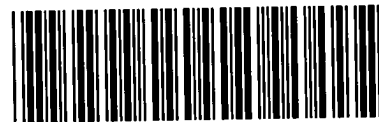




**Report of the Trustees and**  
**Financial Statements for the Year Ended 31 August 2019**  
**for**  
**Palladian Academy Trust**

TUESDAY



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COMPANIES HOUSE

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

**Palladian Academy Trust**

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**for the Year Ended 31 August 2019**

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**Palladian Academy Trust**

**Reference and Administrative Details**  
**for the Year Ended 31 August 2019**

**MEMBERS**

A Arlidge  
R Franks (resigned 13.12.18)  
H Fenn (B&WDBE) (resigned 7.1.19)  
J Garratt  
E Gregory (appointed 7.1.19)  
C James (appointed 13.12.18)  
F Stewart (SDBE) (appointed 1.12.19)

**TRUSTEES**

R Franks (Chair) (resigned 13.12.18) (re-appointed 28.11.19)  
C James (Chair from 13.12.18)  
S J Apps (appointed 10.9.18)  
R L Balch (appointed 11.4.19)  
P J Black (co-opted trustee)  
R Bullard  
W B C Hobhouse (co-opted trustee)  
C D Mason (appointed 18.7.19)  
C M Mercer (Vice Chair)  
A J Moore (appointed 25.7.19)  
M J Robbins (appointed 8.10.19)  
M A Simmons-Bird (appointed 10.9.18) (resigned 29.7.19)  
C Wheeler (resigned 27.3.19)  
R Whelan  
T Withers (CEO and accounting officer)  
S Wright (resigned 24.3.19)

**COMPANY SECRETARY**

J Marsh

**SENIOR MANAGEMENT TEAM**

T Withers (CEO)  
J Marsh (COO)  
P Jacobs (Director of School Improvement) (appointed 1.9.18)  
J Gasgoine (Headteacher Combe Down Primary School)  
D Goucher (Headteacher Oldfield Park Junior School)  
C McMurtry (Headteacher Oldfield Park Infant School)  
A Greenhough (Headteacher Ralph Allen School)  
M Stone (Headteacher St Martin's Garden Primary) (resigned 31.3.19)  
J Jones (Acting Headteacher St Martin's Garden) (appointed 1.4.19) (resigned 31.8.19)  
C Parfitt (Headteacher St Martin's Garden Primary) (appointed 1.9.19)  
A Joy (Headteacher St Philip's Primary School)  
C Taylor (Headteacher Widcombe Junior School)  
A Watts (Headteacher Widcombe Infant School)

**REGISTERED OFFICE**

Claverton Down Road  
Combe Down  
Bath  
BA2 7AD

**REGISTERED COMPANY NUMBER**

08061092 (England and Wales)

**Palladian Academy Trust**

**Reference and Administrative Details**  
**for the Year Ended 31 August 2019**

**INDEPENDENT AUDITORS**

MHA 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

### Report of the Trustees for the Year Ended 31 August 2019

The Trustees present their annual report together with the audited financial statements of the charitable company (Academy Trust) for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Academy Trust currently operates 10 academies across the primary and secondary phases in Bath and Wiltshire. Two of these academies joined the Academy Trust post year end. It had a pupil capacity of 3298 and had a roll of 3332 in the autumn school census 2019.

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects and Aims**

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 Academies which shall offer a broad and balanced curriculum which shall include:
  - Academies other than those designated Church of England whether with or without a designated religious character; and
  - Church of England Academies designated as such which shall be conducted in accordance with those principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship, and in having regard to any advice and following any directives issued by the Diocesan Boards of Education, but in relation to each of the Academies to recognise and support their individual ethos, whether or not designated Church of England.
- 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.

The Palladian Academy Trust (PAT) is a community of schools, each with its own particular ethos, that enjoy a mutually enriching partnership. The Trust includes both faith and non-faith academies working closely together, all connected by the vision we share for our students. We value and respect the individuality of every child and believe their learning and development should be personal and holistic. We aim to support their well-being and help them achieve their best.

We want to provide exceptional learning and achievement for all in the Academy Trust through:

- Well-being
- Character
- Professional development
- Enrichment
- Partnership

#### **Objectives, Strategies and Activities**

The Trust's key objectives are:

1. All schools to show positive values for the **progress and achievement** of students, KS1 - 5, meeting floor standards in every case
2. All members of the PAT to be rated **Ofsted good or outstanding** by 2020, with the proportion of outstanding schools increasing from a 2016 base
3. **SIAMS** inspections to be rated good and outstanding; relationships between church and community schools to be mutually enriching, with opportunities for church schools to work closely together at times
4. All schools to offer a broad and balanced curriculum which offers significant **enrichment** opportunities to learners, individually and through PAT collaboration
5. All schools to have a strong focus on the **well-being** of their community
6. All PAT students, parents and staff to understand the importance of **character** in helping to develop well-rounded learners
7. PAT to develop **professional development** on a Trust-wide basis, with additional opportunities in training, networks and liaison available. Trust programmes to be developed for different work areas and career stages, with opportunities for colleagues to work more flexibly in different contexts
8. Our **school improvement** model to be built, road tested and refined to ensure the development of all our schools and other partners
9. **Partnership**: business function to be led and managed across the Trust, leading to cost-saving efficiencies, procurement and enhanced effectiveness

## Palladian Academy Trust

### Report of the Trustees for the Year Ended 31 August 2019

#### **OBJECTIVES AND ACTIVITIES (continued)**

10. **Communications** channels to be developed, e.g. website, newsletters and social media, conveying a clear picture of the Trust and the benefits it offers to partners
11. The relative **roles** in supporting and challenging schools of The Trust Board, School Governing Bodies and ELT to be clearly defined and understood
12. The Trust Board, School Governing Bodies and ELT to formulate and develop a **PAT growth strategy** which is sustainable, with systems and structures which support our well-balanced group of schools.

PAT is a values-driven organisation whose values are lived out through our 'Palladian Promise' for pupils' personal development and character education. These objectives cover a range of aspirations from high moral purpose: environmental stewardship, to the practicalities of running an efficient and effective modern organisation. They are in operation for the three-year duration of the planning cycle.

A regular cycle has been established for appraisal, school development planning, and Academy Trust development planning, combined with review for the Board. School self-evaluation and development planning now takes place in the context of our Trust Development Plan (TDP), which allows for strongly cohesive goal setting and planning. The Key Objectives are framed for alignment with our values: partnership, professional development, enrichment, wellbeing & character, employing the same language. The Executive Leadership Team has the primary aim of delivering the TDP, which is written in the context of our strategic framework: Key Objectives, The Palladian Promise, Vision and Values, building management structures/capability to achieve this. Networks have been established for this purpose in literacy, numeracy, Pupil Premium & Special Educational Needs.

#### **Public Benefit**

The Trustees have complied with their duty to have due regard to the Charity Commission's public benefit guidance in exercising their power or duties. Trustees are aware of the guidance and have taken it into account when reviewing the aims and objectives of the charity and planning its activities.

#### **STRATEGIC REPORT**

##### **Achievement and performance**

The Palladian Academy Trust is a highly accountable organisation, operating in the context of Ofsted inspection, DFE oversight of academies through the Regional Schools' Commissioner office in the SW, accountability through test and exam performance and the meeting of floor and other performance standards, and the monitoring of safeguarding by the Local Authority. Achievement in the Academy Trust has been strong, as performance data published in this report will bear out, with relatively few causes for concern, and rapidly improving performance in its sponsored school, St Martin's, Garden. Where there is a cause for concern, the Academy Trust will be guided by its newly updated School Improvement Strategy to carry out action planning and effective intervention. Each line of the Trust Development Plan has specific success criteria which the Executive Leadership Team employ to evaluate for the Board of Trustees, which evidences oversight and challenge through its minutes of Board and Committee meetings.

Standard accountability is well established and the ELT is turning its attention in 2018-19 to the metrics of aspects of school life such as attendance at after-school clubs, the wellbeing of pupils, and opportunities for professional development, in line with our five values and vision for the Academy Trust.

At the year end date, the Palladian Academy Trust was comprised of eight schools, with two schools joining post year end; Fitzmaurice Primary School on 1 October 2019 and Winsley Church of England Primary School on 1 December 2019. All of our schools are good or outstanding, with one developing school designated as 'requiring improvement' in July this year. Three PAT schools have been inspected under the new framework and found to be securely 'good' under the new framework.

