Policy states that the appropriate level of free reserves is the equivalent of two weeks salaries for the MAT and the aim is to achieve this within five years. All restricted funds are available for the general purposes of the Academy Trust.

The reserves are frequently monitored to ensure a balance between spending on the current pupils on roll and the necessity to have a reserve for future uncertainties. Levels of reserves are deliberately maintained and considered appropriate, in order to ensure healthy 3 – 5 year budget planning, and are reviewed on an annual basis.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment policy and powers

Magna Learning Partnership has responsibility and powers to make investment decisions. The aim of the Investment Policy is to ensure that funds which the school does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the school's income, but without risk.

Apart from the cash held for the operation of the Schools, Magna Learning Partnership has no realisable investments. With respect to its cash holdings the Board of Trustees has agreed to invest fixed sums in higher interest rate accounts for periods between 1 and 12 months.

Principal risks and uncertainties

The trustees are aware of the risks and uncertainties that the MAT faces.

The trustees have implemented a Risk Register and risk assessment process to assess risk, including operational areas (eg in relation to teaching, health and safety and school trips) and the control of finance. Systems or procedures have been established to manage those risks, and the trustees have ensured they have adequate insurance cover.

The Board of Trustees acknowledges that we have overall responsibility for ensuring that Magna Learning Partnership has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of Magna Learning Partnership. This enables us to ensure that the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of Magna Learning Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, as well as providing reasonable assurance that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly.

The main areas of exposure are bank balances, cash, trade creditors and trade debtors. The deficit on the defined benefit pension scheme is a material risk. The trustees regularly review the key risks to which the Academy Trust is exposed.

The principal risk that the MAT faces is achieving the growth in pupil numbers at Wyvern College and Trafalgar School to fund the agreed loan repayments. All other areas of risk are outlined in the Risk Register which is reviewed annually.

Plans for future periods

Magna Learning Partnership will continue to work to maintain the performance of its pupils at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills, so as to increase the number of opportunities open to its students when they move on to further and higher education and ultimately employment.

The most significant plan for 2017/18 is for Sarum Academy to join Magna Learning Partnership Multi Academy Trust on 1st November 2017. This will increase opportunities for resource sharing and collaborative working, provide extra CPD and promotion opportunities for employees, allow for enhanced pupil experiences and exposure to different styles and cultures of learning and encourage increased pupil numbers in Sarum Academy's 6th Form.

MAGNA LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Funds held as custodian trustee on behalf of others

During the period 1st September 2016 to 31st August 2017 Magna Learning Partnership did not hold any funds as Custodian Trustee on behalf of any other charitable organisation.

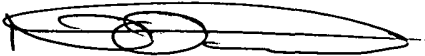
Auditor

In so far as the trustees are aware:

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

On 5th April 2017 the Trustees agreed to the reappointment of Moore Stephens (South) LLP as auditor of the charitable company.

The trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 13 December 2017 and signed on its behalf by:



Mr N Owen
Chairman of Trustees

MAGNA LEARNING PARTNERSHIP

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Magna Learning 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 Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Magna Learning Partnership and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities.

St Edmund's School

(1st September 2016 – 31st March 2017)

The Board of Trustees has formally met 5 times between 1st September 2016 and 31st March 2017 . Attendance during the period at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs E Adams	4	5
Dr H Adams	5	5
Mrs L Aldridge (Staff Trustee)	3	5
Mrs V J Broom	5	5
Miss S Busby (Headteacher and Accounting Officer)	5	5
Revd M Earwicker	3	5
Mr M Jones	5	5
Miss L Knapp	4	5
Mr D Linaker	2	5
Mrs E Liversage	5	5
Mrs C Reavill (Chairman)	4	5
Mr J Squire	4	5
Revd D Thornton	2	5

MAGNA LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Magna Learning Partnership (1st April 2017 to 31st August 2017)

The board of trustees has formally met 4 times between 1st April 2017 and 31st August 2017. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr N Owen	4	4
Ms S McKinley	2	4
Ms A Clarke (resigned 7th August 2017)	1	4
Revd M Earwicker	4	4
Ms K Penn	4	4
Mr P Radcliffe	3	4
Miss S Busby (Executive Headteacher)	4	4
Mr M Allinson (appointed 26th April 2017)	3	4
Mr M Bower-Dyke (appointed 2nd May 2017)	2	3
Ms E Slater (appointed 7th June 2017)	2	2
Ms J Hastings (appointed 26th April 2017)	3	4

The major changes to the composition of the board took place when the MAT was formed on 1st April 2017. The majority of the existing trustees resigned and became local governors at St Edmund's. The new trust board was drawn from the Project Steering Interim Board and additional trustees were sourced via Academy Ambassadors based on the skill mix required.

The Articles of Association allow Magna Learning Partnership to appoint between 3 and 12 trustees.

The challenges faced by the board of trustees in the first few months of Magna Learning Partnership were:

- creating and setting a strategy for MLP
- handling MLP growth, particularly in the first year
- ensuring that the trustees have the requisite skill, experience and abilities
- developing an MLP ethos and culture
- assimilating the founding schools into MLP and developing common policy and practices.

The trustees had a special meeting to review strategy and tackle the issues facing them, focussing on:

- education
- finance
- student numbers
- development
- ethos / community

The plan which resulted from this meeting is now being implemented.

MAGNA LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The board of trustees has recognised the need to assess its own effectiveness. As a first step, it has carried out a review of its skills and experiences, and at a strategy day it also looked at how to measure and review performance over time.

