

REGISTERED COMPANY NUMBER: 08061092 (England and Wales)

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2016
for
Palladian Academy Trust (formerly
Ralph Allen School)



**Palladian Academy Trust (formerly
Ralph Allen School)**

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for the Year Ended 31 August 2016**

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**Palladian Academy Trust (formerly
Ralph Allen School)**

**Reference and Administrative Details
for the Year Ended 31 August 2016**

MEMBERS

A Arlidge (appointed 1 July 2016)
R Franks
T Gale (appointed 1 July 2016)
J Garratt
C James (resigned 30 June 2016)
A Petmezas (resigned 30 June 2016)
D Singh (resigned 30 June 2016)
R Whelan (resigned 30 June 2016)
T Withers (resigned 30 June 2016)

TRUSTEES

P Black (appointed 1 July 2016)
S Chaddha (appointed 1 December 2015, resigned 30 June 2016)*
M Croft (Staff Trustee) (resigned 12 January 2016)
R Franks (Chair)
J Garratt (resigned 30 June 2016)
R Heath (resigned 30 June 2016) *
C James (Vice Chair)
N Jewett (resigned 30 June 2016)
S Lovegrove (resigned 30 June 16)
B Maddison (resigned 30 June 16) *
A Petmezas (resigned 30 June 16)
D Singh *
H Tallett (Staff Trustee) (appointed 4 September 2015, resigned 30 June 2016)
S Thompson (Staff Trustee) (resigned 30 June 2016) *
A Upadhyay (resigned 30 June 2016)
R Whelan (Vice Chair) *
T Wilde (resigned 30 June 2016)
T Withers (Executive Principal, CEO and Accounting Officer)
M Workman (resigned 30 June 2016)
S Wright *

* members of the finance and premises committee

CO. SECRETARY / CLERK TO THE TRUSTEES J Marsh

SENIOR MANAGEMENT TEAM (TRUST)

- CEO T Withers
- COO J Marsh

SENIOR MANAGEMENT TEAM (RALPH ALLEN SCHOOL)

- Executive Principal (Ralph Allen) T Withers
- Head of School (1 year appointment from 1 September 2016) J Chantry
- Vice Principal A Greenhough
- Assistant Principal J Haggett
- Assistant Principal S Hetenyi
- Assistant Principal (until 31 August 2016) S Rose

SENIOR MANAGEMENT TEAM (COMBE DOWN PRIMARY SCHOOL)

- Headteacher R Bullard
- Deputy Head J Randall

SENIOR MANAGEMENT TEAM (WIDCOMBE INFANT SCHOOL)

- Headteacher A Watts
- Deputy Head L Williams

COMPANY NAME

Palladian Academy Trust

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Reference and Administrative Details
for the Year Ended 31 August 2016**

REGISTERED COMPANY NUMBER	08061092 (England and Wales)
PRINCIPAL & REGISTERED OFFICE	Claverton Down Road Combe Down Bath BA2 7AD
INDEPENDENT AUDITORS	Monahans Statutory Auditor Chartered Accountants Fortescue House Court Street Trowbridge Wiltshire BA14 8FA
SOLICITORS	Stone King 13 Queen Square Bath BA1 2HJ
BANKERS	Lloyds Bank 47 Milsom Street Bath BA1 1DN

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

The Trustees present their annual report together with the audited financial statements of the Academy Trust (Academy) for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust began the year operating as a single academy (Ralph Allen School) for students aged 11 to 18 serving an area in Bath and North-East Somerset. On 12 March 2016 the Trust changed its name from Ralph Allen School to the Palladian Academy Trust. On 1 July 2016 Combe Down CEVC Primary School, of The Log Cabin, Church Road, Bath, BA2 5JQ, and on 1 August 2016 Widcombe Infant School, of Archway St, Bath BA2 4JG, converted to Academies and joined the Palladian Academy Trust.

As at 31 August 2016 discussions were at an advanced stage with other local primary, junior and infant schools with a view to their joining the Trust early in 2016/17. Those schools were St Martin's Garden Primary School (to be sponsored) on 1 September 2016, Oldfield Park Junior School, Oldfield Park Infant School, St Philip's CEVC Junior School, and Widcombe CEVA Junior School on 1 November 2016.

Ralph Allen had a pupil capacity of 1100 and had a roll of 1108 in the school census of May 2016.

On conversion Combe Down Primary School had a pupil capacity of 392, with 403 pupils on roll, Widcombe Infant School had a pupil capacity of 180, with 178 pupils on roll.

OBJECTIVES AND ACTIVITIES

Objects and Aims of the Multi-Academy Trust

The formal objects set out in the Articles of Association are:

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

As a nascent Multi-Academy Trust, as at 31 August 2016 there had not been a Trustees' meeting to formally discuss or adopt a set of aims for the Multi-Academy Trust. However, the Trustees whilst operating as a Single Academy Trust were quite clear as to what aims should underpin the proposed formation of the Trust:

- raised standards through the development and promotion of outstanding teaching and learning across all phases with shared high quality Continuing Professional Development (CPD) and active learning communities for staff
- increased capacity for effective strategic leadership and a strong, clear accountability framework at all levels.
- increased capacity opportunities to leverage value for money - developed shared services, income generation and cross phase provision
- grow agility, confidence and expertise in our community of learners, staff and leaders resulting in improved performance and personal best.

To reflect the fact that the Palladian Academy Trust was for the first 10 months of the period operating as a single academy trust in the form of Ralph Allen School, and that Widcombe Infant School and Combe Down CEVC Primary School were only part of the Trust for the last one and two months respectively, during which time very little materially changed as far as those schools are concerned, and they were not operating as academies during the large part of the year, only the objects, aims and strategic actions of Ralph Allen as an individual academy are included in this report. In subsequent years there will be sections for each academy that has been a member of the Palladian Academy Trust.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

OBJECTIVES AND ACTIVITIES

Objects and Aims of Ralph Allen School

The current vision of the school, which operated as a Single Academy Trust for 10 months of the year reported on, as formulated by the Governors is:

Excellent care, excellent outcomes

We want Ralph Allen School to be exceptional and extraordinary, a school that everyone is proud to be associated with. We want to be truly comprehensive, embracing difference and diversity. We want to provide an environment that values learning, inspires courage and helps everyone achieve their potential.

We want to be a listening and responsive school with relationships at the heart, welcoming everybody and creating a strong sense of belonging. We want to develop respect, resilience and resourcefulness, challenging and stretching each individual in a supportive way.

We want to celebrate our students' wide-ranging abilities and achievements. We want to empower our staff to be inspiring, creative and optimistic. We want our leaders to be visionary and future-oriented, continually challenging the way we think about and provide education.

We want Ralph Allen School to be the best possible learning environment for students and teachers, so we will continue to seek ways to improve our campus and facilities. We want to continue to collaborate with schools, organisations and businesses for the benefit of the community. We want to develop our international connections, helping our students to be active, thoughtful and responsible citizens of the world.

The statement of values formulated by staff and endorsed by governors is:

Our core values for an inclusive and successful school community:

Respect for ideas, beliefs, the environment and each other

Team work which enables individuals to develop skills of collaboration and flexibility...helping every student to achieve their **Personal Best**.

Objectives, Strategies and Activities

The core priorities set out in the School Improvement Plan for 2014-17 were:

1. embedding our values, vision, and the development of the Ralph Allen Way
2. raising achievement and attainment in Ralph Allen School through professional networks (e.g. PIXL)
3. improving teaching so that more is outstanding and all is at least good
4. developing Teacher Learning Communities to exchange good practice and stimulate professional learning
5. closing the gap by rapid and sustained improvement for Pupil Premium students and other groups
6. developing SEN in the context of the 2013 - 14 review and changes in legislation
7. managing the transition to a four-house structure, with developed opportunities for participation and competition
8. liaising with Bath area primary schools to support transition to Ralph Allen
9. exploiting all the possibilities for learning/communication of our VLE: Frog
10. achieving consistent good practice in literacy through staff training and policy development
11. enhancing opportunities for student voice/leadership in the context of a new school council
12. evolving Careers Education, Information, Advice and Guidance (CEIAG)
13. planning for phase 2 site development, e.g. performing arts, dining and sports facilities
14. improving the transport options for students to travel to Ralph Allen.
15. explore within the Ralph Allen and Bath community the possibility of creating a multi-academy trust (MAT)

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

OBJECTIVES AND ACTIVITIES
Objectives, Strategies and Activities

The School Improvement Plan also articulated its Pupil Premium Guarantee for 2014-17:

1. Pupil Premium students will always be considered first for appropriate financial support (such as uniform, essential curriculum trips)
2. Early access to high quality careers guidance
3. Small group support, particularly in core subject areas at key times
4. Motivational speakers to inspire and increase aspirations
5. Close tracking of progress
6. Access to intervention support where progress is less than good
7. Attendance very closely tracked and monitored, with support for improvement as necessary
8. Free access to peripatetic music lessons for a limited trial period
9. University visits to inform and to support ambition in KS4 and KS5

Free exam related study guides where this is recommended by teachers and likely to help.