## Palladian Academy Trust

### Report of the Trustees for the Year Ended 31 August 2019

#### Key Performance Indicators

#### Student Academic Performance

#### 2019 KS1 & KS2 Results

2019 KS2 Results	National Comparators (from 2018 Data)		St Martin's (Not inc MCC)		St Philip's		Combe Down		Widcombe Jnr		Oldfield Park Jnr	
	% at ARE	% at GD	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth
Reading	75	28										
Writing	78	20	52	8	■	■	70	15	■	■	■	■
Maths	76	24										
SPAG	78	34										
R, W & M Combined	64	10										

2019 KS1 Results	National Comparators (from 2018 Data)		St Martin's (Not inc MCC)		St Philip's		Combe Down		Widcombe Inf		Oldfield Park Inf	
	% at ARE	% at GD	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth	% at ARE +	% at Greater Depth
Reading	75	26	67 (62)	0	75	15	64	19	■	■	■	■
Writing	70	16	58 (54)	0	60	3	■	5	■	■	■	14
Maths	76	22	63 (58)	8	75	13	62	14	■	■	■	20
Y1 Phonics	83		77		60		■		■		82	
Y2 Phonics Combined	92				■		■		■		■	
EYFS Good level of development	?		50		65		72		78		80	

#### Key

■	Above National 2018
■	Below National 2018

#### Notes

Assuming the Greater depth will be 110+ standardised score @ KS2  
KS1 results based on teacher assessment as submitted online  
These results may be disputed due to marking anomalies

#### Ralph Allen School

#### KS4 Results 2018-19

- 33% = grade 9, 8 or 7
- 31% achieving five or more top grades
- 8% = grade 9

#### KS5 Results 2018-19

- 34% A\*-A
- 63% A\*-B
- 84% A\*-C

#### 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.

#### Financial review

The Academy Trust's accounting period covers the twelve months from 1 September 2018 to 31 August 2019. The Academy Trust has adopted the Financial Handbook, extant from 1 September 2018 for this accounting period.

Most of the Academy Trust's income is obtained from the Education and Skills Funding Authority (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2019, and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also received grants for fixed assets from the ESFA which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned.

**Palladian Academy Trust**

**Report of the Trustees**  
**for the Year Ended 31 August 2019**

**STRATEGIC REPORT**

**Financial review (continued)**

The Academy Trust has been successful with three Condition Improvement Fund (CIF) bids to the ESFA for capital projects of £298,218 and a new build from the local authority Basic Need Fund to a total of £2,150,000 with activity commencing during this reporting period, due to complete in summer 2020. During the year £1,508,485 of CIF grant funding, including grants awarded in the prior year, has been received.

There will be a deficit on general restricted funds (excluding pension reserve) plus unrestricted funds of £224,071 for the year ended 31 August 2019. This was as a result of a planned spend of brought forward unspent funds held during the year. An in year surplus of £151,163 was however generated on unrestricted funds, when these funds are considered separately, and the Trustees plan to use this surplus to help complete smaller projects begun over the summer period whilst retaining sufficient reserves for future campus bids and other identified risks.

At the year end date, the total reserves held excluding the pension reserve and restricted fixed asset fund were £1,456,075.

Some of the land and buildings recognised on conversion in prior years comprise land and buildings owned by the Diocese of Bath & Wells. The Academy Trust has been granted the use of this land and buildings by the Diocese under Supplemental agreements. These land and buildings have been recognised as assets, in line with the guidance included in the Accounts Direction 2017 to 2018, on the basis that the Academy Trust concludes it has control over the access and works to this land and buildings. See note 14 to the financial statements for more detail. This treatment has been discussed again with the Diocese in the year ended 31 August 2019 and the decision made to continue with the existing treatment. Should further guidance on this treatment from the ESFA or Diocese of Bath & Wells become available in the future, the appropriateness of this treatment will be re-assessed.

As discussed in the accounting policies, leasehold land and buildings for new member schools joining the Academy Trust were valued internally by the Trustees by benchmarking the schools against publicly available valuations of schools in other locations. During the year, the ESFA provided updated desktop valuations of these properties as well as an updated valuation of the Ralph Allen School (which had been professionally valued in 2013). These professional, desktop valuations contain a number of variances which in aggregate set the cost value of land and buildings at approximately £15 million less than shown in the accounts. The Academy Trust has begun a process of reviewing the ESFA's desktop valuations and believes it has found some fundamental errors which mean that the ESFA valuations cannot be relied upon. Investigations will continue, but in the meantime the Trustees believe that their estimate is more reliable, and no adjustments have been made to the accounts.

*Investment policy and objectives*

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

*Reserves policy*

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Academy Trust and to fund future projects. The reserves should ideally rest between 10-40 days running costs plus identified significant or capital projects contributions for future years. This would require reserves of between approximately £400,000 and £1,600,000. The Trustees intend to review the Reserves Policy annually to ensure that its aim is being achieved and believe that in the current year that has been achieved.

In total, the funds of the Academy Trust at 31 August 2019 were £53,546,049 which is represented by £1,186,216 of unrestricted funds and £52,359,833 of restricted funds. £57,977,802 of restricted funds are represented by the net book value of fixed assets which can only be realised through the disposal of the fixed assets.

At the balance sheet date, the Academy Trust had free reserves (total funds less the amount held in fixed assets, any designated funds and restricted funds) of £904,264. The total balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was £1,456,075, which is broadly in line with the Reserves Policy.

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

The Academy Trust has a designated fund representing any monies held by individual schools as part of their School Funds set aside to pursue extracurricular activities. At the year end date £281,952 in total was held in the School Funds for the schools within the Academy Trust.



## **Palladian Academy Trust**

### **Report of the Trustees** **for the Year Ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Financial review (continued)**

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, provided to support staff, to a restricted pension reserve. This was a deficit of £7,895,000 at the year end date. The actuarial valuation resulting in the pension deficit does not present the Academy Trust with any current liquidity problem as it is not a liability that must be settled immediately. More detail can be seen in note 23 of the financial statements.

##### **Fundraising**

Trustees take their responsibilities for fundraising seriously and comply with the Fundraising Regulator's Code of Fundraising Practice. The Trustees are aware of the Charity Commission publication on this matter and adopt the following principles to support fundraising;

- Planning effectively.
- Supervising fundraisers.
- Protecting the Academy Trust's reputation, money and other assets.
- Identifying and ensuring compliance with the laws or regulations that apply specifically to the Academy Trust's fundraising.
- Identifying and following any recognised standards that apply to the Academy Trust's fundraising.
- Being open and accountable.

The Academy Trust hasn't utilised any commercial participators or professional fundraisers during this period. Schools work with their parents and local Parent, Teacher Association (PTA) to engage their community in honest, open and transparent activities for local fundraising and voluntary contribution requests. All fundraising is monitored by Trustees.

##### **Principal risks and uncertainties**

The Academy Trust's financial team, the Finance and Resources Committee and the Board of Trustees continually review the Academy Trust'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 continue to plan for the consequences of reduced real cash funding with an analysis covering several years. The Academy Trust has considerable reliance on continued Government funding through the EFSA, although we expect this to continue, there are no assurances that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The Academy Trust is aware of other principal risks, which are:

- raised expectations of curriculum provision enshrined within the new Ofsted framework: learning residue, curriculum sequencing and cohesion across Key Stages
- additional changes in the 2019 framework to which schools must adapt
- non-controllable increases in costs - pay awards, national insurance & pension reform and wider inflationary cost increases to utilities and other services.
- continued funding reductions and budget cuts across the wider public and transport sector which directly impacts on parents, pupils and school partners.
- campus facilities and ICT infrastructure requiring improvement across all of its estates.
- declaration of climate emergency in locality with the aim to achieve carbon neutrality by 2030.
- succession planning across key workforce positions including governance.

The Trustees seek to mitigate or remove these risks by:

- the 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 synergistic savings within the Multi-Academy Trust.
- ensuring that there is secure knowledge of our profile and our offer within our community of schools, businesses, partners and wider markets.
- identifying where our organisation can contribute to reducing and reversing the risk of climate change through review of our policy and practise related to curriculum and running our organisation.
- accelerating and emphasising single employer opportunities in recruitment and retention, shadow structures and 'growing talent' activity.
- a values-driven approach, through the delivery of the Palladian Promise and Trust Development Plan - predicated upon our five core values.