The quality of the data used by the trustees is audited, challenged and evidenced and explanations sought as necessary. Forecast data is measured against results and action taken to resolve anomalies.

St Edmund's School Resources Committee (1st September 2016 to 31st March 2017)

The Resources Committee is responsible for the school's financial affairs and reporting as appropriate to the board of trustees. It also carries out the functions of the Audit Committee.

In 2016/17 the Resources Committee has overseen all capital projects funded from capital, restricted and unrestricted funds. These included the expenditure of CIF funding for the St Edmund's new build project. In addition, the committee has monitored the introduction of new IT equipment

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Miss S Busby (Accounting Officer)	5	5
Mrs E Liversage (Resigned 1 April 2017)	4	5
Mrs V J Broom (Resigned 1 April 2017)	3	5
Mr D Linaker (Resigned 1 April 2017)	0	1
Mr M Jones (Resigned 1 April 2017)	5	5
Prof J Squire (Resigned 1 April 2017)	4	5
Revd D Thornton (Resigned 1 April 2017)	2	4

Magna Learning Partnership Resource Trustees Panel (1st April 2017 to 31st August 2017)

The Resource Trustees Panel is responsible for overseeing the partner schools' financial affairs and reporting as appropriate to the board of trustees. It also carries out the functions of the Audit Committee.

In 2016/17 the Resource Trustees Panel has overseen all capital projects funded from capital, restricted and unrestricted funds. These included the expenditure of CIF funding for the St Edmund's new build project. In addition, the committee has monitored the introduction of new IT equipment

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Miss S Busby (Accounting Officer)	1	1
Ms J Hastings (Appointed 26 April 2017)	1	1
Ms K Penn (Appointed 1 April 2017)	1	1
Mr P Radcliffe (Appointed 1 April 2017)	1	1
Ms A Clarke (Appointed 1 April 2017 and resigned 7 August 2017)	0	1

MAGNA LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of value for money

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

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

- Multi-Academy Trust purchased services, as the trust has saved by purchasing on behalf of the partner schools,
- insurance is now purchased through RPA (Risk Protection Arrangement). The Government covers any losses instead of commercial insurance, and offers better value,
- seeking 3 quotes for higher value purchases
- constantly monitoring consumables for best value, rather than remaining with one supplier.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St Edmund's School for the period 1st September 2016 to 31st March 2017 and in Magna Learning Partnership for the period 1st April 2017 to 31st August 2017, and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Resources committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor or a responsible officer. St Edmund's purchased the Financial Controls Assurance Service from Mr David Wheen. This service included giving advice on financial matters and performing checks on the academy trust's financial systems.

MAGNA LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

These checks covered:

- payroll systems
- purchase systems
- bank reconciliations
- financial systems and policies
- petty cash
- income
- ParentPay and Catering Income

On a regular basis the Partnership Business Manager reports to the Resource Trustees Panel on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. St Edmund's School / Magna Learning Partnership received three Financial Controls Assurance Service buyback visits for St Edmund's in 2016/17, and the Financial Controls Assurance Service has delivered the schedule of work as planned.

Whilst no Financial Controls Assurance Service visits were made to Trafalgar and Wyvern an external interim audit was undertaken and the findings were reported back to the Executive Headteacher and Interim Partnership Business Manager. Financial Controls Assurance Service visits to all schools in the Trust have been built into the schedule from September 2017. This service will be purchased from Wiltshire Local Authority.

No material control issues have been highlighted, and good practice recommendations have been put in place.

Review of effectiveness

As accounting officer the Executive Headteacher 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 Financial Controls Assurance Service
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Resources committee/Resource Trustees Panel and a plan to address weaknesses and ensure continuous improvement of the system is in place.

When Magna Learning Partnership was created on 1st April 2017 Trafalgar School and Wyvern College undertook the existing academy system of internal controls.

Approved by order of the Board of Trustees on 13 December 2017 and signed on its behalf by:



Miss S Busby
Accounting Officer



Mr N Owen
Chairman of Trustees

MAGNA LEARNING PARTNERSHIP

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Magna Learning Partnership I have considered my responsibility to notify the academy trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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



Miss S Busby
Accounting Officer

13 December 2017

MAGNA LEARNING PARTNERSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the Board of Trustees on 13 December 2017 and signed on its behalf by:



Mr N Owen
Chairman of Trustees

MAGNA LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA LEARNING PARTNERSHIP

Opinion

We have audited the accounts of Magna Learning Partnership for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MAGNA LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA LEARNING PARTNERSHIP (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

MAGNA LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MAGNA LEARNING PARTNERSHIP (CONTINUED)

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

Ann Mathias

Ann Mathias (Senior Statutory Auditor)
for and on behalf of Moore Stephens (South) LLP

Chartered Accountants
Statutory Auditor

21 December 2017

33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

MAGNA LEARNING PARTNERSHIP

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MAGNA LEARNING PARTNERSHIP AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 8 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Magna Learning Partnership during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Magna Learning Partnership and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Magna Learning Partnership and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Magna Learning Partnership and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Magna Learning Partnership's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Magna Learning Partnership's funding agreement with the Secretary of State for Education dated 1 February 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officer's statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

MAGNA LEARNING PARTNERSHIP

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens (South) LLP

Reporting Accountant

Moore Stephens (South) LLP
33 The Clarendon Centre
Salisbury Business Park
Dairy Meadow Lane
Salisbury
Wiltshire
SP1 2TJ