The strategies and significant activities undertaken to achieve the core priorities during 2015-16 were:

1. A key decision of Trustees was to investigate and pursue the formation of a Multi-Academy Trust with partner schools. Having initially been approached by the DfE to see if there was any appetite to being a founder school of such a Trust, the Trustees approved reaching out to local schools to explore forming such a Trust. They also responded to the Local Authority to approve Ralph Allen School becoming a Sponsoring Academy to allow an application to be submitted to sponsor a local struggling primary school, St Martin's Garden. This culminated in a number of resolutions by Trustees to support the transition of Ralph Allen from a single academy to that of a sponsoring Academy as part of a mixed Multi-Academy Trust (mixed meaning that the Trust comprises both faith schools/academies and non-faith schools/academies).
2. The school chose as its overall theme of the year "Living the Values: Respect, Personal Best and Teamwork", which supported the first objective in the SIP. Additionally each house had its own theme. Holburne House had the theme of "Open-mindedness", Milsom House, "Resilience", Crescent House, "Courage", and Pulteney, "Healthy Living - both physical and mental".
3. The planning that had taken place for the arrival of a large Year 7 was felt to have borne fruit, as despite some concerns as to the impact of such a large year group, the feedback from parents had been largely very positive. A parents' evening which had been so over-subscribed that a significant number of parents were unable to attend was responded to immediately with an additional evening laid on. This was widely seen as the school responding rapidly and well to parental concerns. The success of this was particularly important in the light of another large Year 7 arriving in 2016.
4. Time-saving has been a priority; meetings have been devoted to a proper exploration of workload, both in staff meetings and other teams. Other initiatives impinge upon this, such as feedback and TIM (Triple Impact Marking). Boundary management of what we are working on will remain critical, so that we are not chasing too many hares, especially in the context of a leaner LT.
5. Our membership of PiXL has been reviewed, and LT have taken the decision not to renew for the forthcoming academic year. PiXL has been very valuable in terms of increasing our sharpness in preparing the students for KS4 assessment, learning from national good practice, and keeping up with national developments in curriculum and assessment. Cost is an issue for us of course - both subscription and travel to London, and the intention was never to be in PiXL for a longer time period. The lessons learned will allow the school to continue to develop its focus on raising achievement and attainment.
6. The literacy working party, together with many staff, continued to work hard on literacy. This has encompassed some great professional development, pedagogical development and policy writing. The focus is now expected to move on to work on numeracy as a whole school, and a good start has already been made. The leadership team have not forgotten that, following work on numeracy development, they will go on to look at the importance of creativity in the educational process, and how we can as a school achieve consistently excellent practice.
7. In response to the Government's anti-radicalisation strategy, the "Prevent Agenda", leadership team members attended training in October and then led a staff meeting item on it in November. We also have asked staff (and Governors!) to complete an on-line Prevent resource. The child protection team are actively looking out for any of the warning indicators of radicalisation.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

OBJECTIVES AND ACTIVITIES
Objectives, Strategies and Activities

The Trustees set their own objectives for 2015-16:

1. Governors to have a strategic vision for school numbers / admissions over the next five years.
2. Ensure that any strategic planning in relation to the creation of a Multi-Academy Trust (MAT) preserves the values and ethos of Ralph Allen School.
3. Support the school in its endeavours to secure more funding and resources to improve the campus and facilities for learning.
4. Governors to be more connected to all stakeholder voices including teaching and associate staff, students and parents.
5. Monitoring impact on teaching and learning of increased class sizes and other financial constraints.
6. Gaining a thorough understanding of the landscape for pay and conditions.

The School Governing Body met on 18 October 2016 to self-evaluate how it felt it had done against these objectives.

1. It had dedicated a Governor Development Session to the question of school numbers / admissions. Although this had not been entirely successful, it had highlighted a number of holes in governors' understanding of all of the issues involved, and had formed a good basis for a follow up meeting planned in the next year.
2. It felt that the core values and vision of Ralph Allen School had indeed been maintained in the development of a Multi-Academy Trust, and commended the process that the school and Trustees had undertaken.
3. Governors had attended focus groups run the by the school for each year group, which they felt had been very useful in gaining an understanding of the views of students in those groups. They had invited the Senior Students to Governing Body meetings to hear about their plans for the year, and had continued with the "Governor Staff Tea and Cake" sessions where Governors bring cakes after school to show their appreciation for all staff and afford an opportunity for informal discussions. Additionally the Governing Body stayed in close touch with the Parent Circle (independent from, but run by, governors) as a useful mechanism for staying in touch with parental views. A full Parent Survey is planned for 2016/17.
4. Both the Learning Development Committee and the Business and Community Committee had investigated in detail the effects of funding constraints on all aspects of teaching and learning, including class sizes.
5. The Pay and Staffing Committee had kept abreast of changes in the landscape for pay and conditions and had recommended for the time being that we as an academy continue to follow the National Terms and Conditions for Teachers, and to also follow BANES in terms of awarding cost of living rises to salary for associate staff, and implementing the Living Wage.

Public Benefit

The Articles of Association state that the school is 'to promote for the benefit of the inhabitants of Bath and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants'. In accordance with this object, the school lets premises to the public for the purposes of recreation.

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission on their website at [Charities and Public Benefit](#) in exercising their powers and duties.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Achievement and performance

As the Palladian Academy Trust, the significant achievements of the year were the completion of the transition to becoming a Sponsoring Academy and a Mixed Multi-Academy Trust, with two schools joining the Trust and a further 5 having expressed their intention to do so.

As part of the preparation for this, a significant project of work was conducted over the summer of 2016 to develop a Governance Framework document with the consultant Alan Ward, and the Chairs of the Governing Bodies of all schools having expressed an intention to join the Trust.

Reflecting the fact that for most of the year the Trust was operating as a single academy Trust, the rest of this section will relate to Ralph Allen School.

Governors of Ralph Allen School now receive three Principal's Reports each year. The reports are comprehensive with contributions from all senior and middle leaders. They document achievements throughout the full range of the school's activities and it is possible here to give only a few highlights of the significant achievements reported in 2015-16.

Senior Leadership Structure

As part of planning for life as a MAT, with the additional demands on the time of the Principal and Business Manager that that would bring, the Governors approved the creation of a temporary Head of School role for a period of one year. An internal process was run for this post, and John Chantry, an existing Vice Principal, appointed to this role effective 1 September 2016. Additionally a restructuring of the Business Management department saw Sarah Thompson made Business Manager for Ralph Allen School to allow Jo Marsh to become the Chief Operating Officer for the Trust as a whole.

2016 saw the retirement of Assistant Principal, Steve Rose after 37 years at the school. A number of events took place to mark this, and there was significant coverage in the local press. As part of responding to budgetary constraints Trustees approved his not being directly replaced, with his responsibilities being shared between other members of the leadership team. In particular Vice Principal Andy Greenhough took over responsibility for attendance.

Membership of the Bath Education Trust

Ralph Allen continued to be an enthusiastic member of the Bath Education Trust (BET), an umbrella Trust comprising many local secondary schools, as well as Bath University, Bath Spa University, Bath College and Rotork plc. The BET felt the need to reconfigure itself as a more informal network during the year, and while Ralph Allen promoted a continuance of its existing structure, by the end of the period it was clear that the BET would cease to be incorporated as a company, and would continue as a supported network of schools.

Careers Education, Information, Advice and Guidance

This was a focus during 2015-16. Whilst the school's Careers Advisor was on maternity leave, the school was very fortunate to have the services of Alison Pike, an experienced Careers Advisor. We applied for, and were awarded, an Employability Charter Mark in November 2015. This was a good process to go through and gave the school some specific points to action to take forward our work in this area.

Teaching Staff: Pay Policy, Appraisal, Targets, Development

CPD has continued to be a strength of the school. Time-saving has been a priority; meetings have been devoted to a proper exploration of workload, both in staff meetings and other teams. Other initiatives have impinged on this, such as feedback and TIM (Triple Impact Marking). Boundary management of what has been worked has remained critical, so that staff are not chasing too many hares, especially in the context of a leaner LT. INSET days included an opportunity to focus on the well-being of staff, reminding them to take time to consider how they look after themselves. These sessions emphasised the importance of staff's own well-being in enabling them to cope with the demands of attending to the needs of students and colleagues.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Achievement and performance

Life Without Labels

The governors Learning Development Committee set up a working party to consider the impact of the move to no longer using national curriculum levels.

The working party reported back in June 2016 with a number of concerns and recommendations, but was broadly supportive of the work done by the school in planning and implementing changes in response to this policy.

Curriculum planning

Affordability of the curriculum has been a focus for LT. They have begun to plan further ahead with the curriculum in order to be able to protect the school's curricular 'crown jewels' and ensure the ability to continue to deliver inspirational learning during years of reduced budgets for schools. Staff have also undergone training from Sam Ellis of the Association of School and College Leaders to enable LT to be able to measure the cost of our Ralph Allen curriculum against that of other schools and to inform our decisions about where cuts have to be made.

Liaison with Primary Schools

Development of the school's outreach work with feeder primary schools has continued as a very enjoyable and successful initiative. A great range of activities have taken place including sports festivals, Robotics festivals, hands-on Science, Literacy and Numeracy work with Year 6s, Design Technology (especially Food Technology) activities, Modern Foreign Languages, Humanities, Computer Science, Dance, Art, Music and Drama activities.

Additionally the work done during the formation of the MAT has fostered and developed good relations with all local KS1 and 2 providers.

Campus

The school continued its programme to refurbish existing buildings and improve its grounds during 2015-16. It has continued to identify further needs, including a performing arts centre, a better dining space, an improved assembly area and sports facilities. It has continued to develop phased plans to meet these needs.

Outdoor and Residential Experiences

In response to the large year 7 intake, the hugely popular Year 7 residential trip was split into 4 separate days according to House. This was seen as a huge success, and also allowed more staff than usual to partake in the experience.