## **Palladian Academy Trust**

### **Report of the Trustees** **for the Year Ended 31 August 2019**

#### **STRATEGIC REPORT**

##### **Future plans**

- Embed the Palladian Promise which is a powerful statement of our philosophy and the living out of our values.
- Refine Growth Strategy in light of the evolving landscape, including the wider development of relationships with Wiltshire, Somerset and Bath schools and a focus on secondary phase school improvement work.
- Develop teaching and learning professional development partners as part of the work of the teaching school alliance.
- Continue with environmental scanning for enablers to progress collaborative working and learning and develop the school peer review model in line with school improvement strategy.
- Refresh financial forecasts in the light of the government funding announcements and wider system budgetary challenges and cuts.
- Formulate a strategy to achieve balanced budgets through an affordable curriculum and the focused development of resources, staffing structures and campus.
- Refine the Estates Strategy, in particular master planning, condition, suitability and compliance in response to the climate emergency declaration and movement to the School Condition Allocation model of funding from the Education Skills Finance Agency

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Charity constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trustees of 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 Trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

##### **Members' Liability**

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

##### **Trustees' Indemnities**

In accordance with current education sector practice the Academy Trust has become a member of the government run Risk Protection Arrangements (RPA) to protect Trustees and officers from claims arising from breach of duty, breach of trust, neglect, error or omission committed solely in the course of Academy Trust business. The arrangements provide cover up to £10,000,000 on any one loss and any one membership year.

##### **Method of Recruitment and Appointment or Election of Trustees**

Trustees are appointed by the members. Foundation Trustees are appointed by the Bath and Wells Diocese Board of Education (DBE) Trust or the Salisbury Diocese Board of Education. The Chief Executive Officer (CEO) of the Academy Trust is appointed by the Trustees. The Chair of the Trustees is elected annually by the Trustees. Chairs of committees including School Local Governing Bodies are also appointed by the Trustees.

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 diocese, 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

In appointing Trustees, the Trust Members seek to bring an appropriate range of skills and experience into the Board of Trustees in order for it to carry out its responsibilities effectively. Up to two co-opted Trustees can be appointed as detailed in article 58 of the Articles of Association.

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. Trustees will usually be linked to a specific school governing body committee to promote communication and understanding.

##### **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.

## Palladian Academy Trust

### Report of the Trustees for the Year Ended 31 August 2019

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Policies and Procedures Adopted for the Induction and Training of Trustees (continued)**

A tour of the Academies within the Academy Trust should be conducted as soon as is practicable, and the opportunity taken to meet with the Headteachers of each Academy if possible. Trustees will be given an Academy Trust specific email address, and access to policies, frameworks, governance portals, plans and documents including the Academies Financial Handbook as needed to enable them to undertake their role as Trustees. The Academy Trust encourages Trustees and committee members to attend training and development courses, and the Clerk regularly sends out lists of courses, network opportunities and professional resources including membership to the National Governance Association (NGA).

##### **Organisational Structure**

The Academy Trust's Members are the custodians of the constitution and will consider, and if appropriate, approve any changes to the Articles of Association at a general meeting. They will also receive the statutory accounts at the Annual General Meeting.

The Academy Trust is established on the basis that the Board of Trustees has significant levels of power and authority to ensure solvency and to determine strategy, policy and standards for the Academy Trust as a whole. School Governing Bodies and other Academy Trust-wide committees have duties to support the Board of Trustees in these responsibilities, to focus on the delivery of the vision against the Academy Trust's standards and to engage with stakeholders internally and externally to ensure their needs are being met. The Board of Trustees meets at least six times a year.

The Academy Trust has developed a Governance Framework document and financial scheme of delegation to clearly communicate the scheme of delegation (including reserved matters that cannot be delegated to committees), which describes the membership, terms of reference and procedures for Committees of the Board. The Board of Trustees is also the source of delegation to the Executive Leadership Team (ELT) and its members. All delegation to staff then flows from the ELT.

Apart from the School Governing Bodies, the three standing committees are Audit and Risk Management, Finance and Resources, and Human Resources, Remuneration and Selection. A fourth standing committee will be formally created from the School Standards Group. Additionally, as an advisory group of the Trust Board, the Trust has constituted a Chair of Governors Group, consisting of the Chair of the Trustees, and the Chairs of each of the School Governing Bodies. The Board of Trustees reserves decisions such as: approving the development plan and budget; considering any proposals for changes to the status or the constitution of the Academy Trust and its committee structure; and appointing or removing the Chair of the Board of Trustees, CEO and Clerk to the Board of Trustees.

The Board of Trustees has devolved the day-to-day operational management of the Academy Trust to the CEO. The CEO leads the Executive Leadership Team which also includes the Chief Operating Officer (COO), Director of School Improvement and the Headteachers.

Details of the Members, Trustees, Clerk and Executive Leadership Team are included in the Administrative Details on Page 1.

##### **Key management remuneration**

The Trustees of the Palladian Academy Trust and the Executive Leadership Team, comprising the Chief Executive Officer, Chief Operating Officer, Director of School Improvement and the Headteacher of each school are 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 accordance with National Teachers pay and staffing conditions. The pay of senior staff is reviewed and agreed annually by the Board of Trustees with the support of the HR, Remuneration & Selection Committee in line with the national cost of living pay awards for teaching and support staff. In addition, there is a Chief Executive's Appraisal Panel to oversee the process of appraisal for the CEO's performance in line with the Academy Trust's appraisal and remuneration policies and other related HR policies and procedures. Senior staff can also be awarded pay increments by the HR, Remuneration and Selection Committee only after a successful performance review process has been carried out in line with the Academy Trust's Pay Policy.

##### **Employee involvement**

The Academy Trust is committed to employee involvement throughout the Academy Trust. Employees are kept well informed of the aims and strategy of the Academy Trust through a variety of communications such as personal briefings, regular meetings, Academy Trust training days and sessions, emails and publications including staff handbook and newsletters and leadership bulletins.

**Palladian Academy Trust**

**Report of the Trustees**  
**for the Year Ended 31 August 2019**

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Employees with disabilities**

The Academy Trust is clear in its policy that people with disabilities should have full and fair consideration for all vacancies. The Academy Trust has a commitment to interviewing those people with disabilities who fulfil the minimum requirements. The Academy Trust is committed to retaining employees in the workforce if they become disabled during employment. The Academy Trust acts to adjust employees' environments or hours or days of work where possible to enable them to maximise their potential and uses occupational health services to advise about reasonable adjustments the organisation should put in place. Vacancies are advertised at Jobcentre Plus for its working-age support service.

**Trade Union Facility Time**

Under the provision of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an Academy Trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. Facility time publication legislation requires public sector employers with more than 49 full-time equivalent employees to publish information every year about their usage and spend on trade union facility time. Facility time is the provision of paid or unpaid time off from an employee's normal role to undertake trade union duties and activities a trade union representative. There is a statutory entitlement to reasonable paid time off for undertaking union duties (but not activities).

The Palladian Academy Trust meets its statutory obligations to provide facility time to trade union representatives by pooling resources with other schools and academies within the Bath and North East Somerset Local Authority, to cover the time spent by trade union representatives across a number of different employers. No relevant union officials are therefore employed by the Academy Trust.

We will, therefore, publish facility time information as the total cost of our contribution to pooled facility time expressed as a percentage of our total pay bill for the relevant period.

We will, therefore, publish facility time information as the total cost of our contribution to pooled facility time expressed as a percentage of our total pay bill for the relevant period. For the period 1 April 2018 - 31 March 2019, the Palladian Academy Trust spent 0.05% of the total pay bill on facility time.

**Connected Organisations, including Related Party Relationships**

There are no related parties which either control or significantly influence the decisions and operations of the Palladian Academy Trust. The Academy Trust regularly collaborates with the Bath Education Trust, local universities, and other primary and secondary school networks in relation to general delivery of charitable objectives and active participation in our local community.

There are a number of Parent Teacher Associations (PTAs) associated with individual academies in our Academy Trust.

