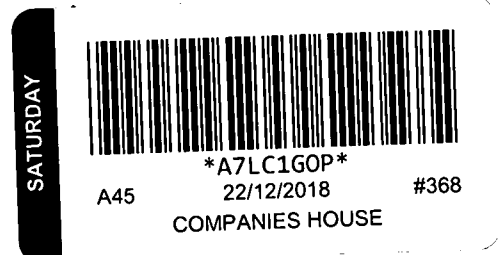
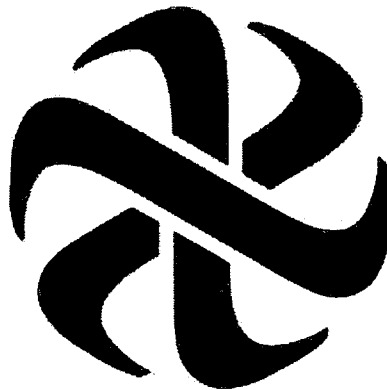


Company Registration Number: 10259334 (England and Wales)

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



The
TILIAN PARTNERSHIP
Inspire to achieve



THE TILIAN PARTNERSHIP
(A company limited by guarantee)

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THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

C Wells MBE
D Pettitt
T Brooke
St Edmundsbury and Ipswich Academies Umbrella Trust
P Cochrane (resigned 16 September 2017)
Rev Dr A Harding (appointed 28 March 2018)

Directors

C Wells MBE **, Chair
D Pettitt **, Vice Chair
A Berry ** (resigned 17 July 2018)
N Butcher **
P Harrington
N Insley**
J Jones (resigned 5 October 2017)
C Pitt ** (resigned 17 July 2018)
MA Reardon (resigned 11 October 2017)
S Richards (appointed 17 July 2018)
J Welham (resigned 17 July 2018)
S Yapp (appointed 17 July 2018)

** Members of the Finance and Audit Committee

Company registered number

10259334

Company name

The Tilian Partnership

Principal and registered office

The Tilian Partnership, Tilian House, Skinners Lane Off School Lane, Bardwell, Bury St Edmunds, Suffolk,
IP31 1AD

Chief executive officer

A Berry

Senior management team

A Berry, Principal
J Welham, Head of School
J Waters, Head of School
C Dunnell Paley, Head of School
L Schultheiss, Head of School
L Allsopp, Head of School
D Grimes, Head of School
L Clark, Head of Teaching School
N Earl, Business Manager

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors

Larking Gowen LLP, King Street House, 15 Upper King Street, Norwich, NR3 1RB

Bankers

Lloyds Bank PLC, Cambridge, CB1 7BH

Solicitors

Stone King, Boundary House, 91 Charterhouse Street, London, EC1M 6HR

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Directors present their Annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The trust operates 6 primary school academies in Suffolk. Its academies have a combined pupil roll of 725 in the school census on October 2018.

Structure, governance and management

a. Constitution

The academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Memorandum of Association is the primary governing document of the academy trust.

The Trustees of The Tilian Partnership are also the Directors of the charitable company for the purposes of company law.

The charitable company is known as The Tilian Partnership.

Details of the Directors who served during the year are included in the Reference and administrative details on page 1.

The schools within the MAT are:

- Bardwell Church of England Primary School,
- Gislingam Church of England Primary School,
- Ixworth Church of England Primary School (joined 1 December 2017),
- Old Newton Church of England Primary School,
- Palgrave Church of England Primary School and
- Rougham Church of England Primary School (joined 1 December 2017).

b. 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.

c. Directors' indemnities

The MAT has purchased Risk Protection Arrangement (RPA) which includes professional indemnity insurance for the trustees.

d. Method of recruitment and appointment or election of Directors

- Members appoint up to five directors
- The St Edmundsbury and Ipswich Academies Trust shall appoint two directors providing that this number does not exceed 25% of the total number of directors