Dated: *21 December 2017*

MAGNA LEARNING PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted Funds	Restricted funds: General Fixed asset		Total 2017	Total 2016 as restated
	Notes	£	£	£	£	£
Income and endowments from:						
Donations and capital grants	3	21,008	-	2,027,842	2,048,850	804,521
Donations - transfer from local authority on conversion	26	46,071	(2,078,688)	8,322,629	6,290,012	-
Charitable activities:						
- Funding for educational operations	4	-	6,366,433	-	6,366,433	4,289,541
Other trading activities	5	503,175	42,268	-	545,443	310,509
Investments	6	6,995	-	-	6,995	2,779
Total income and endowments		<u>577,249</u>	<u>4,330,013</u>	<u>10,350,471</u>	<u>15,257,733</u>	<u>5,407,350</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	533,501	9,222,240	188,142	9,943,883	4,851,901
Total expenditure	7	<u>533,501</u>	<u>9,222,240</u>	<u>188,142</u>	<u>9,943,883</u>	<u>4,851,901</u>
Net income/(expenditure)		43,748	(4,892,227)	10,162,329	5,313,850	555,449
Transfers between funds		-	2,387,947	(2,387,947)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	1,766,000	-	1,766,000	(839,000)
Net movement in funds		<u>43,748</u>	<u>(738,280)</u>	<u>7,774,382</u>	<u>7,079,850</u>	<u>(283,551)</u>
Reconciliation of funds						
Total funds brought forward		429,004	(1,416,116)	702,628	(284,484)	(933)
Total funds carried forward		<u>472,752</u>	<u>(2,154,396)</u>	<u>8,477,010</u>	<u>6,795,366</u>	<u>(284,484)</u>

MAGNA LEARNING PARTNERSHIP

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016 As restated	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	3	9,334	-	795,187	804,521
Charitable activities:					
- Funding for educational operations	4	-	4,289,541	-	4,289,541
Other trading activities	5	262,076	48,433	-	310,509
Investments	6	2,779	-	-	2,779
Total income and endowments		<u>274,189</u>	<u>4,337,974</u>	<u>795,187</u>	<u>5,407,350</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	283,023	4,461,826	107,052	4,851,901
Total expenditure	7	<u>283,023</u>	<u>4,461,826</u>	<u>107,052</u>	<u>4,851,901</u>
Net income/(expenditure)		(8,834)	(123,852)	688,135	555,449
Transfers between funds		-	252,708	(252,708)	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	19	-	(839,000)	-	(839,000)
Net movement in funds		(8,834)	(710,144)	435,427	(283,551)
Reconciliation of funds					
Total funds brought forward		437,838	(705,972)	267,201	(933)
Total funds carried forward		<u>429,004</u>	<u>(1,416,116)</u>	<u>702,628</u>	<u>(284,484)</u>

MAGNA LEARNING PARTNERSHIP

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		8,565,158		247,318
Current assets					
Debtors	13	600,117		104,773	
Cash at bank and in hand		1,350,614		1,717,796	
		<u>1,950,731</u>		<u>1,822,569</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(994,047)		(453,385)	
Net current assets			956,684		1,369,184
Total assets less current liabilities			<u>9,521,842</u>		<u>1,616,502</u>
Creditors: amounts falling due after more than one year	15		(908,476)		(18,986)
Net assets excluding pension liability			<u>8,613,366</u>		<u>1,597,516</u>
Defined benefit pension liability	19		(1,818,000)		(1,882,000)
Net assets			<u>6,795,366</u>		<u>(284,484)</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			8,477,010		702,628
- Restricted income funds			(336,396)		465,884
- Pension reserve			(1,818,000)		(1,882,000)
Total restricted funds			<u>6,322,614</u>		<u>(713,488)</u>
Unrestricted income funds	17		472,752		429,004
Total funds			<u>6,795,366</u>		<u>(284,484)</u>

The accounts set out on pages 25 to 56 were approved by the Board of Trustees and authorised for issue on 13 December 2017 and are signed on its behalf by:



Mr N Owen
Chairman of Trustees

Company Number 07865850

MAGNA LEARNING PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	20		(3,555,347)		274,304
Cash funds transferred on conversion			332,381		-
			(3,222,966)		274,304
Cash flows from investing activities					
Dividends, interest and rents from investments		6,995		2,779	
Capital grants from DfE and EFA		2,027,842		795,187	
Payments to acquire tangible fixed assets		(109,971)		(60,553)	
			1,924,866		737,413
Cash flows from financing activities					
New Government Loan		861,548		(4,178)	
New Government finance leases		73,382		-	
Finance costs		(4,012)		(128)	
			930,918		(4,306)
Change in cash and cash equivalents in the reporting period			(367,182)		1,007,411
Cash and cash equivalents at 1 September 2016			1,717,796		710,385
Cash and cash equivalents at 31 August 2017			1,350,614		1,717,796

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Magna Learning Partnership is a charitable company limited by guarantee incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

1.1 Basis of preparation

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

Magna Learning Partnership meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. In making this assessment the following have been taken account of:

- Recruitment of students based on actual and forecast numbers, with number of first choices for Year 7 entry across the Trust increased year on year
- Five year planning cycle
- Business strategy in place
- The ability to pay debts when they fall due
- The reliability of income streams from the ESFA
- Growth of the trust and the impact of any new schools joining
- Educational standards in the Trust's schools, with all schools rated Good by Ofsted.

Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Conversion to an academy trust

The conversion of Trafalgar School and Wyvern College from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Trafalgar School and Wyvern College to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority for assets on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.4 Income

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

Grants receivable

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

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

Donated fixed assets

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

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

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

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

Due to clarification by the EFSA concerning Church owned land and buildings operated by trusts under Church Supplementary Agreements these are no longer included as tangible fixed assets and have been amended through a prior period adjustment.