In March 2016 the Duke of Cambridge visited Bath and met with a number of Ralph Allen students working towards their Duke of Edinburgh awards.

The Duke of Edinburgh Scheme itself has continued to be a great success with 19 pupils achieving the Bronze award and 6 the Gold during 2015-16.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Achievement and performance

Key Performance Indicators

Student performance

The targets for the 2015-16 examination results in GCSE and A levels were not as high as for the previous cohort, which were outstanding year groups. The results achieved demonstrated a good level of attainment, consistent with expectations.

GCSE Results Summary:

- 5+ A* - C including English & Mathematics - 70%
- 5+ A* - C including English and Mathematics (FSM) - 44%
- 30% of students achieved at least 5 A/A* grades
- 85% achieving expected levels of progress (English)
- 2% achieving expected levels of progress (Maths)

A Level Results Summary:

- 24% of entries were grades A* - A
- 52% of entries were grades A* - B
- 82% of entries were grades A* - C

The results are an indication of how well Ralph Allen School caters for able students. The school has been making strenuous efforts to close the gap between the most able and the Pupil Premium/SEN students. The post of Pupil Premium Co-ordinator, first appointed in the previous year, has continued to develop new strategies and monitor the effectiveness of measures taken to support these students. The school will continue its endeavour to narrow the gap still further in 2016-17.

Student Attendance Data

Following improvements over recent years in student attendance the school set a target of 95% for 2015-16. It marginally failed to meet this with a final attendance figure of 94.5%.

The analysis of the data specifically relating to FSM and Pupil Premium students shows that both groups have made some improvement; nevertheless the school will continue to focus on these groups in the attempt to secure further gains.

Student Recruitment Data

The total numbers of students on role in September 2015 were: 1109

Year	Males	Females	Total
Year 7	108	103	211
Year 8	83	72	155
Year 9	93	83	176
Year 10	75	67	142
Year 11	96	81	177
Year 12	58	67	125
Year 13	53	70	123
Total	566	543	1109

Subsequently there were 30 in year casual admissions.

Financial review

Going concern

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

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Financial review

The Academy's accounting period covers the twelve months, from 1 September 2015 to 31 August 2016. The Academy has adopted the Financial Handbook, extant from 1 September 2015.

Most of the Academy's income is obtained from the Education Funding Authority (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the 12-month period ended 31 August 2016, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities.

The Academy's financial team produce regular financial analyses and detailed reports to the chief executive and to the Business and Community Committee of the FGB. The financial performance of the school has also been kept under regular review by the Finance Link of the Trust Board who meets regularly with the Chief Operating Officer and her team. The Trust Board are confident that the Multi-Academy Trust is managing its financial affairs effectively and that all areas of expense are properly controlled and reviewed against the budgets approved by the School Governing Bodies and Trust Board.

Ralph Allen School has been successful with a sponsorship capacity bid to the DfE to reconstitute from a single academy into a multi-academy trust and make ready to support a school in need. St. Martin's Garden was identified as a good match for the Palladian Academy Trust and they joined the group as a sponsored school on 1 September. This project involved working with six local primary phase partners who became academies and joined the Trust as founding members. These were Combe Down CEVC Primary School, Widcombe Infant School, Widcombe CEVA Junior School, Oldfield Park Infant School, Oldfield Park Junior School and St Philip's CEVC Primary School. This multi strand project cost is projected to be £264k and is due for completion by November 2016.

The Palladian Academy Trust was successful in attracting a primary academy chain grant of £75k to develop combined services and this project is due for completion in December 2017.

There will be a surplus of £81k from the General Annual Grant (GAG) for the period ended 31 August 2016 to be carried forward, which the Trustees plan to use to help complete smaller projects begun over the summer period whilst retaining sufficient reserves for future campus bids.

Under Accounting Standard FRS 102, it is necessary to charge projected deficits on the Local Government Pension Scheme, provided to associate staff, to the restricted fund. It should be noted that this does not present the Academy with any current liquidity problem.

The assets & liabilities transferred on conversion at 1 August 2012, 1 July 2016 and 1 August 2016 including the value of land and buildings, surplus cash, borrowing obligations and LGPS pension deficit at their fair value and recognised in the balance sheet. More detail can be seen in note 26 of the financial statements.

Reserves Policy

In total, the funds of the Academy at 31 August 2016 were £28,862,830, which is represented by £413,033 of unrestricted funds and £28,449,797 of restricted funds. £31,676,609 of restricted funds are represented by the net book value of fixed assets which can only be realised through disposal of the fixed assets.

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

At the balance sheet date, the Academy had free reserves (total funds less the amount held in fixed assets and restricted funds) of £413,033. The total balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £635,869.

The unrestricted funds and restricted general funds (excluding pension reserve) balance relating to individual school within the multi academy trust is separately monitored by the Academy. These balances are disclosed within note 22 to the financial statements.

**Palladian Academy Trust (formerly
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**Report of the Trustees
for the Year Ended 31 August 2016**

STRATEGIC REPORT

Investment Policy

The Academy does not currently hold any significant investments other than periodic credit balances on its investment bank account on which it earns interest from time to time. If these surplus balances were to grow to any substantial level the school would apply the Trustees' investment powers as set down in the Memorandum and Articles of Association.

Principal risks and uncertainties

The Academy's financial team, the Finance and Resources Committee and the Board of Trustees continually review the Academy's financial position and consider possible risks which may affect financial liquidity. The Trustees are not aware of any immediate risks to the financial position at present and have planned for the consequences of reduced funding with an analysis covering several years. However, the Trustees are aware of the potential impact of falling student numbers in St Martin's Garden and have therefore planned to support efforts to achieve significant increases in pupil application and prepare an agile curriculum structure to flex in response to actual pupil numbers.

The Academy is aware of other principal risks, which are;

- continued funding reductions and budget cuts across the public and transport sector
- campus facilities requiring improvement, particularly in the provision for performing arts, dining and sports
- the realignment of education provision following government policy leading to unknown future challenges.

The Governors seek to mitigate or remove these risks by:

- the delivery of outstanding learning provision with progression for all learners
- continual scrutiny and monitoring of expenditure
- the existence of plans for future campus developments and readiness to submit bids for any expenditure that becomes available
- identifying development opportunities such as the creation of a MAT
- ensuring that there is secure knowledge of our profile and our offer within our community of schools, businesses, partners and wider markets.

Future plans

The key objective for the Palladian Academy Trust for 2016-17 is to work with the existing and any new partner school within the Multi-Academy Trust to develop ways of working, to implement shared financial and management software packages, and to agree at Trust level the Framework document which defines all aspects of governance within the Trust.

A key priority for the CEO is to work with the headteachers of each member academy to form a strong, cohesive and mutually supporting team. A similar priority exists for the COO working with the Business Managers of each team.

A Trust wide SIP, as well as co-ordinating the SIPs of each individual academy, will be a requirement for 2016-17.

Refining a Growth Strategy in light of the evolving landscape of education in close proximity to Trust schools will also be a priority. There is already agreement to pursue an application to run a new school on the local Mulberry Park Estate.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Charity constitution

The Academy Trust is a company limited by guarantee and an exempt charity, which was incorporated on 8 May 2012 and opened as an Academy on 1 August 2012. The Trust changed its name to the Palladian Academy Trust on 12 March 2016. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. At a meeting on 22 March 2016 of the Full Governing Body of Ralph Allen School, acting in their role as Trustees of the Trust, approval was given to amend the Articles of Association to include schools with a religious character, subject to agreement with the Diocese of Bath and Wells. Those new articles formally came into force on 1 July 2016.

The Trustees of Palladian Academy Trust Limited are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Palladian Academy Trust.

Details of the Members and Trustees who served during the period are included in the Reference and Administrative Details on page one. At the point of becoming a Multi-Academy Trust, some Trustees resigned their positions as part of the transition to the new structure of having 12 Trustees, 4 of whom are reserved for Foundation Trustees, appointed by the Diocese of Bath and Wells. Those Trustees who remained kept their existing terms of office to ensure a staggering of re-election or selections.

Members' Liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a Member.

Trustees' Indemnities

In accordance with current education sector practice the Academy has become a member of the government run Risk Protection Arrangements (RPA) to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The arrangements provide cover up to £10,000,000 on any one claim.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the Members. Foundation Trustees are appointed by the Bath and Wells DBE Trust. The CEO of the Academy Trust is appointed by the Trustees. The Chair of the Trustees is elected annually by the Trustees. Chairs of Committees are also appointed by the Trustees, the FGB agrees the membership of committees annually; committee Chairs are appointed by the Chair of Governors.

The Articles stipulate that the Academy Trust shall have the following Trustees:

- Up to 7 Trustees appointed by the Trust Members
- Up to 4 Trustees appointed by the Bath and Wells DBE Trust, subject to the condition that the number of such Trustees should not exceed one third of the total number
- The Chief Executive Officer, as Accounting Officer
- Up to 2 Co-opted Trustees.

In appointing Trustees, the Trust Members seek to bring an appropriate range of skills and experience into the Trust Board in order for it to carry out its responsibilities effectively.

Trustees are appointed for a four year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

The Trust Board meets 6 times a year. A significant amount of work was undertaken over the summer of 2016 with an external consultant, Alan Ward, to create a Framework document which describes the membership, terms of reference and procedures for Committees of the Board. This includes School Governing Bodies which are formally committees of the Trust Board. As at 31 August 2016 this Framework document had been completed, but had not yet been formally adopted, since the first meeting of the new Board of Trustees was not scheduled until September 2016.