The Trust applies the policy of 'at-cost' and full disclosure of any related party transactions. It is the Academy Trust's intention to keep any related party transactions to a minimum unless they represent greater value for money than the alternative.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**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 trust'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 trust'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, on 12 December 2019 and signed on the board's behalf by:



C James – Chair (from 13.12.18)

## **Palladian Academy Trust**

### **Governance Statement** **for the Year Ended 31 August 2019**

#### **Scope of Responsibility**

As trustees, we acknowledge we have overall responsibility for ensuring that Palladian Academy Trust 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 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C James (Chair)	5	7
S Apps (appointed 10 September 2018)	5	7
R Balch (appointed 11 April 2019)	3	3
P Black	1	7
R Bullard	6	7
R Franks (resigned 13 December 2019)	0	3
W Hobhouse (co-opted trustee)	2	7
C Mercer	7	7
C D Mason (appointed 18 July 2019)	0	0
A J Moore (appointed 25 July 2019)	0	0
M A Simmons-Bird (appointed 10 September 2018 and resigned 29 July 2019)	3	7
C Wheeler (resigned 27 March 2019)	1	4
R Whelan	6	7
T Withers (CEO and accounting officer)	7	7
S Wright (resigned 24 March 2019)	2	4

The activities of the Board of Trustees have covered the following:

- Determining a vision for the Academy Trust that promotes learning and the moral, social and cultural development of pupils and students.
- Ensuring that the vision and its achievement underpins all strategic planning and decision making including a targeted growth plan with cross local authority and secondary phases focus.
- Developing the values of the Academy Trust and ensure that they underpin all decision making.
- Developing, agreeing, implementing and monitoring all the Academy Trust's strategies and policies for the achievement of the vision.
- Developing, reviewing and taking ownership of the Academy Trust's strategic plan (incorporating academy financial plans), and monitoring its implementation.
- Ensuring that the Academy Trust keeps within its legal obligations and complies with all necessary constitutional and regulatory requirements.
- Ensuring that the Academy Trust remains solvent through effective financial planning, performance monitoring, risk management and a focus on value for money.
- Ensuring that all academies within the Academy Trust attain high standards and demonstrate at least good progress against national indicators.
- Agreeing and overseeing the implementation of a strategy for the development of the Academy Trust, including development of key partners at member, board and school level.
- Providing challenge and support to the Chief Executive and the other members of the Executive Leadership Team.
- Maintaining an overall control and consistency of approach across the Academy Trust and its academies through annual review which has informed development of:
  - Strong governance arrangements by enhancing committee arrangements for standards and educational outcomes, specific link trustees and growth of trustee expertise in business growth.
  - Clear and appropriate levels of delegated authority by refreshing the governance framework and clarifying the roles and relationship between the board and the school governing body committees in relation to standards, finance and governance recruitment and development in particular.
  - Unified frameworks for strategic planning, risk management, policy making and performance review including progress of pupil attainment.
  - The promotion of collaborative working and the sharing of resources across all academies within the Academy Trust by strengthening the professional expertise in central services across human resources, governance, finance and compliance and communication.

## **Palladian Academy Trust**

### **Governance Statement** **for the Year Ended 31 August 2019**

#### **Governance reviews**

The Academy Trust has utilised the services of the National Governance Association (NGA) and specifically recruited a trustee who was designated a National Leader of Governance in 2016, recognising her contribution to school improvement in this area, to support the Board and to be a governor at Combe Down Primary School.

The Academy Trust arranged specific training and whole governance briefing sessions for risk management, major incident planning, Ofsted and the New Framework and targeted skill uplifting for disadvantaged pupils, school data and exclusion processes. The self evaluation (internal and external) of governance is embedded in the governance calendar of activity to ensure annual review is discussed and findings harvested by the board.

#### **Finance and Resources Committee**

The Finance and Resources Committee is a sub-committee of the main Board of Trustees. During the year the committee met five times and activities covered:

- Ensuring that The Academy Trust's framework of financial planning, treasury management, systems and controls is enabling the proper management of the financial resources across the Academy Trust.
- Supporting 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 Academy Trust to enable it to meet its business and financial objectives.
- Supporting the Board of Trustees in providing an added level of scrutiny in the monitoring of finance and resources.
- Keeping the Board of Trustees regularly informed of the committee's activities and key decisions.

Attendance at meetings in the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
R Whelan (Chair)	5	5
R Bullard	3	5
C James #	1	1
T Withers	5	5

# C James not a member of the committee. He attended for one meeting in the absence of another committee meeting in order to make a meeting quorate.

#### **Audit and Risk Committee**

The Audit and Risk Committee is a sub-committee of the main Board of Trustees. During the year the committee met four times and activities covered;

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

Attendance at meetings in the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
C James (chair until 13 December 2018) #	1	1
S Apps (chair from 28 February 2019)	3	4
R Balch (appointed as Trustee 11 April 2019)	1	1
T Withers	4	4

# C James resigned from committee on 13 December 2018 when we was elected Chair of the Board of Trustees

#### **Review of Value for Money**

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

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

## **Palladian Academy Trust**

### **Governance Statement** **for the Year Ended 31 August 2019**

#### **Review of Value for Money (continued)**

- Additional sums of £2,622,772 (including some ESFA approved loans) were awarded through strong and evidenced campus bids submitted to the Condition Improvement Fund (CIF) 2019 and to secure Basic Need Funding from the local authority. Four projects are delivering roofing improvements at Combe Down Primary School, St Martin's Garden Primary and Oldfield Park Infant alongside a new teaching block at Ralph Allen School. These works will have a direct impact on the physical campus and the learning environment of our pupils and staff. The majority of the projects were completed during this period on budget and within scope; the New Teaching Block is due for completion in summer 2020. The Academy Trust is committed to ensuring its assets remain fit for purpose through a regular programme of maintenance and capital investment and have commissioned baseline surveys for condition and fire during the period.
- Grounds maintenance - A tender was completed and the recommendation will provide the Trust with a £83k saving over the initial contract term (3yrs).
- Cleaning Tender - A tender was completed and the recommendation will provide the Trust with a £66.5k saving over the initial contract term (3yrs).
- Waste Management Tender: A tender was completed and the recommendation will provide the Trust with a £16.7k saving over the initial contract term (3yrs).
- Building Conditioning Audit Tender: Building Conditioning Surveys have been completed for all 10 schools in the Trust to provide a baseline for the condition of the Trusts Estates. The consolidated report will now be used to identify a strategy for the upkeep of the Trusts Estate and will inform future Tenders.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Palladian Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

#### **The Risk and Control Framework**

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

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

The Board of Trustees have considered the need for a specific internal audit function and has decided to appoint One West, an internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The checks carried out in the current period included:

- testing of payroll systems
- testing of bursary systems
- testing of control accounts
- testing of purchasing systems
- testing of information governance systems

The internal auditor reported to the Board of Trustees, through the Audit and Risk Committee, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The annual report will be submitted to the DfE along with the audited accounts.

**Palladian Academy Trust**

**Governance Statement**  
**for the Year Ended 31 August 2019**

**The Risk and Control Framework (continued)**

As planned, these checks have included payroll checks, transactional purchasing, purchase card testing, cash handling and payroll input and reconciliation, information governance and safer recruitment practice; no material issues were noted. All system checks, including additional dip sampling by the Principal Accounting Officer and COO are reported to the Audit and Risk Committee.

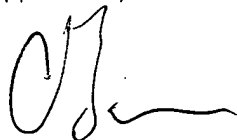
**Review of Effectiveness**

As Accounting Officer, the Chief Executive Officer 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 internal auditor;
- the work of the external auditor;
- the adoption of the Academy Trust's Governance Framework by all schools joining the trust at the point of conversion;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and Finance and Resources Committee of the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:



C James - Chair (from 13.12.18)



T Withers - Accounting Officer



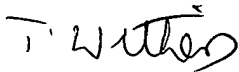
**Palladian Academy Trust**

**Statement on Regularity, Propriety and Compliance**  
**for the Year Ended 31 August 2019**

As accounting officer of Palladian Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



T Withers - Accounting Officer

12 December 2019

**Palladian Academy Trust**

**Statement of Trustees Responsibilities**  
**for the Year Ended 31 August 2019**

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare 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 2018 to 2019;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether or not applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the board of trustees on 12 December 2019 and signed on its behalf by:



C. James - Chair (from 13.12.18)

**Report of the Independent Auditors to the Members of  
Palladian Academy Trust**

**Opinion**

We have audited the financial statements of Palladian Academy Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. 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 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2019 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 2018 to 2019.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Other information includes the trustees' report (incorporating the strategic report and the directors' report), the governance statement, and the Accounting Officer's statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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.