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

Freehold land and buildings	Buildings only 2% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	20% straight line
Motor vehicles	20% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

1.7 Liabilities

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

1.8 Leasing and hire purchase commitments

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the statement of financial activities so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.9 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Taxation

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

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.12 Fund accounting

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

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

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

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or 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

On conversion to an academy trust, the asset and liabilities of the Trust are measured at fair value. This includes any buildings. The valuation of the buildings involves a significant degree of estimation, refer to Note 12 for further detail of this estimation.

The Trust has reviewed the 2017 Accounts Direction and the Church supplemental agreements. In recognition of the 2 year rolling notice, Diocese control and permission required for significant capital works, the Trust has removed the land and buildings in respect of St Edmund's School. The value of the donation of occupying such properties rent free has also been considered. A notional rental value has not been included as it cannot be reliably measured.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	2,027,842	2,027,842	795,187
Other donations	21,008	-	21,008	9,334
	<u>21,008</u>	<u>2,027,842</u>	<u>2,048,850</u>	<u>804,521</u>

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,776,290	5,776,290	3,986,200
Other DfE / ESFA grants	-	364,182	364,182	173,541
	-	6,140,472	6,140,472	4,159,741
Other government grants				
Local authority grants	-	201,464	201,464	103,294
Other government grants	-	24,497	24,497	26,506
	-	225,961	225,961	129,800
Total funding	-	6,366,433	6,366,433	4,289,541

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	20,530	-	20,530	15,816
Catering income	188,147	-	188,147	104,380
Music tuition	8,322	-	8,322	8,335
Visits and trip income	199,261	-	199,261	116,061
Other income	86,915	42,268	129,183	65,917
	503,175	42,268	545,443	310,509

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Other investment income	6,995	-	6,995	2,779

MAGNA LEARNING PARTNERSHIP

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

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	4,237,780	188,142	823,048	5,248,970	3,420,434
- Allocated support costs	1,055,926	3,116,569	522,418	4,694,913	1,431,467
	<u>5,293,706</u>	<u>3,304,711</u>	<u>1,345,466</u>	<u>9,943,883</u>	<u>4,851,901</u>

Net income/(expenditure) for the year includes:	2017	2016
	£	£
Fees payable to auditor for:		
- Audit	12,400	6,000
- Other services	2,500	2,100
Operating lease rentals	12,797	8,359
Depreciation of tangible fixed assets	188,142	107,052
Other interest payable	4,012	128
Net interest on defined benefit pension liability	<u>52,000</u>	<u>36,000</u>

Central services

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

- Executive Headteacher salary
- Interim Partnership Business Manager salary
- Company Secretary/Clerk to Trust Board salary
- MLP Marketing (not individual school specific)
- MLP Trust Improvement work
- MLP centralised staff development and training
- Payroll & HR admin service
- Routine HR advice (any complicated cases would be considered individually)
- Routine legal advice (")
- Audit fee
- Accountancy fees
- LGPS actuary fees
- External financial controls assurance service
- Trade Union facilities agreement
- Companies House returns
- ICO registration
- Apprenticeship levy
- Engineering Insurance
- Small contingency

The academy trust charges for these services on the following basis:

- 3% of GAG income.

MAGNA LEARNING PARTNERSHIP

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

7 Expenditure (Continued)

The amounts charged during the year were as follows:	Total £
St Edmund's School	49,312
Trafalgar School	35,284
Wyvern College	19,656
Magna Trust	-
	<u>104,252</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	533,501	4,715,469	5,248,970	3,420,434
Support costs - educational operations	-	4,694,913	4,694,913	1,431,467
	<u>533,501</u>	<u>9,410,382</u>	<u>9,943,883</u>	<u>4,851,901</u>

Analysis of costs

	2017 £	2016 £
Direct costs		
Teaching and educational support staff costs	4,219,780	2,784,225
Staff development	18,000	11,944
Depreciation and amortisation	188,142	107,052
Technology costs	168,450	58,554
Educational supplies and services	201,090	156,733
Examination fees	129,294	63,981
Educational consultancy	99,907	80,509
Other direct costs	224,307	157,436
	<u>5,248,970</u>	<u>3,420,434</u>

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Charitable activities (Continued)

Support costs

Support staff costs	1,055,926	717,936
Technology costs	82,905	65,799
Recruitment and support	23,291	10,021
Maintenance of premises and equipment	2,904,140	366,342
Cleaning	70,583	42,002
Energy costs	73,742	40,165
Rent and rates	40,809	19,778
Insurance	27,295	21,460
Security and transport	66,189	17,973
Catering	103,094	46,166
Finance costs	56,012	36,128
Other support costs	78,830	21,789
Governance costs	112,097	25,908
	<u>4,694,913</u>	<u>1,431,467</u>

Premises costs includes an asset donation to the Salisbury Diocesan Board of Education of £2,783,224 (2016 £344,459) in relation to the CIF Magill new building project.

9 Staff costs

	2017 £	2016 £
Wages and salaries	3,986,349	2,741,242
Social security costs	366,282	209,811
Operating costs of defined benefit pension schemes	874,810	529,664
Apprenticeship Levy Costs	6,051	-
Staff costs	<u>5,233,492</u>	<u>3,480,717</u>
Supply staff costs	30,357	21,444
Staff restructuring costs	11,857	-
Staff development and other staff costs	18,000	11,944
Total staff expenditure	<u>5,293,706</u>	<u>3,514,105</u>

MAGNA LEARNING PARTNERSHIP

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

9 Staff costs

(Continued)

Staff numbers

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

	2017 FTE Number	2016 FTE Number	2017 Avg Number	2016 Avg Number
Teachers	57	43	65	45
Administration and support	55	40	92	69
Management	11	7	11	6
	<u>123</u>	<u>90</u>	<u>168</u>	<u>120</u>

Higher paid staff

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

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

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £385,725 (2016 £416,981).