Committees may (and are expected to) have some members who are not Trustees, but with the exception of School Governing Bodies, there must always be a voting majority of Trustees on each committee.

Apart from the School Governing Bodies, the three standing committees are:

Audit and Risk Management Committee

This meets 4 times a year. Its purpose is:

- to monitor and assess internal controls to ensure that the Trust as a whole is operating at appropriate levels of risk and in compliance with the Code of Audit Practice
- to take responsibility for external and internal audit matters, oversee the work programme and performance quality of the internal and external audit services
- to support the Board of Trustees in ensuring that a framework is established and maintained for the identification and management of risk
- to support the Board of Trustees in providing an added level of scrutiny in the monitoring of audit and risk
- to keep the Board of Trustees regularly informed of the committee's activities and key decisions.

Finance and Resources Committee

This meets 4 times a year but also accepts that it may have to have additional ad hoc meetings as required. Its purpose is:

- to ensure that the Trust's framework of financial planning, treasury management, systems and controls is enabling the proper management of the financial resources across the Trust
- to support the Board of Trustees in ensuring that a framework is established and maintained for optimising the employment of all financial and other resources (not human) available to the Trust to enable it to meet its business and financial objectives
- to support the Board of Trustees in providing an added level of scrutiny in the monitoring of finance and resources
- to keep the Board of Trustees regularly informed of the committee's activities and key decisions.

HR, Remuneration and Selection Committee

This meets 4 times a year but also accepts that it may have to have additional ad hoc meetings as required. Its purpose is:

- to develop a strategy for the employment of all Trust staff and all strategic issues relating to staff including salary and benefit packages
- to consider issues relating to the contracts of employment for the Chief Executive and other members of the Executive Leadership Team including the review of salary and benefits and appraisal
- to oversee processes for the recruitment, induction, appraisal and training of all trustees, school governors and committee members
- to keep under review the skills, knowledge and experience on the board, school governing bodies and Trust-wide committees and advise the Board of Trustees on succession planning and renewal
- to oversee the Trust's strategy in relation to equality, diversity and inclusion
- to support the Board of Trustees in providing an added level of scrutiny in the monitoring of HR and governance
- to keep the Board of Trustees regularly informed of the committee's activities and key decisions.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational Structure

School Governing Bodies

School governing bodies are formally committees of the Trust Board. The Trust is committed to strong School Governing Bodies at each Academy, with staff and parents represented on them. They generally meet 6 times a year.

The purpose of School Governing Bodies is:

- to ensure all pupils/students within the Trust have access to a high quality education provision in line with the shared Vision
- to monitor the implementation of the school's development plan ensuring that it is delivering against agreed strategic and local objectives; moving the school and the Trust as a whole towards achieving and sustaining a regulatory judgement of outstanding in all areas
- to ensure that the academic and wellbeing needs of pupils/students are being met effectively through the design and delivery of a broad and balanced curriculum which, through use of personalised, developmental support, helps to maximise each student's success and enjoyment
- to ensure all pupils/students are safeguarded
- to ensure the Trust's collective published admission number (PAN) is full
- to uphold and promote the ethos of the school within the context of the Trust's vision and values
- to ensure the school's allocated resources are applied and managed effectively within the context of the Trust's financial framework and other relevant regulations, policies and procedures.

Chair of Governors' Group

Additionally, although not formally a committee of the Trust Board, the Trust has constituted a Chair of Governors' Group, to consist of the Chair of the Trustees, and the Chairs of each of the School Governing Bodies.

The purpose of this group, which meets 4 times a year, is to:

- act as a sounding board for the development of Trust strategy and policy including the growth of the Trust
- facilitate effective internal and external partnerships (including between the Board of the Trustees and the school governing bodies)
- focus on educational standards and performance across all schools the Trust.

The last point, to focus on the educational standards across all schools in the Trust, is a vital part of this group's role, since it encompasses what a Standards and Outcomes Committee would do in other Trusts. The Trustees felt that a formal role for the Chairs of each School Governing Body would be appropriate and facilitate engagement between School Governing Bodies.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend on their existing experience, but would always include meetings with the Chief Executive Officer, the Chief Operating Officer and the Chair of Trustees to ensure clarity around expectations on both sides. They would normally be expected to join a committee, so a meeting with the Chair of that committee will also happen.

A tour of the Academies within the Trust should be conducted as soon as is practicable, and the opportunity taken to meet with the Headteachers of each Academy if possible. If required, the Trustee can be given a Trust specific email address, and an assessment is done to ensure that they have the necessary equipment to be able to access Trust documentation on-line. The Trust is always open to Trustees attending training courses, and the Clerk regularly sends out lists of courses being offered by the local authority and other providers.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Report of the Trustees
for the Year Ended 31 August 2016**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Key management remuneration

From 1 July 2016, the Trustees of the Palladian Academy Trust and the Executive Leadership Team of the Palladian Academy Trust comprising the Chief Executive Officer, Chief Operating Officer and the Headteacher of each school, comprise the key management personnel of the Trust. Up until this point the Trustees and the Senior Leadership Team of Ralph Allen School comprised the key management personnel of the Trust.

The Trustees give their time freely and no trustee remuneration was paid in the year in respect of fulfilling their role as trustees. Staff Trustees only receive remuneration in respect of services they provide undertaking their roles as staff members.

The pay of senior staff is set in line with National Teachers pay and staffing conditions and in line with the Local Government NJC scales. The pay of senior staff is reviewed and agreed annually by the Pay and Staffing Committee and is benchmarked against similar roles in the region. Pay awards are agreed in line with the National cost of living pay awards for Teaching and Associate staff. Senior staff can also be upgraded by the Pay and Staffing Committee only after a successful performance review process has been carried out, and in line with the Trust's pay policy.

Connected Organisations, including Related Party Relationships

During the period, related party transactions took place with DBI Systems Limited and are noted accordingly in note 25 of the financial statements. There were no related party transactions involving the schools which became a member of the Trust on 1 July 2016 and 1 August 2016 in the period between their joining and 31 August 2016.

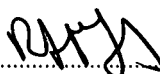
FUNDS HELD AS CUSTODIAN FOR OTHERS

No funds were held as a custodian on behalf of others.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the academy's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the academy's auditors are aware of that information.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on20 Dec 16..... and signed on the board's behalf by:

.....
R Franks - Chair

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Governance Statement
for the Year Ended 31 August 2016**

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Palladian Academy Trust (formerly Ralph Allen School) 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 of loss.

The board of the trustees has delegated the day-to-day responsibility to the Chief Executive Officer, 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 Palladian Academy Trust (formerly Ralph Allen School) 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 Report of the Trustees and in the Statement of Trustees Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Black (appointed 1 July 2016)	0	0
C Chaddha (appointed 1 December 2016, resigned 30 June 2016)	2	3
M Croft (Staff Trustee, resigned 12 January 2016)	6	6
R Franks (Chair)	6	6
J Garratt (resigned 30 June 2016)	6	6
R Heath (resigned 30 June 2016)	5	6
C James	5	6
N Jewett (resigned 30 June 2016)	3	6
S Lovegrove (resigned 30 June 2016)	6	6
B Maddison (resigned 30 June 2016)	6	6
A Petmezas (resigned 30 June 2016)	5	6
D Singh	4	6
H Tallett (Staff Trustee) (appointed 4 September 2015, resigned 30 June 2016)	5	6
S Thompson (Staff Trustee) (resigned 30 June 2016)	6	6
A Upadhyay (resigned 30 June 2016)	3	6
R Whelan	5	6
T Wilde (resigned 30 June 2016)	6	6
T Withers (CEO, Ralph Allen Principal and accounting officer)	6	6
M Workman (resigned 30 June 2016)	6	6
S Wright	6	6

Particular challenges

The most significant challenge faced by the Trustees in 2015-16 was the government strategy encouraging the establishment of Multi-Academy Trusts (MATs). The Trustees recognised that in the future stand-alone academies would not be considered viable and resolved to respond to a request from the DfE to become a sponsor and therefore become a multi academy trust. We decided that it would be in the best interests of education in the city of Bath to further explore the possibility of links with local primary schools. Accordingly the school organised further events for interested primary heads and governors to develop and deliver a viable model for a local multi academy trust. Since then, with the approval of the Head Teacher Board, Regional School's Commissioner and the Department for Education, we have made the relevant technical changes to the single multi academy trust to create the Palladian Academy Trust. We have continued the conversations and conversions with eight schools as detailed in the Trustees report above. The Trust was successful in securing a primary academy chain grant to assist with the identified set up and harmonisation costs.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Governance Statement
for the Year Ended 31 August 2016**

Another challenge was the reduction in core funding and in particular the 'no notice' reduction in deprivation and AWPU rates. The Leadership Teams of Ralph Allen school were able to ensure that in year staffing structures were designed around this challenge and continue to review how to reorganise business in response to these on going issues. This issue features in the due diligence activity as new academies have joined the Trust and with the planning of financial activity going forward.

Governance reviews

At its final meeting each year FGB reviews the attendance record and contributions of all governors and decides whether any member is failing to give the level of commitment expected. In July 2016 it agreed that every governor had made a significant contribution to the governance of the school and that the overall attendance record was good.

Trustees have maintained the practice of producing an annual report to parents. In preparation for the 2015-16 report Ralph Allen SGB Chair of Governors undertook the drafting of the full report as the majority of activity was within Ralph Allen School.