**Report of the Independent Auditors to the Members of**  
**Palladian Academy Trust**

**Responsibilities of trustees**

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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

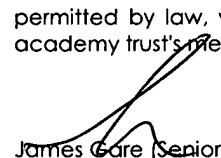
**Our responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**Use of our report**

This report is made solely to the academy trust'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 trust'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 trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 2/12/19

**Independent Reporting Accountant's Assurance Report on Regularity to  
Palladian Academy Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Palladian Academy Trust during the period 1 September 2018 to 31 August 2019 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 and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Palladian Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Palladian Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Palladian Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Palladian Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

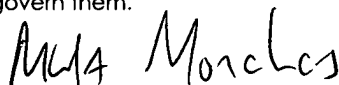
Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion, includes, 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
- Consideration of governance issues

**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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



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

Date: 12/12/19

**Palladian Academy Trust**

**Statement of Financial Activities**  
**(Incorporating an Income and Expenditure Account)**  
**for the Year Ended 31 August 2019**

	Notes	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	2019 Total funds £	2018 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and capital grants	2	93,552	-	3,624,821	3,718,373	1,216,124
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	757,970	14,271,279	-	15,029,249	14,537,769
Other trading activities	4	409,037	-	-	409,037	280,895
Investment income	5	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>1,921</u>	<u>1,472</u>
<b>Total</b>		<b>1,262,480</b>	<b>14,271,279</b>	<b>3,624,821</b>	<b>19,158,580</b>	<b>16,036,260</b>
<b>EXPENDITURE ON</b>						
Raising funds	7	103,538	-	-	103,538	121,769
<b>Charitable activities</b>						
Academy's educational operations		<u>987,607</u>	<u>14,918,045</u>	<u>993,434</u>	<u>16,899,086</u>	<u>16,241,094</u>
<b>Total</b>	6	<b>1,091,145</b>	<b>14,918,045</b>	<b>993,434</b>	<b>17,002,624</b>	<b>16,362,863</b>
<b>NET INCOME/(EXPENDITURE)</b>		<b>171,335</b>	<b>(646,766)</b>	<b>2,631,387</b>	<b>2,155,956</b>	<b>(326,603)</b>
<b>Transfers between funds</b>	22	<u>(20,172)</u>	<u>(282,468)</u>	<u>302,640</u>	<u>-</u>	<u>-</u>
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		<u>-</u>	<u>(1,309,000)</u>	<u>-</u>	<u>(1,309,000)</u>	<u>1,153,000</u>
<b>Net movement in funds</b>		<b>151,163</b>	<b>(2,238,234)</b>	<b>2,934,027</b>	<b>846,956</b>	<b>826,397</b>
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		<b>1,035,053</b>	<b>(5,386,907)</b>	<b>57,050,947</b>	<b>52,699,093</b>	<b>51,872,696</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>1,186,216</u></b>	<b><u>(7,625,141)</u></b>	<b><u>59,984,974</u></b>	<b><u>53,546,049</u></b>	<b><u>52,699,093</u></b>

The notes form part of these financial statements

**Palladian Academy Trust (Registered number: 08061092)**

**Balance Sheet**  
**At 31 August 2019**

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	14	57,977,802	56,443,438
<b>CURRENT ASSETS</b>			
Debtors	15	2,848,953	629,924
Cash at bank and in hand		<u>2,540,582</u>	<u>3,069,836</u>
		5,389,535	3,699,760
<b>CREDITORS</b>			
Amounts falling due within one year	16	<u>(1,669,040)</u>	<u>(1,369,297)</u>
<b>NET CURRENT ASSETS</b>		<u>3,720,495</u>	<u>2,330,463</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		61,698,297	58,773,901
<b>CREDITORS</b>			
Amounts falling due after more than one year	17	(257,248)	(42,808)
<b>PENSION LIABILITY</b>	23	(7,895,000)	(6,032,000)
<b>NET ASSETS</b>		<u>53,546,049</u>	<u>52,699,093</u>
<b>FUNDS</b>	22		
<b>Restricted funds:</b>			
Fixed asset fund		59,984,974	57,050,947
Restricted income funds		269,859	645,093
Pension reserve		<u>(7,895,000)</u>	<u>(6,032,000)</u>
<b>Total restricted funds</b>		52,359,833	51,664,040
<b>Unrestricted funds</b>		<u>1,186,216</u>	<u>1,035,053</u>
<b>TOTAL FUNDS</b>		<u>53,546,049</u>	<u>52,699,093</u>

The financial statements were approved by the Board of Trustees on 12 December 2019 and were signed on its behalf by:



C James -Chair (from 13.12.18)

The notes form part of these financial statements

**Palladian Academy Trust**

**Cash Flow Statement**  
**for the Year Ended 31 August 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	27	(2,532,818)	310,452
Interest paid		<u>(16)</u>	<u>(17)</u>
<b>Net cash provided by (used in) operating activities</b>		<u>(2,532,834)</u>	<u>310,435</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(2,163,962)	(145,264)
Capital grants from DfE/ESFA and LA		3,932,581	1,045,765
Interest received		<u>1,921</u>	<u>1,472</u>
<b>Net cash provided by (used in) investing activities</b>		<u>1,770,540</u>	<u>901,973</u>
<b>Cash flows from financing activities:</b>			
New loans in year		246,142	-
Loan repayments in year		<u>(13,102)</u>	<u>(13,102)</u>
<b>Net cash provided by (used in) financing activities</b>		<u>233,040</u>	<u>(13,102)</u>
		<u>                    </u>	<u>                    </u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(529,254)</u>	<u>1,199,306</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>3,069,836</u>	<u>1,870,530</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>2,540,582</u></u>	<u><u>3,069,836</u></u>

The notes form part of these financial statements



## **Palladian Academy Trust**

### **Notes to the Financial Statements** **for the Year Ended 31 August 2019**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements of the academy trust, 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 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

##### **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 trust 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.

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

##### **Donations**

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

##### **Other income**

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services. During the year income from trips and corresponding expenditure was re-allocated from income from trading activities to income from charitable activities to better reflect the guidance in the Accounts Direction. The prior year income and expenditure have also been re-allocated.

##### **Donated goods, facilities and services**

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

##### **Donated fixed assets**

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 trust's accounting policies.

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1. ACCOUNTING POLICIES - continued**

**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.

**Expenditure on raising funds**

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

**Charitable activities**

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

**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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives. Where an asset comprises of two or more components which have substantially different lives each component is depreciated separately over its useful economic life. This is a change from the prior year where buildings were depreciated over 50 years. The expected useful lives are as follows:

**Land and buildings**

Leasehold land	Straight line over 125 years
Main Fabric	Straight line over 100 years
Roof	Straight line over 70 years
Windows & External Doors	Straight line over 30 years
Gas Boiler / Fires	Straight line over 15 years
Bathrooms	Straight line over 20 years
Kitchens	Straight line over 30 years
Mechanical Systems	Straight line over 30 years
Electrics	Straight line over 40 years

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

**Other fixed assets**

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

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1. ACCOUNTING POLICIES - continued**

**Tangible fixed assets (continued)**

Certain leasehold property and land occupied by the academy trust is owned by Bath and Wells Diocese. The academy trust has been granted use of a number of school buildings from the Diocese under a selection of Supplemental Agreements. The school buildings are occupied, improved, extended and repaired by the academy trustees and the Diocese do not have control over the building until the academy trust ceases its occupation. Therefore the building meets the definition of an asset under FRS 102 'substance over form' concept and the building is included on the balance sheet of the academy trust on this basis. The ownership of the assets remains with the Diocese.

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

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.

**Stock**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

**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.

**Leased Assets**

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

**Financial Instruments**

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1. ACCOUNTING POLICIES - continued**

**Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 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 income funds represent those resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Designated funds represent those unrestricted funds identified by the trustees as relating to specific 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 trust 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 trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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.

**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.

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**1. ACCOUNTING POLICIES - continued**

Critical accounting estimates and assumptions (continued)

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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement and key sources of estimation

The most significant area of adjustment and key assumptions that affect items in the accounts are to do with estimating the value of land and buildings (see note 14 for more information). Likewise, this also represents, with respect to the next reporting period, the most significant area of uncertainty that affects the carrying value of assets held by the academy trust.

**2. DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Donations	93,552	-	93,552	170,359
Grants	-	3,624,821	3,624,821	1,045,765
	<u>93,552</u>	<u>3,624,821</u>	<u>3,718,373</u>	<u>1,216,124</u>

Grants received, included in the above, are as follows:

	2019 £	2018 £
ESFA Capital Grants	1,474,821	1,045,765
Local Authority Capital Grants	2,150,000	-
	<u>3,624,821</u>	<u>1,045,765</u>

**3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Catering income	379,482	-	379,482	426,882
Educational visits income	378,488	-	378,488	287,796
Grants	-	14,271,279	14,271,279	13,823,091
	<u>757,970</u>	<u>14,271,279</u>	<u>15,029,249</u>	<u>14,537,769</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

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

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
<b>DfE/ESFA revenue grant</b>				
General Annual Grant (GAG)	-	12,239,208	12,239,208	11,924,035
Other DfE/ESFA Grants	-	<u>1,354,776</u>	<u>1,354,776</u>	<u>1,085,286</u>
	-	13,593,984	13,593,984	13,009,321
<b>Other government grant</b>				
Local Authority Revenue Grants	-	677,295	677,295	812,221
<b>Other grants</b>				
Other grants	-	-	-	<u>1,549</u>
	<u>-</u>	<u>14,271,279</u>	<u>14,271,279</u>	<u>13,823,091</u>