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment.

The value of trustees' remuneration was as follows:

S Busby (Headteacher)

Remuneration £80,000-£85,000 (2016: £75,000-£80,000)

Employers pension contributions £10,000 - £15,000 (2016: £10,000-£15,000)

L Aldridge (Other staff Governor)

Remuneration £5,000- £10,000 (2016: £5,000-£10,000)

Employers pension contributions £0-£5,000 (2016: £0,000 - £5,000)

During the year ended 31 August 2017, travel, and subsistence expenses totalling £589.90 (2016: £483) were reimbursed to 1 trustee (2016: 1 trustees).

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

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Trustees and officers insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Freehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2016	-	304,935	196,729	24,870	526,534
Transfer on conversion	8,294,822	51,124	2,149	47,915	8,396,010
Additions	-	48,286	61,686	-	109,972
Disposals	-	(19,765)	-	-	(19,765)
At 31 August 2017	8,294,822	384,580	260,564	72,785	9,012,751
Depreciation					
At 1 September 2016	-	182,487	78,076	18,653	279,216
On disposals	-	(19,765)	-	-	(19,765)
Charge for the year	69,124	70,894	37,942	10,182	188,142
At 31 August 2017	69,124	233,616	116,018	28,835	447,593
Net book value					
At 31 August 2017	8,225,698	150,964	144,546	43,950	8,565,158
At 31 August 2016	-	122,448	118,653	6,217	247,318

The land and buildings for St Edmund's have been removed by way of a prior year adjustment due to the clarification by the ESFA on Church owned land and buildings operated by the trust on a Church Supplementary Agreement. A notional rent value has not been included as it cannot be reliably measured at this stage.

The land and buildings for Wyvern College are also Church owned operated by the trust under a Church Supplementary Agreement. A notional rent value has not been included as it cannot be reliably measured at this stage.

The land and buildings for Trafalgar are owned by the trust and as an ESFA valuation is not available the value on transfer is estimated on a depreciated replacement costs basis. An estimated value of the land transferred has not been included in the balance sheet on the basis that a reliable valuation cannot be readily determined.

MAGNA LEARNING PARTNERSHIP

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

13 Debtors	2017	2016
	£	£
VAT recoverable	163,577	9,208
Other debtors	304,550	41,925
Prepayments and accrued income	131,990	53,640
	<u>600,117</u>	<u>104,773</u>
14 Creditors: amounts falling due within one year	2017	2016
	£	£
Government loans	15,452	3,452
Net obligations under finance lease and hire purchase contracts	33,440	-
Trade creditors	113,952	12,385
Other taxation and social security	136,028	60,514
Other creditors	589,459	320,687
Accruals and deferred income	105,716	56,347
	<u>994,047</u>	<u>453,385</u>
15 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Government loans	868,534	18,986
Net obligations under finance leases and hire purchase contracts	39,942	-
	<u>908,476</u>	<u>18,986</u>

MAGNA LEARNING PARTNERSHIP

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

15	Creditors: amounts falling due after more than one year	(Continued)	
		2017	2016
	Analysis of loans		
	Not wholly repayable within five years by instalments	514,226	3,452
	Wholly repayable within five years	369,760	18,986
		<u>883,986</u>	<u>22,438</u>
	Less: included in current liabilities	(15,452)	(3,452)
		<u>868,534</u>	<u>18,986</u>
	Amounts included above	<u>868,534</u>	<u>18,986</u>
	Instalments not due within five years	<u>514,226</u>	<u>3,452</u>
	Loan maturity		
	Debt due in one year or less	15,452	3,452
	Due in more than one year but not more than two years	82,784	3,452
	Due in more than two years but not more than five years	271,524	10,356
	Due in more than five years	514,226	5,178
		<u>883,986</u>	<u>22,438</u>

MAGNA LEARNING PARTNERSHIP

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

15	Creditors: amounts falling due after more than one year	(Continued)	
		2017	2016
	Net obligations under finance leases and hire purchase contracts		
	Repayable within one year	33,440	-
	Repayable between one and five years	33,942	-
		<hr/>	<hr/>
		67,382	-
	Less: finance charges and interest allocated to future accounting periods	-	-
		<hr/>	<hr/>
	Net obligations	67,382	-
	Less: included in liabilities falling due within one year	(33,440)	-
		<hr/>	<hr/>
	Included above	33,942	-
		<hr/>	<hr/>

Included within creditors are the following loans:

Government Loans

St Edmund's has a loan with Salix Finance Limited for £18,986 which is provided on the following terms:

Repayment period - 8 years

Annual repayments - £3,452

Final payment - 1st September 2022

Wyvern College has a loan from Wiltshire Council for the value of £615,000 which is provided on the following terms:

Repayment holiday until 31st March 2021

Annual repayment - £114,741

Final payment - 31st March 2027

Total interest is payable of £73,443 (based upon interest rate of 1.52%)

The agreement is based on the number of pupils on roll reaching 345 by October 2021, if these numbers are not achieved or achieved at an earlier date then the parties will revise the repayment instalments.