The three annual Governor Development Events provide regular opportunities for reviewing governor performance. At the first such event in 2015-16 governors reviewed their strategic objectives for the previous year and, in small groups, scored their estimate of the degree of success achieved in relation to each one. The Development Events are also a forum for discussing future objectives prior to their revision and formal acceptance by FGB and for regular updating of governors on their roles and responsibilities.

We reiterated our acceptance of the need to maintain a high level of probity and accountability in our public life roles and to ensure that we comply with the requirement to publish information about governors and their business interests.

Business and Community Committee

The Business and Community Committee is a sub-committee of the main Board of Trustees. Its purpose and responsibilities in 2015-16 were as follows:

- oversee the financial performance of the Trust and make sure its money is well spent
- monitor the management of the Trust's physical/structural resources, including transport, health & safety and disability access considerations
- oversee the Trust's relationships with parents and other key stakeholders.

General responsibilities

1. approves and reviews the policies delegated by the FGB, and advises the FGB on the statutory policies and documents delegated for initial consideration
2. monitors and reviews the aspects of the school improvement plan which are relevant to this committee
3. receives reports on the operation of the policies for which this committee has delegated responsibility
4. receives and discusses reports from governors on their specific responsibilities and relevant development activities.

The financial performance of the School

5. scrutinises the budget plans for the financial year, including the Controls Assurance Statement and the School's charging policies, and makes recommendations to the FGB
6. monitors the financial performance of the School against the budget frequently and regularly, ensuring that the financial management of the School is sound
7. advises the Governing Body on financial matters as is required to enable the Trust Board to discharge its responsibilities under the Articles of Association, the funding agreement and the EFA Financial Handbook
8. reviews the school financial procedures manual and recommends it for approval by the Governing Body
9. oversees bids for grant funding and other fundraising procedures.

The management of the School's physical/structural resources:

10. monitors the management of the School's physical/structural resources, including transport, health and safety and disability access considerations
11. agrees plans and expenditure, within the overall budget, for the development and maintenance of the estate
12. monitors the operation of health and safety regulations.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Governance Statement
for the Year Ended 31 August 2016**

The School's relationships with parents and other key stakeholders

13. establishes ways of ensuring the effectiveness of procedures for listening to all key stakeholder groups - students, parents and staff - and making their views available to the Governing Body
14. monitors relations with the wider community, including the extended school programme, and reviews the effectiveness of communication.

Particular challenges

During 2015-16 the B&CC committee faced the challenges created by funding constraints. It identified the necessity for making savings through the Associate Staff restructuring exercise in the previous year and successfully achieved the reduction required. Operating within the refined associate staffing structure and monitoring the impact of this more sustainable structure was reported to this committee.

B&CC continued to exercise its responsibility for publicity and recruitment. It received regular reports on the operation of the transport organised and funded by the school to ensure that its usage justified the expenditure entailed. It also monitored and gave advice on the continuing efforts to improve communication with parents and the wider community. This work included the wide breadth of curriculum and extra curricula offer, the celebration of personal best of individuals and the transport challenges and solutions provided through BANES and other public transport providers.

The school's continued success in attracting a significant increase in application numbers for 2016 admission in itself created a challenge: the B&CC committee had to address the cost implications of accepting all first choice year 7 applicants. It determined that the income benefits of a large year group would outweigh the demands of funding the group and so supported a proposed increase. In order to address this, and other financial issues, it received and considered financial projections covering several years. Further work to address campus needs was commissioned by FGB to be held with this committee.

Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
S Chaddha (appointed 1 December 2015, resigned 30 June 2016)	1	3
R Heath	4	5
B Maddison	5	5
D Singh (Chair of committee)	5	5
S Thompson (Staff trustee) (resigned 30 June 16)	3	5
R Whelan	5	5
S Wright	5	5

Review of Value for Money

As Accounting Officer the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Governance Statement
for the Year Ended 31 August 2016**

- A significant review and restructure from a single academy to multi-academy trust was undertaken in line with organisational priorities. The proposal and creation of the Palladian Academy Trust was informed by research with existing multi-academy trusts, partner schools and teams within the Regional Schools Commissioner's Office and the Department for Education. We successfully refined and reshaped our lead academy to achieve capacity and prepare to take future opportunities with the following:
 - o supporting the learning and progress of students through school to school improvement
 - o defining and providing school capacity through intervention and support
 - o organisational efficiency and effectiveness planning
 - o move to a model which is financially sustainable and represents excellent value for money
 - o design career structures and CPD for all staff
 - o flexibility to meet current and future school needs
 - o fulfilment of our core responsibilities and freedoms as a group of academies.

Review of Value for Money

- The successful refurbishment of the science block at Ralph Allen School, funded by a combination CIF grant, energy improvement grant and school capital contribution, has had a direct impact on the physical and learning environment of pupils and staff. The project was completed on time, on budget and within scope. Improvements in heating and ventilation controls have given opportunity to improve energy management whilst enhancing the classroom environment. Works have also reduced the need for daily safety and maintenance works with leaks and moving glazing panels. These works have had the additional impact of supporting pride and respect for our learning environment as well as supporting curriculum and tutoring needs in science.
- The Business Team at the Palladian Academy Trust has evidenced value for money at the Palladian Schools, by ensuring that each contract the Trust enters into has been vigorously tested for best value and quality, and that the needs of the school and Trust have been reviewed before inviting quotes. Items and equipment that the Trust purchases are reviewed both for fitness for purpose and that the most efficient and effective modes of operating have been considered. An example of this is during the course of the last year the reprographics contract for Ralph Allen School was renewed. The process concluded with a contract that provided additional copying capacity for staff at busy times and a reduction in projected costs of £9,000 over the life of the contract. Benchmarking and business networks have been strengthened during this period.

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 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 Palladian Academy Trust (formerly Ralph Allen School) for the period 1 September 2015 to 31 August 2016 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 is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Governance Statement
for the Year Ended 31 August 2016**

The Risk and Control Framework

As planned, these checks have included ordering and payment of invoices, credit cards, income, bank account and payroll. The systems of internal control was noted as excellent with a number of strengths. All system checks, including additional dip sampling from the Principal Accounting Officer and Finance Governor are reported to the B&CC committee in the audit update. The Responsible Officer has reported each visit to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

Review of Effectiveness

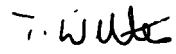
As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- 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 Business and Community Committee of the Board of Trustees and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 20 Dec 16..... and signed on its behalf by:


.....
R Franks - Chair


.....
T Withers - Accounting Officer

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31 August 2016**

As accounting officer of Palladian Academy Trust (formerly Ralph Allen School) I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 2015.

I confirm that I and the academy board of trustees are able to identify any material irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

.....
T Withers - Accounting Officer

Date: 20 Dec 2016

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Statement of Trustees Responsibilities
for the Year Ended 31 August 2016**

The trustees (who act as governors of the Palladian Academy Trust (formerly Ralph Allen School) are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether or not applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the board of trustees on20 Dec 16..... and signed on it's behalf by:

.....
R Franks - Chair

Report of the Independent Auditors to the Members of
Palladian Academy Trust (formerly
Ralph Allen School)

We have audited the financial statements of Palladian Academy Trust (formerly Ralph Allen School) for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy'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 academy and the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2016 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland';
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

Report of the Independent Auditors to the Members of
Palladian Academy Trust (formerly
Ralph Allen School)

Matters on which we are required to report by exception

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

- 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Gare (Senior Statutory Auditor)
for and on behalf of Monahans
Statutory Auditor
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 21/12/2016

**Independent Reporting Accountant's Assurance Report on Regularity to
Palladian Academy Trust (formerly
Ralph Allen School) and the Education Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Palladian Academy Trust (formerly Ralph Allen School) during the period 1 September 2015 to 31 August 2016 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 Palladian Academy Trust (formerly Ralph Allen School) and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Palladian Academy Trust (formerly Ralph Allen School) and the EFA 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 Palladian Academy Trust (formerly Ralph Allen School) and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Palladian Academy Trust (formerly Ralph Allen School)'s accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Palladian Academy Trust (formerly Ralph Allen School)'s funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 issued by the EFA. 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's income and expenditure.

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2015 to 2016 and the ICAEW Assurance Sourcebook. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Academy's Trustees.
- Inspection and review of the accounting records, meeting minutes, prior year regularity report, internal control procedures, management representations and declarations of interest.
- Observation and re-performance of the financial controls.
- Review of the results of the Academy's process of independent checking of financial controls, systems, transactions and risks

Independent Reporting Accountant's Assurance Report on Regularity to
Palladian Academy Trust (formerly
Ralph Allen School) and the Education Funding Agency

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Monahans

Monahans
Chartered Accountants
Fortescue House
Court Street
Trowbridge
Wiltshire
BA14 8FA

Date: 21/12/16

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2016**

				2016	2015	
	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £	Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and capital grants	2	22,504	2,401	-	24,905	37,901
Transfer from Local Authority on conversion	26	230,078	(1,060,000)	7,640,000	6,810,078	-
Charitable activities						
Funding for the academy's educational operations	3	320,722	5,947,267	23,671	6,291,660	6,577,770
Other trading activities	4	206,756	4,462	-	211,218	223,909
Investment income	5	995	-	-	995	908
Total		781,055	4,894,130	7,663,671	13,338,856	6,840,488
EXPENDITURE ON						
Raising funds	7	199,721	-	-	199,721	190,214
Charitable activities						
Academy's educational operations		282,338	6,049,860	435,884	6,768,082	6,940,149
Total	6	482,059	6,049,860	435,884	6,967,803	7,130,363
NET INCOME/(EXPENDITURE)						
		298,996	(1,155,730)	7,227,787	6,371,053	(289,875)
Transfers between funds	22	-	(31,428)	31,428	-	-
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	(1,211,000)	-	(1,211,000)	(101,000)
Net movement in funds		298,996	(2,398,158)	7,259,215	5,160,053	(390,875)
RECONCILIATION OF FUNDS						
Total funds brought forward		114,037	(870,006)	24,458,746	23,702,777	24,093,652
TOTAL FUNDS CARRIED FORWARD		413,033	(3,268,164)	31,717,961	28,862,830	23,702,777

All of the academy's activities derive from acquisitions in the current year.