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Lettings	83,022	-	83,022	82,122
School Fund	29,274	-	29,274	20,837
Other income	<u>296,741</u>	-	<u>296,741</u>	<u>177,936</u>
	<u>409,037</u>	-	<u>409,037</u>	<u>280,895</u>

**5. INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	2019 Total funds £	2018 Total funds £
Short term deposits	<u>1,921</u>	-	<u>1,921</u>	<u>1,472</u>

**6. EXPENDITURE**

	Staff costs £	Non-pay expenditure Premises £	Other costs £	2019 Total £	2018 Total £
<b>Raising funds</b>					
<b>Costs incurred by trading for a fundraising purpose</b>					
Direct costs	9,966	166	93,406	103,538	121,769
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	10,077,099	542,849	1,349,420	11,969,368	11,307,387
Allocated support costs	<u>2,185,873</u>	<u>1,321,089</u>	<u>1,422,756</u>	<u>4,929,718</u>	<u>4,933,707</u>
	<u>12,272,938</u>	<u>1,864,104</u>	<u>2,865,582</u>	<u>17,002,624</u>	<u>16,362,863</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**6. EXPENDITURE - continued**

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

	2019	2018
	£	£
Auditors' remuneration	15,500	15,000
Auditors' remuneration for non audit work	12,422	12,544
Depreciation - owned assets	629,598	680,126
Operating leases	<u>43,966</u>	<u>43,969</u>

**7. RAISING FUNDS**

**Costs incurred by trading for a fundraising purpose**

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
Staff costs	9,966	-	9,966	20,558
Premises	166	-	166	10,294
Other costs	<u>93,406</u>	<u>-</u>	<u>93,406</u>	<u>90,917</u>
	<u>103,538</u>	<u>-</u>	<u>103,538</u>	<u>121,769</u>

Costs incurred by trading for a fundraising purpose are those costs associated with income from other trading activities, such as lettings, school fund and other income such as funding received for teacher training. These costs include staff costs, educational activity and equipment costs, catering costs, external provider costs and various administration costs.

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

	Unrestricted funds	Restricted funds	2019 Total funds	2018 Total funds
	£	£	£	£
<b>Direct costs</b>	653,818	11,315,550	11,969,368	11,307,387
<b>Support costs</b>	<u>333,789</u>	<u>4,595,929</u>	<u>4,929,718</u>	<u>4,933,707</u>
	<u>987,607</u>	<u>15,911,479</u>	<u>16,899,086</u>	<u>16,241,094</u>

	2019 Total £	2018 Total £
<b>Analysis of support costs</b>		
Support staff costs	2,185,873	2,048,962
Depreciation	86,749	135,406
Technology costs	51,777	52,728
Premises costs	1,196,713	1,266,497
Other support costs	1,256,308	1,308,346
Governance costs	<u>152,298</u>	<u>121,768</u>
<b>Total support costs</b>	<u>4,929,718</u>	<u>4,933,707</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**9. TRUSTEES' REMUNERATION AND BENEFITS**

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The Chief Executive Officer and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment. The value of trustees' remuneration was as follows:

T Withers (Chief Executive Officer and Trustee)
Remuneration £105,000 - £110,000 (2018: £105,000 - £110,000)
Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)
R Bullard (Staff Trustee from 22/03/17 - in post until 31/12/17)
Remuneration in 2018: £20,000 - £25,000
Employer's Pension contributions in 2018: £0,001 - £5,000

**Trustees' expenses**

During the year ended 31 August 2019, travel and subsistence expenses totalling £174 (2018: £91) were reimbursed to Trustees. Related party transactions involving the Trustees are set out in note 25.

**10. STAFF COSTS**

	2019	2018
	£	£
Wages and salaries	9,169,969	8,748,755
Social security costs	810,335	774,701
Operating costs of defined benefit pension schemes	<u>2,096,243</u>	<u>1,959,958</u>
	12,076,547	11,483,414
Supply teacher costs	171,276	178,561
Staff restructuring costs	<u>25,115</u>	<u>-</u>
	<u>12,272,938</u>	<u>11,661,975</u>

Staff restructuring costs include redundancy costs totalling £3,846 and severance payments totalling £21,269.

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £5,317 (2018: £nil) and this reflected one payment.

**Staff numbers and higher paid staff**

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

	2019	2018
Teachers	172	166
Administration and support	252	246
Management	<u>12</u>	<u>10</u>
	<u>436</u>	<u>422</u>

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

	2019	2018
£60,001 - £70,000	7	5
£70,001 - £80,000	1	1
£100,000 - £110,000	<u>1</u>	<u>1</u>
	<u>9</u>	<u>7</u>

**Key management personnel**

The key management personnel of the academy trust comprise the trustees and the senior management team, i.e. the Executive Team of the Palladian Academy Trust, as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £970,316 (2018: £874,891).



**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**11. TRUSTEES' AND OFFICERS' INSURANCE**

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

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Donations and capital grants	170,359	-	1,045,765	1,216,124
<b>Charitable activities</b>				
Funding for the academy's educational operations	716,227	13,821,542	-	14,537,769
Other trading activities	280,895	-	-	280,895
Investment income	<u>1,472</u>	<u>-</u>	<u>-</u>	<u>1,472</u>
<b>Total</b>	<b>1,168,953</b>	<b>13,821,542</b>	<b>1,045,765</b>	<b>16,036,260</b>
 <b>EXPENDITURE ON</b>				
Raising funds	121,769	-	-	121,769
<b>Charitable activities</b>				
Academy's educational operations	<u>708,823</u>	<u>14,324,568</u>	<u>1,207,703</u>	<u>16,241,094</u>
<b>Total</b>	<b>830,592</b>	<b>14,324,568</b>	<b>1,207,703</b>	<b>16,362,863</b>
 <b>NET INCOME/(EXPENDITURE)</b>	<b>338,361</b>	<b>(503,026)</b>	<b>(161,938)</b>	<b>(326,603)</b>
 <b>Transfers between funds</b>	<u><b>(10,108)</b></u>	<u><b>(41,571)</b></u>	<u><b>51,679</b></u>	<u><b>-</b></u>
 <b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	<u>-</u>	<u>1,153,000</u>	<u>-</u>	<u>1,153,000</u>
<b>Net movement in funds</b>	<b>328,253</b>	<b>608,403</b>	<b>(110,259)</b>	<b>826,397</b>
 <b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	<u><b>706,800</b></u>	<u><b>(5,995,310)</b></u>	<u><b>57,161,206</b></u>	<u><b>51,872,696</b></u>
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<u><b>1,035,053</b></u>	<u><b>(5,386,907)</b></u>	<u><b>57,050,947</b></u>	<u><b>52,699,093</b></u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**13. CENTRAL SERVICES**

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

- human resources
- financial service
- legal service
- educational support services
- others as arising

The trust charges for these services on a percentage of GAG for each member school. During the year ended 31 August 2019 the charge was 4% (2018: 4%) of GAG.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Ralph Allen School	221,416	211,352
Combe Down Primary School	56,578	57,015
Oldfield Park Infant School	26,407	26,439
Oldfield Park Junior School	37,365	36,556
St Martin's Gardens Primary School	42,854	40,475
St Philip's Primary School	40,265	39,215
Widcombe Infant School	26,186	25,982
Widcombe Junior School	32,685	31,766
	<u>483,756</u>	<u>468,800</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**14. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Fixtures and fittings £
<b>COST</b>			
At 1 September 2018	24,809,671	33,532,700	632,702
Additions	1,746,713	-	15,648
Disposals	-	-	-
Reclassification	93,585	-	12,438
At 31 August 2019	<u>26,649,969</u>	<u>33,532,700</u>	<u>660,788</u>
<b>DEPRECIATION</b>			
At 1 September 2018	1,647,582	508,226	524,441
Charge for year	285,593	257,256	60,523
Eliminated on disposal	-	-	-
At 31 August 2019	<u>1,933,175</u>	<u>765,482</u>	<u>584,964</u>
<b>NET BOOK VALUE</b>			
At 31 August 2019	<u>24,716,794</u>	<u>32,767,218</u>	<u>75,824</u>
At 31 August 2018	<u>23,162,089</u>	<u>33,024,474</u>	<u>108,261</u>

	Motor vehicles £	Computer equipment £	Assets under construction £	Totals £
<b>COST</b>				
At 1 September 2018	13,000	205,256	93,585	59,286,914
Additions	-	63,131	338,470	2,163,962
Disposals	-	(1,600)	-	(1,600)
Reclassification	-	(12,438)	(93,585)	-
At 31 August 2019	<u>13,000</u>	<u>254,349</u>	<u>338,470</u>	<u>61,449,276</u>
<b>DEPRECIATION</b>				
At 1 September 2018	10,928	152,299	-	2,843,476
Charge for year	1,584	24,642	-	629,598
Eliminated on disposal	-	(1,600)	-	(1,600)
At 31 August 2019	<u>12,512</u>	<u>175,341</u>	<u>-</u>	<u>3,471,474</u>
<b>NET BOOK VALUE</b>				
At 31 August 2019	<u>488</u>	<u>79,008</u>	<u>338,470</u>	<u>57,977,802</u>
At 31 August 2018	<u>2,072</u>	<u>52,957</u>	<u>93,585</u>	<u>56,443,438</u>

Included in freehold property and long leasehold property is land of £31,199,900 (2018: £31,199,900).