Trafalgar has a cash advance / loan from the Education Skills and Funding agency for the value of £250,000 for which the terms have not yet been finalised with the EFSA and have been disclosed on the following basis:

Repayment in 2017/18 academic year - £12,000

Annual repayments thereafter - £79,333

Final payment by 31st August 2021

There is no interest payable.

Finance Leases with Local Authority

Trafalgar have five finance agreements with Wiltshire Council for the purchase of computer equipment, furniture and minibuses. The obligations are set out above and the final repayment is due in July 2020.

The net carrying amounts at the end of the period for each class of asset are as follows:

Computer Equipment	£27,210
Furniture and Fittings	£1,253
Motor Vehicles	£32,624

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16	Deferred income	2017 £	2016 £
	Deferred income is included within:		
	Creditors due within one year	105,716	56,347
	Deferred income at 1 September 2016	56,347	31,179
	Released from previous years	(56,347)	(31,179)
	Amounts deferred in the year	105,716	56,347
	Deferred income at 31 August 2017	105,716	56,347

Deferred income relates to rates grant income, trip and pupil income received in advance.

17	Funds	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
	Restricted general funds					
	General Annual Grant	465,884	5,776,290	(8,387,829)	2,387,947	242,292
	Other DfE / ESFA grants	-	364,182	(364,182)	-	-
	Other government grants	-	225,961	(225,961)	-	-
	Other restricted funds	-	(536,420)	(42,268)	-	(578,688)
	Funds excluding pensions	465,884	5,830,013	(9,020,240)	2,387,947	(336,396)
	Pension reserve	(1,882,000)	(1,500,000)	(202,000)	1,766,000	(1,818,000)
		(1,416,116)	4,330,013	(9,222,240)	4,153,947	(2,154,396)
	Restricted fixed asset funds					
	Transferred on conversion	-	8,322,629	-	-	8,322,629
	DfE / ESFA capital grants	702,628	2,027,842	(188,142)	(2,387,947)	154,381
		702,628	10,350,471	(188,142)	(2,387,947)	8,477,010
	Total restricted funds	(713,488)	14,680,484	(9,410,382)	1,766,000	6,322,614
	Unrestricted funds					
	General funds	395,732	377,988	(377,988)	-	395,732
	Other funds	33,272	199,261	(155,513)	-	77,020
		429,004	577,249	(533,501)	-	472,752
	Total funds	(284,484)	15,257,733	(9,943,883)	1,766,000	6,795,366

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

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

Restricted General Funds are made up of the General Annual Grant received, to be spent on education within the Academy, and other related DfE or other authority grants.

Restricted Fixed Asset Funds are those which have been capitalised as a result of a donation from the original school on conversion to an academy or assets purchased from one of the other funds since gaining academy status and transferred.

The transfer from Restricted Fixed Asset Funds to Restricted General Funds is in respect of the CIF project at St Edmund's, as the land and buildings are under a Church supplemental agreement the costs are included within Restricted General Fund expenditure, refer to Note 8 for further detail.

Unrestricted Funds are general donations and fund raising activities, other funds relates to the school funds of the Academies and these funds are used to support the provision of education within the trust.

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.

Trafalgar School is carrying a net deficit of £183,783 on these funds because of the deficit transferred on conversion.

Wyvern College is carrying a net deficit of £475,882 on these funds because of the deficit transferred on conversion.

The academy trust is taking the following actions to return the academy to surplus:

- The deficits have been transferred into loans with the ESFA and Wiltshire Council, the repayments of these loans has been factored into the ongoing budgets.
- Trafalgar School will return to surplus in 2021/22 following repayment of their ESFA loan.
- Wyvern College has a ten year repayment plan with Wiltshire Council and hopes to achieve a surplus by 2021/22 if pupil numbers are as forecast.
- Both academies will be continually monitored to ensure their recovery is on track.

MAGNA LEARNING PARTNERSHIP

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

17 Funds (Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	257,028	3,986,200	(4,030,052)	252,708	465,884
Other DfE / ESFA grants	-	173,541	(173,541)	-	-
Other government grants	-	129,800	(129,800)	-	-
Other restricted funds	-	48,433	(48,433)	-	-
	<u>257,028</u>	<u>4,337,974</u>	<u>(4,381,826)</u>	<u>252,708</u>	<u>465,884</u>
Funds excluding pensions	257,028	4,337,974	(4,381,826)	252,708	465,884
Pension reserve	(963,000)	-	(80,000)	(839,000)	(1,882,000)
	<u>(705,972)</u>	<u>4,337,974</u>	<u>(4,461,826)</u>	<u>(586,292)</u>	<u>(1,416,116)</u>
Restricted fixed asset funds					
DfE / ESFA capital grants	267,201	795,187	(107,052)	(252,708)	702,628
	<u>267,201</u>	<u>795,187</u>	<u>(107,052)</u>	<u>(252,708)</u>	<u>702,628</u>
Total restricted funds	<u>(438,771)</u>	<u>5,133,161</u>	<u>(4,568,878)</u>	<u>(839,000)</u>	<u>(713,488)</u>
Unrestricted funds					
General funds	381,511	158,128	(143,907)	-	395,732
Other funds	56,327	116,061	(139,116)	-	33,272
	<u>437,838</u>	<u>274,189</u>	<u>(283,023)</u>	<u>-</u>	<u>429,004</u>
Total funds	<u>(933)</u>	<u>5,407,350</u>	<u>(4,851,901)</u>	<u>(839,000)</u>	<u>(284,484)</u>

Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
St Edmund's School	715,704
Trafalgar School	(183,783)
Wyvern College	(475,882)
Magna Trust	80,317
Total before fixed assets fund and pension reserve	136,356
Restricted fixed asset fund	8,477,010
Pension reserve	(1,818,000)
Total funds	<u>6,795,366</u>