The notes form part of these financial statements

**Palladian Academy Trust (formerly
Ralph Allen School) (Registered number: 08061092)**

**Balance Sheet
At 31 August 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	14	31,676,609	24,440,916
CURRENT ASSETS			
Debtors	15	281,552	143,057
Cash at bank and in hand		<u>884,946</u>	<u>703,357</u>
		1,166,498	846,414
CREDITORS			
Amounts falling due within one year	16	(425,065)	(398,639)
NET CURRENT ASSETS		<u>741,433</u>	<u>447,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		32,418,042	24,888,691
CREDITORS			
Amounts falling due after more than one year	17	(64,212)	(74,914)
PENSION LIABILITY	23	(3,491,000)	(1,111,000)
NET ASSETS		<u>28,862,830</u>	<u>23,702,777</u>
FUNDS	22		
Unrestricted funds		413,033	114,037
Restricted funds		<u>28,449,797</u>	<u>23,588,740</u>
TOTAL FUNDS		<u>28,862,830</u>	<u>23,702,777</u>

The financial statements were approved by the Board of Trustees on 20 Dec 16 and were signed on its behalf by:


.....
R Franks -Chair

The notes form part of these financial statements

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Cash Flow Statement
for the Year Ended 31 August 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(31,025)</u>	<u>316,579</u>
Net cash provided by (used in) operating activities		<u>(31,025)</u>	<u>316,579</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(31,428)	(77,333)
Capital grants from DfE/EFA		23,671	61,418
Interest received		<u>995</u>	<u>908</u>
Net cash provided by (used in) investing activities		<u>(6,762)</u>	<u>(15,007)</u>
Cash flows from financing activities:			
New loans in year		-	42,717
Loan repayments in year		<u>(10,702)</u>	<u>(8,658)</u>
Net cash provided by (used in) financing activities		<u>(10,702)</u>	<u>34,059</u>
Cash transferred on conversion to an academy	26	<u>230,078</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		181,589	335,631
Cash and cash equivalents at the beginning of the reporting period		<u>703,357</u>	<u>367,726</u>
Cash and cash equivalents at the end of the reporting period		<u>884,946</u>	<u>703,357</u>

The notes form part of these financial statements

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Cash Flow Statement
for the Year Ended 31 August 2016**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,371,053	(289,875)
Adjustments for:		
Depreciation	435,735	426,567
Capital grants from DfE/EFA	(23,671)	(61,418)
Transfer from Local Authority on conversion	(6,810,078)	-
Interest received	(995)	(908)
DB pension scheme cost less contribution	60,000	56,000
DB pension scheme cost finance cost	49,000	36,000
(Increase)/decrease in debtors	(138,495)	106,940
Increase in creditors	<u>26,426</u>	<u>43,273</u>
Net cash provided by (used in) operating activities	<u>(31,025)</u>	<u>316,579</u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Palladian Academy Trust (formerly Ralph Allen School) meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Palladian Academy Trust (formerly Ralph Allen School) prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2015. The financial statements of Palladian Academy Trust (formerly Ralph Allen School) for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Reconciliation with previous Generally Accepted Accounting Practice

In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the change in the measurement of the defined benefit pension scheme as a component of reported income.

<u>Reconciliation of reported net income / (expenditure)</u>	£
Net income/(expenditure) as previously stated	(262,875)
Adjustment for the change in the measurement of the defined benefit pension scheme	<u>(27,000)</u>
2015 net income as restated	<u><u>(289,875)</u></u>

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the academy has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES - continued

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

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy 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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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's accounting policies.

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 allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Raising funds

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

Governance costs

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

Tangible fixed assets

Assets costing £1,500 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES - continued

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

Freehold property	Straight line over 50 years
Fixtures and fittings	Straight line over 5 years
Motor vehicles	Straight line over 7 years
Computer equipment	Straight line over 3 years

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

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.

Leasehold land and buildings for new member schools joining the academy were valued internally by the Trustees by benchmarking the schools against publicly available valuations of schools in similar locations.

The leasehold land and buildings have been recognised as a fixed asset in the balance sheet together with a credit to donations in the Statement of Financial Activities.

Conversion to an academy

The conversion from a state maintained school to an academy trust for new joiner member schools of the multi 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 predecessor schools 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 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 transactions are set out in note 26.

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.

Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within charitable activities.

Concessionary loans

Concessionary loans include those payable to a third party which are interest free or below market interest rates and are made to advance charitable purposes. Where the loan is repayable within one year, the loan is measured at cost, less impairment. Where the loan is repayable in more than one year, the loan is initially measured at the amount received and the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES - continued

Leased Assets

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

Taxation

The academy 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 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.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Designated funds represent those unrestricted funds identified by the Trustees as relating to specific purposes.

Restricted funds can only be used for particular restricted purposes within the objects of the academy. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes.

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 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 23, the TPS is a multi-employer scheme and therefore 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 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.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

1. ACCOUNTING POLICIES - continued

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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.

Leasehold land and buildings for new member schools joining the academy were valued internally by the Trustees by benchmarking the schools against publicly available valuations of schools in similar locations. This makes a number of assumptions regarding the comparability of the schools to others locally.

Critical areas of judgement

There are no critical areas of judgement.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Donations	<u>22,504</u>	<u>2,401</u>	<u>24,905</u>	<u>37,901</u>

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Catering income	289,660	-	289,660	285,361
Other income	31,062	-	31,062	8,226
Grants	<u>-</u>	<u>5,970,938</u>	<u>5,970,938</u>	<u>6,284,183</u>
	<u>320,722</u>	<u>5,970,938</u>	<u>6,291,660</u>	<u>6,577,770</u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	5,365,905	5,365,905	5,234,828
Other DfE/EFA Grants	-	417,223	417,223	206,726
Capital Maintenance Grants	-	-	-	685,933
Start Up Grants	-	65,000	65,000	-
	-	5,848,128	5,848,128	6,127,487
DfE/EFA capital grant				
Capital Grants	-	23,671	23,671	61,418
Other government grant				
Local Authority Revenue Grants	-	99,139	99,139	70,028
Other grants				
Other grants	-	-	-	25,250
	-	5,970,938	5,970,938	6,284,183

4. OTHER TRADING ACTIVITIES

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Lettings	31,959	-	31,959	30,213
School Fund	122,472	-	122,472	150,443
Other income	52,325	4,462	56,787	43,253
	206,756	4,462	211,218	223,909

5. INVESTMENT INCOME

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Short term deposits	995	-	995	908

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

6. EXPENDITURE

				2016	2015
	Staff costs £	Non-pay expenditure Premises £	Other costs £	Total £	Total £
Raising funds					
Costs incurred by trading for a fundraising purpose	14,191	-	185,530	199,721	190,214
Charitable activities					
Academies educational operations					
Direct costs	3,890,345	285,594	311,797	4,487,736	4,481,028
Allocated support costs	<u>883,888</u>	<u>616,780</u>	<u>779,678</u>	<u>2,280,346</u>	<u>2,459,121</u>
	<u>4,788,424</u>	<u>902,374</u>	<u>1,277,005</u>	<u>6,967,803</u>	<u>7,130,363</u>

Net income/(expenditure) is stated after charging/(crediting):

	2016 £	2015 £
Auditors' remuneration	13,000	8,200
Auditors' remuneration for non audit work	2,944	4,306
Depreciation - owned assets	435,735	426,567
Operating leases	<u>68,794</u>	<u>70,788</u>

7. RAISING FUNDS

Costs incurred by trading for a fundraising purpose

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Staff costs	14,191	-	14,191	30,364
Other costs	<u>185,530</u>	<u>-</u>	<u>185,530</u>	<u>159,850</u>
	<u>199,721</u>	<u>-</u>	<u>199,721</u>	<u>190,214</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
Direct costs	1,885	4,485,851	4,487,736	4,481,028
Support costs	<u>280,453</u>	<u>1,999,893</u>	<u>2,280,346</u>	<u>2,459,121</u>
	<u>282,338</u>	<u>6,485,744</u>	<u>6,768,082</u>	<u>6,940,149</u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS - continued

	2016 Total £	2015 Total £
Analysis of support costs		
Support staff costs	879,783	821,973
Depreciation	150,141	140,974
Technology costs	102,755	71,188
Premises costs	567,366	927,027
Other support costs	510,838	465,881
Governance costs	<u>69,463</u>	<u>32,078</u>
Total support costs	<u><u>2,280,346</u></u>	<u><u>2,459,121</u></u>

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 £
Ralph Allen School	3,062,699	921,749	134,142
Combe Down Primary School	47,027	3,662	313
Widcombe Infant School	<u>188,369</u>	<u>24,958</u>	<u>2,648</u>
Total	<u><u>3,838,095</u></u>	<u><u>950,329</u></u>	<u><u>137,103</u></u>