£9,885,897 (2018: £9,965,914) of the leasehold land and buildings is represented by the land and buildings owned by the Diocese of Bath and Wells. The Diocese of Bath and Wells own the freehold of the majority of land and building of Combe Down Primary School, Widcombe Junior School and St Philip's Primary School. The academy trust occupies this element of the site under a licence. The school buildings are occupied, improved, extended and repaired by the academy trustees and the Diocese do not have control over the building until the academy ceases its occupation. Therefore, the building meets the definition of an asset under FRS 102 'substance over form' concept and the building is included on the balance sheet of the academy trust on this basis. The ownership of these assets remains with the Diocese.

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Trade debtors	13,055	16,841
VAT	477,187	301,724
Prepayments and accrued income	<u>2,358,711</u>	<u>311,359</u>
	<u>2,848,953</u>	<u>629,924</u>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Other loans (see note 18)	31,702	13,102
Trade creditors	831,682	531,153
Social security and other taxes	185,689	183,901
Other creditors	15,872	12,288
Accruals and deferred income	<u>604,095</u>	<u>628,853</u>
	<u>1,669,040</u>	<u>1,369,297</u>

**Deferred income**

	2019	2018
	£	£
Resources deferred at 1 September 2018	311,719	339,972
Amounts released to incoming resources	(311,719)	(339,972)
Resources deferred in the year	<u>275,818</u>	<u>311,719</u>
Deferred income at 31 August 2019	<u>275,818</u>	<u>311,719</u>

At the balance sheet date, the Academy Trust was holding funds received in advance in respect of trips organised through the school fund and universal infant free school meal grants.

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

	2019	2018
	£	£
Other loans (see note 18)	<u>257,248</u>	<u>42,808</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Other loans	<u>31,702</u>	<u>13,102</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>38,931</u>	<u>10,702</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>106,088</u>	<u>32,106</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Other loans - more than 5 years	<u>112,229</u>	<u>-</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**18. LOANS - continued**

Other loans relate to:

- concessionary loans, which are ESFA approved Salix loans. No interest is payable on these loans.
- a Capital Improvement Fund (CIF) loan for £210,000 received during the year towards a capital project on which interest is payable at 1.85%
- a loan inherited from a local authority predecessor school on conversion. The loan inherited was a Schools Energy Saving Schemes loan from BANES Council and was repaid in full during the year. Interest is payable at 0.5%

**19. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	40,472	35,892
Between one and five years	<u>19,079</u>	<u>20,200</u>
	<u>59,551</u>	<u>56,092</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.

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	Restricted Fixed Asset Funds £	2019 Total funds £
Fixed assets	-	-	57,977,802	57,977,802
Current assets	1,307,109	1,812,142	2,270,284	5,389,535
Current liabilities	(120,893)	(1,285,035)	(263,112)	(1,669,040)
Long term liabilities	-	(257,248)	-	(257,248)
Pension liability	-	<u>(7,895,000)</u>	-	<u>(7,895,000)</u>
	<u>1,186,216</u>	<u>(7,625,141)</u>	<u>59,984,974</u>	<u>53,546,049</u>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds	Restricted funds	Restricted Fixed Asset Funds £	2018 Total funds £
Fixed assets	-	-	56,443,438	56,443,438
Current assets	1,035,053	1,891,567	773,140	3,699,760
Current liabilities	-	(1,203,666)	(165,631)	(1,369,297)
Long term liabilities	-	(42,808)	-	(42,808)
Pension liability	-	<u>(6,032,000)</u>	-	<u>(6,032,000)</u>
	<u>1,035,053</u>	<u>(5,386,907)</u>	<u>57,050,947</u>	<u>52,699,093</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**22. MOVEMENT IN FUNDS**

	At 1.9.18 £	Net movement in funds £	Transfers between funds £	At 31.8.19 £
<b>Unrestricted funds</b>				
Other unrestricted	798,734	125,702	(20,172)	904,264
School Fund	<u>236,319</u>	<u>45,633</u>	<u>-</u>	<u>281,952</u>
	1,035,053	171,335	(20,172)	1,186,216
<b>Restricted funds</b>				
General Annual Grant (GAG)	426,888	9,895	(22,310)	414,473
Capital Maintenance Grants	(2,476)	(30,993)	36,142	2,673
Other DfE/ESFA Grants	274,115	(108,457)	(27,118)	138,540
Local Authority Grants	(2,400)	5,796	2,400	5,796
Pension Reserve	(6,032,000)	(1,863,000)	-	(7,895,000)
ESFA loans	(53,510)	-	(235,440)	(288,950)
Fixed Asset Fund	<u>57,053,423</u>	<u>2,662,380</u>	<u>266,498</u>	<u>59,982,301</u>
	51,664,040	675,621	20,172	52,359,833
<b>TOTAL FUNDS</b>	<u>52,699,093</u>	<u>846,956</u>	<u>-</u>	<u>53,546,049</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Other unrestricted	772,234	(646,532)	-	125,702
School Fund	<u>490,246</u>	<u>(444,613)</u>	<u>-</u>	<u>45,633</u>
	1,262,480	(1,091,145)	-	171,335
<b>Restricted funds</b>				
General Annual Grant (GAG)	12,239,208	(12,229,313)	-	9,895
Capital Maintenance Grants	307,760	(338,753)	-	(30,993)
Other DfE/ESFA Grants	1,354,776	(1,463,233)	-	(108,457)
Local Authority Grants	677,295	(671,499)	-	5,796
Fixed Asset Fund	3,317,061	(654,681)	-	2,662,380
Pension Reserve	<u>-</u>	<u>(554,000)</u>	<u>(1,309,000)</u>	<u>(1,863,000)</u>
	17,896,100	(15,911,479)	(1,309,000)	675,621
<b>TOTAL FUNDS</b>	<u>19,158,580</u>	<u>(17,002,624)</u>	<u>(1,309,000)</u>	<u>846,956</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**22. MOVEMENT IN FUNDS - continued**

**Comparatives for movement in funds**

	At 1.9.17 £	Net movement in funds £	Transfers between funds £	At 31.8.18 £
<b>Unrestricted Funds</b>				
Other unrestricted	496,672	304,277	(2,215)	798,734
School Fund	<u>210,128</u>	<u>34,084</u>	<u>(7,893)</u>	<u>236,319</u>
	706,800	338,361	(10,108)	1,035,053
<b>Restricted Funds</b>				
General Annual Grant (GAG)	403,863	63,107	(40,082)	426,888
Capital Maintenance Grants	86,280	(88,756)	-	(2,476)
Other DfE/ESFA Grants	343,144	(54,438)	(14,591)	274,115
Local Authority Grants	(105)	(4,695)	2,400	(2,400)
Pension Reserve	(6,678,000)	646,000	-	(6,032,000)
ESFA loans	(64,212)	-	10,702	(53,510)
Fixed Asset Fund	<u>57,074,926</u>	<u>(73,182)</u>	<u>51,679</u>	<u>57,053,423</u>
	51,165,896	488,036	10,108	51,664,040
<b>TOTAL FUNDS</b>	<u>51,872,696</u>	<u>826,397</u>	<u>-</u>	<u>52,699,093</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Other unrestricted	771,019	(466,742)	-	304,277
School Fund	<u>397,934</u>	<u>(363,850)</u>	<u>-</u>	<u>34,084</u>
	1,168,953	(830,592)	-	338,361
<b>Restricted funds</b>				
General Annual Grant (GAG)	11,924,035	(11,860,928)	-	63,107
Capital Maintenance Grants	427,879	(516,635)	-	(88,756)
Other DfE/ESFA Grants	1,085,286	(1,139,724)	-	(54,438)
Local Authority Grants	812,221	(816,916)	-	(4,695)
Pension Reserve	-	(507,000)	1,153,000	646,000
Fixed Asset Fund	<u>617,886</u>	<u>(691,068)</u>	<u>-</u>	<u>(73,182)</u>
	14,867,307	(15,532,271)	1,153,000	488,036
<b>TOTAL FUNDS</b>	<u>16,036,260</u>	<u>(16,362,863)</u>	<u>1,153,000</u>	<u>826,397</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**22. MOVEMENT IN FUNDS - continued**

**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 2019.

**Capital Maintenance Grants** - Relates to funding provided to the academy by the ESFA in relation to specific capital maintenance projects. The small deficit at the prior year end reflected expenditure made in advance of funding being received. This was received post year end during the year ended 31 August 2019.