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
St Edmund's School	2,841,050	561,681	570,926	3,216,743	7,190,400
Trafalgar School	895,474	180,322	120,432	185,200	1,381,428
Wyvern College	481,421	141,073	129,740	107,418	859,652
Magna Trust	19,834	22,849	1,951	77,624	122,258
	<u>4,237,779</u>	<u>905,925</u>	<u>823,049</u>	<u>3,586,985</u>	<u>9,553,738</u>

Funds analysis by academy - previous year

	Total 2016 £
Fund balances at 31 August 2016 were allocated as follows:	
St Edmund's	894,888
Total before fixed assets fund and pension reserve	894,888
Restricted fixed asset fund	702,628
Pension reserve	(1,882,000)
Total funds	<u>(284,484)</u>

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
St Edmund's	2,784,225	673,936	529,157	677,531	4,664,849
	<u>2,784,225</u>	<u>673,936</u>	<u>529,157</u>	<u>677,531</u>	<u>4,664,849</u>

MAGNA LEARNING PARTNERSHIP

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

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	8,565,158	8,565,158
Current assets	472,752	1,473,758	4,221	1,950,731
Creditors falling due within one year	-	(957,156)	(36,891)	(994,047)
Creditors falling due after one year	-	(852,998)	(55,478)	(908,476)
Defined benefit pension liability	-	(1,818,000)	-	(1,818,000)
	<u>472,752</u>	<u>(2,154,396)</u>	<u>8,477,010</u>	<u>6,795,366</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	247,318	247,318
Current assets	468,443	876,378	477,748	1,822,569
Creditors falling due within one year	(39,439)	(410,494)	(3,452)	(453,385)
Creditors falling due after one year	-	-	(18,986)	(18,986)
Defined benefit pension liability	-	(1,882,000)	-	(1,882,000)
	<u>429,004</u>	<u>(1,416,116)</u>	<u>702,628</u>	<u>(284,484)</u>

19 Pensions and similar obligations

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

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

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.

MAGNA LEARNING PARTNERSHIP

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

19 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 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 16.48%. The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £432,598 (2016: £287,618).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.50-12.50% for employees and shown below for employers. The estimated value of employer contributions for the forthcoming year is £240,000.

The level of employer contributions for future years to assist in reducing the pension deficit are as follows:

Period (1 April - 31 March)	Employer Primary Contribution Rate	Employer Secondary Contribution Rate	Total Contribution rate payable % of payroll
2017/2018	23.9%	0.6%	24.5%
2018/2019	23.9%	0.6%	24.5%
2019/2020	23.9%	0.6%	24.5%

The 2016 tri-annual valuation contribution rates (above) target to pay for both benefits accruing and return the employer to a fully funded position over a period of 14 years.

MAGNA LEARNING PARTNERSHIP

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

19 Pensions and similar obligations

(Continued)

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 26) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2017 £	2016 £
Employer's contributions	246,000	198,000
Employees' contributions	59,000	47,000
Total contributions	305,000	245,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	4.1
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0
Commutation of pensions to lump sums	50	50

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

	2017 Years	2016 Years
Retiring today		
- Males	22.5	22.3
- Females	24.9	24.5
Retiring in 20 years		
- Males	24.1	24.1
- Females	26.7	26.9

MAGNA LEARNING PARTNERSHIP

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

19 Pensions and similar obligations

(Continued)

Sensitivity Analysis

Change in assumptions at 31st August 2017

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	11%	731
0.5% increase in the Salary Increase Rate	2%	114
0.5% increase in the Pension Increase Rate	9%	607

The academy trust's share of the assets in the scheme	2017 Fair value £	2016 Fair value £
Equities	3,622,400	1,852,000
Bonds	714,300	386,000
Cash	102,000	26,000
Property	663,300	308,000
Total market value of assets	5,102,000	2,572,000
Actual return on scheme assets - gain/(loss)	556,000	248,000

Amounts recognised in the statement of financial activities	2017 £	2016 £
Current service cost	150,000	44,000
Interest income	(69,000)	(82,000)
Interest cost	121,000	118,000
Total operating charge	202,000	80,000

Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	4,454,000	3,061,000
Transferred in on existing academies joining the trust	3,262,000	-
Current service cost	396,000	242,000
Interest cost	121,000	118,000
Employee contributions	59,000	47,000
Actuarial (gain)/loss	(1,279,000)	1,005,000
Benefits paid	(93,000)	(19,000)
At 31 August 2017	6,920,000	4,454,000

MAGNA LEARNING PARTNERSHIP

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

19 Pensions and similar obligations

(Continued)

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

	2017 £	2016 £
Assets at 1 September 2016	2,572,000	2,098,000
Transferred in on existing academies joining the trust	1,762,000	-
Interest income	69,000	82,000
Actuarial gain	487,000	166,000
Employer contributions	246,000	198,000
Employee contributions	59,000	47,000
Benefits paid	(93,000)	(19,000)
At 31 August 2017	5,102,000	2,572,000

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

	2017 £	2016 £
Net income for the reporting period	5,313,850	555,452
Adjusted for:		
Net surplus on conversion to academy	(6,290,012)	-
Capital grants from DfE/ESFA and other capital income	(2,027,842)	(795,187)
Investment income receivable	(6,995)	(2,779)
Finance costs payable	4,012	128
Defined benefit pension costs less contributions payable	150,000	44,000
Defined benefit pension net finance cost	52,000	36,000
Depreciation of tangible fixed assets	188,142	107,052
(Increase)/decrease in debtors	(495,344)	37,073
Increase in creditors	495,222	292,565
Stocks, debtors and creditors transferred on conversion	(938,380)	-
Net cash used in operating activities	(3,555,347)	274,304

21 Contingent liabilities

The Academy trust is not aware of any existing or potential litigation.