	Other Costs (excluding depreciation) £	Total 2016 £	Total 2015 £
Ralph Allen School	1,533,981	6,192,571	6,703,796
Combe Down Primary School	37,528	88,490	-
Widcombe Infant School	<u>35,032</u>	<u>251,007</u>	<u>-</u>
Total	<u><u>1,606,541</u></u>	<u><u>6,532,068</u></u>	<u><u>6,703,796</u></u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees have been paid remuneration or have received other benefits from an employment with the academy trust. The Chief Executive Officer (from 01/07/16) / Principal (to 30/06/16) and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer / Principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration was as follows:

T Withers (Chief Executive Officer (from 01/07/16), Ralph Allen School Principal and Trustee)

Remuneration £95,000 - £100,000 (2015: £90,000 - £95,000)

Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

S Thompson (Staff Trustee until 30/06/16)

Remuneration £20,000 - £25,000 (2015: £25,000 - £30,000)

Employer's pension contributions £0,001 - £5,000 (2015: £0,001 - £5,000)

M Croft (Staff Trustee until 30/06/16)

Remuneration £35,000 - £40,000 (2015: £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

H Tallett (Staff Trustee from 04/09/15 until 30/06/16)

Remuneration £25,000 - £30,000

Employer's pension contributions £0,001 - £5,000

Trustees' expenses

During the year ended 31 August 2016, travel and subsistence expenses totalling £131 (2015: £nil) were reimbursed to Trustees. Related party transactions involving the Trustees are set out in note 25.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

10. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	3,701,257	3,692,183
Social security costs	298,210	266,185
Other pension costs	<u>692,131</u>	<u>595,875</u>
	4,691,598	4,554,243
Supply teacher costs	<u>96,826</u>	<u>107,240</u>
	<u><u>4,788,424</u></u>	<u><u>4,661,483</u></u>

Staff restructuring costs of £nil (2015: £28,774) are included within wages and salaries costs above.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015: £15,000).

Staff numbers and higher paid staff

The average number of persons (including senior management team) employed by the academy during the year was as follows:

	2016	2015
Teachers	68	74
Administration and support	95	74
Management	<u>7</u>	<u>7</u>
	<u><u>170</u></u>	<u><u>155</u></u>

Average staff numbers by FTE increased from 115 in 2015 to 119 in 2016.

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

	2016	2015
£60,001 - £70,000	2	2
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u><u>3</u></u>	<u><u>3</u></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. Up until 30/06/16 the senior management team was represented by the senior management of Ralph Allen School. From 01/07/16 the senior management team was represented by the Executive Team of the Palladian Academy Trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £578,444 (2015: £593,923).

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy 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 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.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and capital grants	32,901	5,000	-	37,901
Charitable activities				
Funding for the academy's educational operations	293,587	6,222,765	61,418	6,577,770
Other trading activities	223,909	-	-	223,909
Investment income	908	-	-	908
Total	551,305	6,227,765	61,418	6,840,488
EXPENDITURE ON				
Raising funds	189,368	846	-	190,214
Charitable activities				
Academy's educational operations	295,195	6,218,390	426,564	6,940,149
Total	484,563	6,219,236	426,564	7,130,363
NET INCOME/(EXPENDITURE)	66,742	8,529	(365,146)	(289,875)
Transfers between funds	-	(53,477)	53,477	-
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	(101,000)	-	(101,000)
Net movement in funds	66,742	(145,948)	(311,669)	(390,875)
RECONCILIATION OF FUNDS				
Total funds brought forward	47,295	(724,058)	24,770,415	24,093,652
TOTAL FUNDS CARRIED FORWARD	114,037	(870,006)	24,458,746	23,702,777

13. CENTRAL SERVICES

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

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long leasehold £	Fixtures and fittings £
COST			
Transfer on conversion	-	7,640,000	-
At 1 September 2015	24,809,671	-	542,008
Additions	-	-	16,082
At 31 August 2016	<u>24,809,671</u>	<u>7,640,000</u>	<u>558,090</u>
DEPRECIATION			
At 1 September 2015	790,802	-	175,325
Charge for year	<u>285,594</u>	<u>-</u>	<u>110,348</u>
At 31 August 2016	<u>1,076,396</u>	<u>-</u>	<u>285,673</u>
NET BOOK VALUE			
At 31 August 2016	<u>23,733,275</u>	<u>7,640,000</u>	<u>272,417</u>
At 31 August 2015	<u>24,018,869</u>	<u>-</u>	<u>366,683</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
Transfer on conversion	-	-	7,640,000
At 1 September 2015	13,000	131,370	25,496,049
Additions	-	15,346	31,428
At 31 August 2016	<u>13,000</u>	<u>146,716</u>	<u>33,167,477</u>
DEPRECIATION			
At 1 September 2015	6,178	82,828	1,055,133
Charge for year	<u>1,584</u>	<u>38,209</u>	<u>435,735</u>
At 31 August 2016	<u>7,762</u>	<u>121,037</u>	<u>1,490,868</u>
NET BOOK VALUE			
At 31 August 2016	<u>5,238</u>	<u>25,679</u>	<u>31,676,609</u>
At 31 August 2015	<u>6,822</u>	<u>48,542</u>	<u>24,440,916</u>

Included in freehold property is freehold land of £15,494,000 (2015: £10,530,000).

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	2,797	3,932
Other debtors	716	4,333
VAT	118,598	94,763
Prepayments and accrued income	<u>159,441</u>	<u>40,029</u>
	<u><u>281,552</u></u>	<u><u>143,057</u></u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Other loans (see note 18)	10,702	10,702
Trade creditors	132,981	117,737
Social security and other taxes	112,293	75,639
Other creditors	4,674	7,809
Accruals and deferred income	<u>164,415</u>	<u>186,752</u>
	<u><u>425,065</u></u>	<u><u>398,639</u></u>

Deferred income

	2016	2015
	£	£
Resources deferred at 1 September 2015	28,868	39,400
Amounts released to incoming resources	(28,868)	(39,400)
Resources deferred in the year	<u>59,420</u>	<u>28,868</u>
Deferred income at 31 August 2016	<u><u>59,420</u></u>	<u><u>28,868</u></u>

Deferred income (continued)

At the balance sheet date the Academy Trust was holding funds received in advance in respect of trips organised through the school fund.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Other loans (see note 18)	<u><u>64,212</u></u>	<u><u>74,914</u></u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

18. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year on demand:		
Other loans	<u>10,702</u>	<u>10,702</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>10,702</u>	<u>10,702</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>32,106</u>	<u>32,106</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans - more than 5 years	<u>21,404</u>	<u>32,106</u>

Other loans relate to a concessionary loan, which is an EFA approved Salix loan. No interest is payable on this loan.

19. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the academy's future minimum lease payments under non-cancellable operating leases was:

	Other operating leases 2016 £	2015 £
Expiring:		
Within one year	49,850	68,794
Between one and five years	<u>41,182</u>	<u>91,032</u>
	<u>91,032</u>	<u>159,826</u>

20. 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/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

				2016	2015
	Unrestricted funds	Restricted funds	Restricted Fixed Asset Funds	Total funds	Total funds
	£	£	£	£	£
Fixed assets	-	-	31,676,609	31,676,609	24,440,916
Current assets	484,585	640,561	41,352	1,166,498	846,414
Current liabilities	(71,552)	(353,513)	-	(425,065)	(398,639)
Long term liabilities	-	(64,212)	-	(64,212)	(74,914)
Pension liability	-	(3,491,000)	-	(3,491,000)	(1,111,000)
	<u>413,033</u>	<u>(3,268,164)</u>	<u>31,717,961</u>	<u>28,862,830</u>	<u>23,702,777</u>

22. MOVEMENT IN FUNDS

	At 1.9.15 £	Net movement in funds £	Transfers between funds £	At 31.8.16 £
Unrestricted funds				
Other unrestricted	55,841	298,483	-	354,324
School Fund	<u>58,196</u>	<u>513</u>	<u>-</u>	<u>58,709</u>
	114,037	298,996	-	413,033
Restricted funds				
General Annual Grant (GAG)	49,331	49,313	(17,591)	81,053
Capital Maintenance Grants	198,841	(186,455)	-	12,386
Other DfE/EFA Grants	-	163,910	-	163,910
Local Authority Grants	14,720	19,343	-	34,063
Other restricted grants and donations	46,764	(15,887)	(24,539)	6,338
Pension Reserve	(1,111,000)	(2,380,000)	-	(3,491,000)
EFA Salix loan	(68,662)	(16,954)	10,702	(74,914)
Fixed Asset Fund	<u>24,458,746</u>	<u>7,227,787</u>	<u>31,428</u>	<u>31,717,961</u>
	23,588,740	4,861,057	-	28,449,797
TOTAL FUNDS	<u>23,702,777</u>	<u>5,160,053</u>	<u>-</u>	<u>28,862,830</u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

22. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Other unrestricted	640,908	(342,425)	-	298,483
School Fund	140,147	(139,634)	-	513
	<u>781,055</u>	<u>(482,059)</u>	-	<u>298,996</u>
Restricted funds				
General Annual Grant (GAG)	5,370,346	(5,321,033)	-	49,313
Capital Maintenance Grants	-	(186,455)	-	(186,455)
Other DfE/EFA Grants	482,223	(318,313)	-	163,910
Local Authority Grants	99,139	(79,796)	-	19,343
Other restricted grants and donations	2,422	(18,309)	-	(15,887)
Pension Reserve	(1,060,000)	(109,000)	(1,211,000)	(2,380,000)
Fixed Asset Fund	7,663,671	(435,884)	-	7,227,787
EFA Salix loan	-	(16,954)	-	(16,954)
	<u>12,557,801</u>	<u>(6,485,744)</u>	<u>(1,211,000)</u>	<u>4,861,057</u>
TOTAL FUNDS	<u><u>13,338,856</u></u>	<u><u>(6,967,803)</u></u>	<u><u>(1,211,000)</u></u>	<u><u>5,160,053</u></u>

Restricted Funds

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

General Annual Grant (GAG) - Relates to the funding provided to the Academy by the DfE and expenditure incurred by the Academy spent in line with the terms of the Funding Agreement.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Capital Maintenance Grants - Relates to funding provided to the academy by the EFA in relation to specific capital maintenance projects.