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

**Local authority grants** - Relates to additional funding received in the period to be used on specific purposes from local authorities and a small loan from BANES inherited on conversion. This loan created a small deficit in the prior period.

**Pension reserve** - Relates to the academy trust's local government pension scheme liability.

**ESFA loans** - A restricted fund reflecting the balances due on ESFA Salix loans and CIF loans received by the academy trust. The deficit on this fund will be reduced over time as loan repayments are made in accordance with the loan agreements and repayment schedules.

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

**Designated funds**

**School fund** - This is a separate fund maintained by the academy trust 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 2019 were allocated as follows:

	Total 2019 £	Total 2018 £
Combe Down Primary School	36,232	78,260
Oldfield Park Infant School	84,862	85,627
Oldfield Park Junior School	56,409	31,409
Ralph Allen School	464,470	622,070
St Martin's Garden Primary School	174,206	119,025
St Philip's Primary School	30,285	117,071
Widcombe Infant School	98,786	104,483
Widcombe Junior School	275,648	214,589
Central services	235,177	307,612
Total before fixed asset and pension reserve	1,456,075	1,680,146
Restricted fixed asset fund and capital maintenance fund	59,984,974	57,050,947
Pension reserve	(7,895,000)	(6,032,000)
<b>Total</b>	<b>53,546,049</b>	<b>52,699,093</b>



**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**22. MOVEMENT IN FUNDS - continued**

**Total cost analysis by academy**

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £
Ralph Allen School	4,078,251	880,253	250,367
Combe Down Primary School	1,189,876	184,952	35,637
Oldfield Park Infant School	539,998	109,073	22,724
Oldfield Park Junior School	764,690	87,178	43,647
St Martin's Garden Primary School	1,080,610	210,384	30,692
St Philip's Primary School	870,592	110,568	53,002
Widcombe Infant School	533,624	98,471	15,414
Widcombe Junior School	644,687	87,185	19,356
Central Services	166,618	243,487	1,925
<b>Total</b>	<b>9,868,946</b>	<b>2,011,551</b>	<b>472,764</b>

	Other Costs (excluding depreciation and LGPS movement) £	Total 2019 £	Total 2018 £
Ralph Allen School	1,146,048	6,354,919	6,010,192
Combe Down Primary School	425,354	1,835,819	1,773,836
Oldfield Park Infant School	215,972	887,767	812,622
Oldfield Park Junior School	312,984	1,208,499	1,199,432
St Martin's Garden Primary School	467,709	1,789,395	1,879,008
St Philip's Primary School	251,969	1,286,131	1,218,049
Widcombe Infant School	169,195	816,704	852,324
Widcombe Junior School	206,140	957,368	843,622
Central Services	270,395	682,425	586,652
<b>Total</b>	<b>3,465,766</b>	<b>15,819,027</b>	<b>15,175,737</b>

**Transfers between funds**

Transfers of £20,271, £9,208, and £27,118 were made during the year to reflect capital expenditure from unrestricted, GAG and other DfE/ESFA grants funds respectively.

Transfers of £36,142 and £210,000 were made between the ESFA loans fund and the Capital Maintenance Grants fund Fixed Asset Fund to reflect repair projects and fixed asset additions funded by loans received in the year.

Transfers of £10,702 and £2,400 from GAG funds to reflect a year's repayment of ESFA Salix loans and a loan inherited from the local authority on conversion respectively were 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 2016.

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

Notes to the Financial Statements - continued  
for the Year Ended 31 August 2019

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

**Teachers' pension scheme**

*Introduction*

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension budgeting and valuation account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**Valuation of the Teachers' Pension Scheme**

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found on the Teachers' Pension Scheme website.

**Scheme changes**

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The pension costs paid to TPS in the period amounted to £996,716 (2018: £951,446).

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

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

**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 2019 was £872,000 (2018: £832,000), of which employer's contributions totalled £704,000 (2018: £671,000) and employees' contributions totalled £168,000 (2018: £161,000). The agreed contribution rates for future years are between 14.6 per cent and 19.7 per cent for employers and between 5.5 per cent and 11.4 per cent 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.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(13,600,000)	(10,658,000)
Fair value of plan assets	<u>5,705,000</u>	<u>4,626,000</u>
	<u>(7,895,000)</u>	<u>(6,032,000)</u>
Deficit	<u>(7,895,000)</u>	<u>(6,032,000)</u>
Liability	<u>(7,895,000)</u>	<u>(6,032,000)</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	893,000	1,011,000
Net interest from net defined benefit asset/liability	160,000	153,000
Past service cost	191,000	-
Administration expenses	<u>14,000</u>	<u>(14,000)</u>
	<u>1,258,000</u>	<u>1,150,000</u>
Actual return on plan assets	<u>294,000</u>	<u>191,000</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Defined benefit obligation	10,658,000	10,335,000
Current service cost	893,000	1,011,000
Past service cost	191,000	-
Contributions by scheme participants	168,000	161,000
Interest cost	301,000	250,000
Benefits paid	<u>(74,000)</u>	<u>(40,000)</u>
Actuarial (gains)/losses from changes in financial assumptions	<u>1,463,000</u>	<u>(1,059,000)</u>
	<u>13,600,000</u>	<u>10,658,000</u>

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

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

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

	Defined benefit pension plans	
	2019	2018
	£	£
Fair value of scheme assets	4,626,000	3,657,000
Contributions by employer	704,000	671,000
Contributions by scheme participants	168,000	161,000
Interest on plan assets	141,000	97,000
Benefits paid	(74,000)	(40,000)
Administration expenses	(14,000)	(14,000)
Remeasurements (assets)	154,000	94,000
	<u>5,705,000</u>	<u>4,626,000</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(1,463,000)	1,059,000
Remeasurements (assets)	154,000	94,000
	<u>(1,309,000)</u>	<u>1,153,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	Defined benefit pension plans	
	2019	2018
UK equities	8%	8.81%
Overseas equities	33.8%	33.85%
Government bonds	11.2%	11.43%
Corporate bonds	11%	1.72%
Property	9.2%	9.12%
Cash	2%	1.36%
Alternatives	24.8%	33.71%

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

	2019	2018
Discount rate	1.9%	2.8%
Future salary increases	3.7%	3.6%
Future pension increases	2.2%	2.2%
CPI inflation	2.2%	2.1%

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 2019	At 31 August 2018
Current pensioners		
Males	22.4 years	23.6 years
Females	24.5 years	26.1 years
Future pensioners		
Males	23.2 years	26.2 years
Females	25.9 years	28.8 years

**Palladian Academy Trust**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 August 2019**

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

The sensitivity regarding the principal assumptions used to measure the scheme liabilities are set out below:

<b>Change in assumption at 31 August 2019</b>	<b>Approximate monetary amount (£000)</b>
0.1% increase in Discount Rate	294
0.1% decrease in Discount Rate	(300)
0.1% increase in CPI rate	(218)
0.1% decrease in CPI rate	215
1 year increase in Life expectancy	(345)
1 year decrease in Life expectancy	310

**24. CAPITAL COMMITMENTS**

	2019	2018
	£	£
Contracted but not provided for in the financial statements	<u>1,908,352</u>	<u>1,774,535</u>

**25. RELATED PARTY DISCLOSURES**

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place during the year or prior year.

**26. POST BALANCE SHEET EVENTS**

Post year end two new schools converted to academies and joined the Academy Trust. Fitzmaurice Primary School joined on 1 October 2019 and Winsley Church of England Primary School on 1 December 2019.

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

	2019	2018
	£	£
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	2,155,956	(326,603)
<b>Adjustments for:</b>		
Depreciation	629,598	680,126
Capital grants from DfE/ESFA and LA	(3,932,581)	(1,045,765)
Interest received	(1,921)	(1,472)
Interest paid	16	17
Defined benefit pension scheme cost less contribution	380,000	340,000
Defined benefit pension scheme cost finance cost	174,000	167,000
(Increase)/decrease in debtors	(2,219,029)	76,710
Increase in creditors	<u>281,143</u>	<u>420,439</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(2,532,818)</u>	<u>310,452</u>