MAGNA LEARNING PARTNERSHIP

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

22 Commitments under operating leases

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

	2017 £	2016 £
Amounts due within one year	21,563	2,428
Amounts due in two and five years	39,727	1,068
	<u>61,290</u>	<u>3,496</u>

23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions took place during the year:

The Director J Squire is related to T Willan who is employed by the Trust. His salary is £25,631.07 plus employers pension contributions of £4223.95.

The Interim Partnership Business Manager's daughter provided services to the Trust which amounted to £5442.50 (2016: £7,125).

The trust made the purchases in accordance with its financial regulations, which the Interim Partnership Business Manager neither participated in, nor influenced.

The Member D Linaker's company Future Perfect Consultancy provided leadership training to the Trust which amounted to £1,350.00 (2016: £nil).

The trust obtained quotes for this work in accordance with its financial regulations, the Resources Committee considered the quotes and agreed the successful provider. D Linaker neither participated in, nor influenced the decision.

There were no amounts outstanding at 31 August 2017 (2016: £nil).

24 Post balance sheet events

On 1st November 2017 Sarum Academy academy joined Magna Learning Partnership. The conversion balances have not yet been confirmed.

MAGNA LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

25 Members' liability

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

26 Conversion to an academy

On 1st April both Trafalgar School and Wyvern College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Magna Learning Partnership from the Wiltshire Council Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the statement of financial activities as charitable activities – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Trafalgar School	Downton	1 April 2017
Wyvern College	Salisbury	1 April 2017
Magna Trust	Salisbury	1 April 2017

	2017 £
Net assets transferred:	
Freehold land and buildings	8,294,822
Other tangible fixed assets	101,189
Cash	332,381
Borrowing obligations	(938,380)
LGPS pension surplus/(deficit)	(1,500,000)
	<u>6,290,012</u>

	Unrestricted Funds £	Restricted funds:		Total 2017 £
Funds surplus/(deficit) transferred:		General £	Fixed asset £	
Fixed assets funds	-	-	8,322,629	8,322,629
LA budget funds	-	(578,688)	-	(578,688)
LGPS pension funds	-	(1,500,000)	-	(1,500,000)
Other funds	46,071	-	-	46,071
	<u>46,071</u>	<u>(2,078,688)</u>	<u>8,322,629</u>	<u>6,290,012</u>

MAGNA LEARNING PARTNERSHIP

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

26 Conversion to an academy

(Continued)

Government Loans

Wyvern College has a loan from Wiltshire Council for the value of £615,000 which is provided on the following terms:

Repayment holiday until 31st March 2021

Annual repayment - £114,741

Final payment - 31st March 2027

Total interest is payable of £73,443 (based upon interest rate of 1.52%)

The agreement is based on the number of pupils on roll reaching 345 by October 2021, if these numbers are not achieved or achieved at an earlier date then the parties will revise the repayment instalments.

Trafalgar has a cash advance / loan from the Education Skills and Funding agency for the value of £250,000 for which the terms have not yet been finalised with the EFSA and have been disclosed on the following basis:

Repayment in 2017/18 academic year - £12,000

Annual repayments thereafter - £79,333

Final payment by 31st August 2021

There is no interest payable.

Finance Leases with Local Authority

Trafalgar have five finance agreements with Wiltshire Council for the purchase of computer equipment, furniture and minibuses. The obligations are set out above and the final repayment is due in July 2020.

27 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for funds and net income or expenditure, as follows.

		1 September 2015	31 August 2016
Reconciliation of funds	Notes	£	£
Funds as previously reported		7,598,900	7,523,555
Adjustments arising:			
In respect of removal of Church land and buildings held under a supplementary agreement		(7,599,833)	(7,808,039)
Funds as restated		<u>(933)</u>	<u>(284,484)</u>

MAGNA LEARNING PARTNERSHIP

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

27 Prior period adjustment

(Continued)

	2016 £
Reconciliation of net income for the previous financial period Notes	
Net income as previously reported	763,655
Adjustments arising: In respect of removal of Church land and buildings held under a supplementary agreement	(208,206)
Net income as restated	<u>555,449</u>

Notes to restatement

Recognition of Church land and buildings

Under previous ESFA Academies Accounts Direction guidance the trust church school land and buildings were treated as fixed assets in the Academy Trust's accounts. Under ESFA Academies Accounts Direction 16/17 church schools should only be recognised when the Academy Trust's right over the premises meet the definition of an asset. In addition to this capital works on the church schools are now recognised in repairs and maintenance in the year, effectively as a donation to the church.

FRS102 defines an asset as 'a resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow'.

The different basis of occupancy for church academies is because the freehold will generally be owned by a diocese, and the academy trust will generally have a license to occupy whereby the premises are made available for its use, normally with no rental payable. Under the license agreements, Church Supplementary Agreements, the academy trust do not have control over access, or control over works. The agreements simply delegate the management of the premises to the academy trust, whilst the control is still held by the church.

In the case of St Edmund's School, they currently occupy the school under a Church supplementary agreement. This year these have been removed from fixed assets in the accounts along with any associated capital works. Details of these adjustments are noted below:

2016

Cost brought forward	£8,023,612
Depreciation brought forward	£423,779
Depreciation charge	£136,253
Additions	£344,459