Other DfE/EFA grants - Relates to additional government funding received in the period to be used on specific purposes.

Local authority grants and other restricted grants and donations - Relates to additional funding received in the period to be used on specific purposes.

Pension reserve - Relates to the Academy's LGPS pension scheme liability.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

22. MOVEMENT IN FUNDS - continued

EFA Salix loan - A restricted fund reflecting expenditure made using EFA Salix loan funds received. The deficit on this fund will be reduced over time as loan repayments are made in accordance with the loan agreement and repayment schedule.

Fixed Asset Fund - This equates to the net book value of fixed assets held by the academy plus any unspent capital grants.

Designated funds

School fund - This is a separate fund maintained by the Academy through which various school trips, extra curricular activities, charitable fundraising and other items and associated costs are managed.

TOTAL FUNDS ANALYSIS BY ACADEMY

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
Ralph Allen School	364,730	355,031
Combe Down Primary School	137,319	-
Widcombe Infant School	133,820	-
	<hr/>	<hr/>
Total before fixed asset and pension reserve	635,869	355,031
Restricted fixed asset fund	31,717,961	24,458,746
Pension reserve	(3,491,000)	(1,111,000)
	<hr/>	<hr/>
Total	28,862,830	23,702,777

Transfers between funds

A transfer of £6,889 was made during the year to reflect capital expenditure made using GAG funds and a transfer of £24,359 was made during the year to reflect capital expenditure made using other restricted funds.

A transfer of £10,702 to reflect a year's repayment of EFA Salix loan from GAG funds was also made during the year.

23. PENSION 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 Avon Pension Fund. Both are multi-employer defined benefit schemes.

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

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

**Palladian Academy Trust (formerly
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**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

23. PENSION AND SIMILAR OBLIGATIONS
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The pension costs paid to TPS in the period amounted to £428,311 (2015: £364,642).

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.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

23. PENSION AND SIMILAR OBLIGATIONS
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 for all member academies within the multi academy trust was £263,000 (2015: £234,000), of which employer's contributions totalled £203,000 (2015: £177,000) and employees' contributions totalled £60,000 (2015: £57,000). The agreed contribution rates for future years are between 5.5% and 10.5 % for employees.

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.

As described in note 1 the LGPS obligation relates to the employees of the academy trust, including those who were the employees transferred as part of the conversion by new member schools from the maintained school and new employees who were eligible to, and did, join 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. During the year there were business combinations totalling £1,060,000.

The figures for all academies within the multi academy trust are shown in total as aggregated figures.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Present value of funded obligations	(5,705,000)	(2,861,000)
Fair value of plan assets	<u>2,214,000</u>	<u>1,750,000</u>
	<u>(3,491,000)</u>	<u>(1,111,000)</u>
Deficit	<u>(3,491,000)</u>	<u>(1,111,000)</u>
Liability	<u>(3,491,000)</u>	<u>(1,111,000)</u>

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Current service cost	263,000	233,000
Net interest from net defined benefit asset/liability	45,000	32,000
Administration expenses	<u>4,000</u>	<u>4,000</u>
	<u>312,000</u>	<u>269,000</u>
Actual return on plan assets	<u>280,000</u>	<u>25,000</u>

**Palladian Academy Trust (formerly
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**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

**23. PENSION AND SIMILAR OBLIGATIONS
- continued**

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Defined benefit obligation	(2,861,000)	(2,415,000)
Current service cost	(263,000)	(233,000)
Contributions by scheme participants	(60,000)	(57,000)
Interest cost	(118,000)	(97,000)
Benefits paid	74,000	2,000
Business combinations	(1,060,000)	-
Actuarial (gains)/losses from changes in financial assumptions	<u>(1,417,000)</u>	<u>(61,000)</u>
	<u>(5,705,000)</u>	<u>(2,861,000)</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Fair value of scheme assets	1,750,000	1,497,000
Contributions by employer	203,000	177,000
Contributions by scheme participants	60,000	57,000
Interest on plan assets	73,000	65,000
Benefits paid	(74,000)	(2,000)
Assets no descr	(4,000)	(4,000)
Remeasurements (assets)	<u>206,000</u>	<u>(40,000)</u>
	<u>2,214,000</u>	<u>1,750,000</u>

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(1,417,000)	(61,000)
Return on plan assets (excluding interest income)	<u>206,000</u>	<u>(40,000)</u>
	<u>(1,211,000)</u>	<u>(101,000)</u>

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

**23. PENSION AND SIMILAR OBLIGATIONS
- continued**

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2016	2015
	£	£
Equities	1,119,000	971,000
Bonds	482,000	356,000
Property	215,000	142,000
Cash / liquidity	(11,000)	39,000
Other	409,000	242,000
	<u>2,214,000</u>	<u>1,750,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	2016	2015
Discount rate	2.1% - 2.2%	4%
Future salary increases	3.3% - 3.4%	3.8%
Future pension increases	1.9% - 2.0%	2.3%

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

	At 31 August 2016	At 31 August 2015
Current pensioners		
Males	23.5 years	23.4 years
Females	26 years	25.9 years
Future pensioners		
Males	25.9 years	25.8 years
Females	28.9 years	28.8 years

Amounts for the current and previous period are as follows:

	2016	2015
	£	£
Defined benefit pension plans		
Defined benefit obligation	(5,705,000)	(2,861,000)
Fair value of scheme assets	2,214,000	1,750,000
Deficit	(3,491,000)	(1,111,000)

Sensitivity analysis

The sensitivity regarding the principal assumptions used to measure the scheme liabilities is as follows.

Were the discount rate used to be 0.1% p.a. higher then the net pension liability at the year end would have been £128k lower than the liability reflected in the accounts. Were the rate of inflation to be 0.1% p.a. higher then the net pension liability at the year end date would have been £131k higher.

**Palladian Academy Trust (formerly
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**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

24. CAPITAL COMMITMENTS

	2016	2015
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>198,840</u>

25. RELATED PARTY DISCLOSURES

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

The following related party transaction took place in the period of account.

DBI Systems Limited - a company in which A Petmezas, a trustee until 30/06/16 and local governor of Ralph Allen School, is a director and shareholder. Transactions totalling £13,573 (2015: £13,078) relating to electrical works were made in the year. At the year end date £5,684 (2015: £7,763) was due to DBI Systems Limited and this is included in trade creditors.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015. The original contract to provide these transactions was entered into prior to 7 November 2013 following a competitive tendering process. Subsequent to 7 November 2013 confirmation has been obtained from DBI Systems Limited that services are provided at cost and the academy has completed an independent reasonableness check on these figures.

Momentum Consulting Engineers Limited - a company in which R Heath, a trustee until 30/06/16 and local governor of Ralph Allen School, is a director and shareholder. Transactions totalling £150 (2015: £nil) relating to engineering services were made in the year. At the year end there were no amounts due from the academy. In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015.

26. CONVERSION TO AN ACADEMY

On 1 July 2016 Combe Down Primary School and on 1 August 2016 Widcombe Infant School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to the Palladian Academy Trust (formerly Ralph Allen School) from the Bath and North East Somerset Local Authority for £nil consideration.

The transfers have been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income the Statement of Financial Activities as donations - transfer from local authority on conversion.

The following tables set out by academy the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities. In total the transfer on conversion figure is a £6,810,078 donation.

**Palladian Academy Trust (formerly
Ralph Allen School)**

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2016**

Combe Down Primary School

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Tangible fixed assets				
- Leasehold land and buildings	-	-	3,820,000	3,820,000
Budget surplus / (deficit) on LA funds	100,962	-	-	100,962
LGPS pension surplus / (deficit)	-	(640,000)	-	(640,000)
Net assets / (liabilities)	<u>100,962</u>	<u>(640,000)</u>	<u>3,820,000</u>	<u>3,280,962</u>

The above net assets / (liabilities) include £100,962 that was transferred as cash in the year.

Widcombe Infant School

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total
	£	£	£	£
Tangible fixed assets				
- Leasehold land and buildings	-	-	3,820,000	3,820,000
Budget surplus / (deficit) on LA funds	129,116	-	-	129,116
LGPS pension surplus / (deficit)	-	(420,000)	-	(420,000)
Net assets / (liabilities)	<u>129,116</u>	<u>(420,000)</u>	<u>3,820,000</u>	<u>3,529,116</u>

The above net assets / (liabilities) include £129,116 that was transferred as cash in the year.

27. FIRST YEAR ADOPTION OF FRS 102

Please refer to the accounting policies.

Transitional relief

The academy is not taking advantage of any transitional reliefs.