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

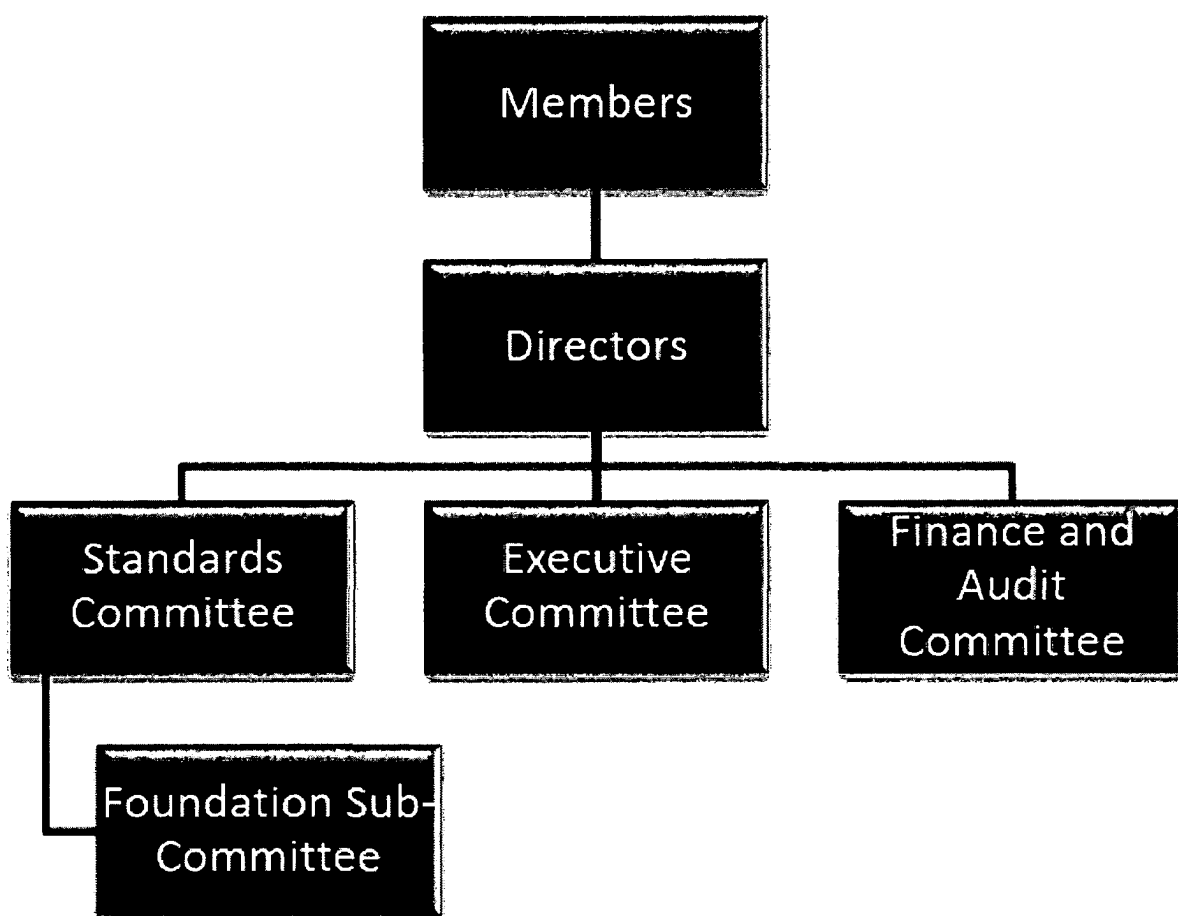
- The directors may co opt up to two further directors
- Appointed, elected or co-opted directors serve for a four year term of office

e. Policies and procedures adopted for the induction and training of Directors

The Tilian Partnership provides induction and training for newly appointed trustees and ongoing training for all trustees. All new trustees attend a third party induction course and all trustees have access to elearning via the National Governors Association. Trustees receive a weekly newsletter from the National Governors Association to ensure they are kept up to date with Government changes.

f. Organisational structure

The structure of the Tilian Partnership enables effective decision making for the trust. A scheme of delegation sets out the responsibilities of the Trust Board, the three committees and the Foundation Sub-Committee. Terms of Reference have been agreed.



Each school has a local governing body known as a School Governance Committee (SGC). The Trust Board appoints the Chair of each SGC.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

g. Pay policy for key management personnel

The pay of the CEO/Principal and that of the Heads of each school are determined by the Trust Board and incremental progression occurs through performance management.

h. Connected organisations, including related party relationships

Related Parties

Mr C Wells – daughter works as a teaching assistant at one of the schools.

Mr N Butcher – wife works as a teaching assistant at one of the schools.

Mr A Berry – wife works as a teaching assistant at one of the schools.

Connected Charities and Organisations

The Trust works very closely with the Teaching School Alliance, Primary East. The teaching school grant, other income and expenditure for the Teaching School Alliance is held by the Trust.

i. Trade union facility time

During the year:

- There were no employees who were relevant union officials during the 2017/18 financial year;
- There was no time spent on facility time during the 2017/18 financial year; and
- There was no time spent on paid trade union activities during the 2017/18 financial year.

Objectives and Activities

a. Objects and aims

Our Vision

- To give our pupils the best start in life by providing an excellent grounding in key skills, building character and developing confidence.

Our Purpose

- To inspire our pupils with the desire to reach their potential and to be responsible, compassionate members of the community who demonstrate respect for others.

Our Values

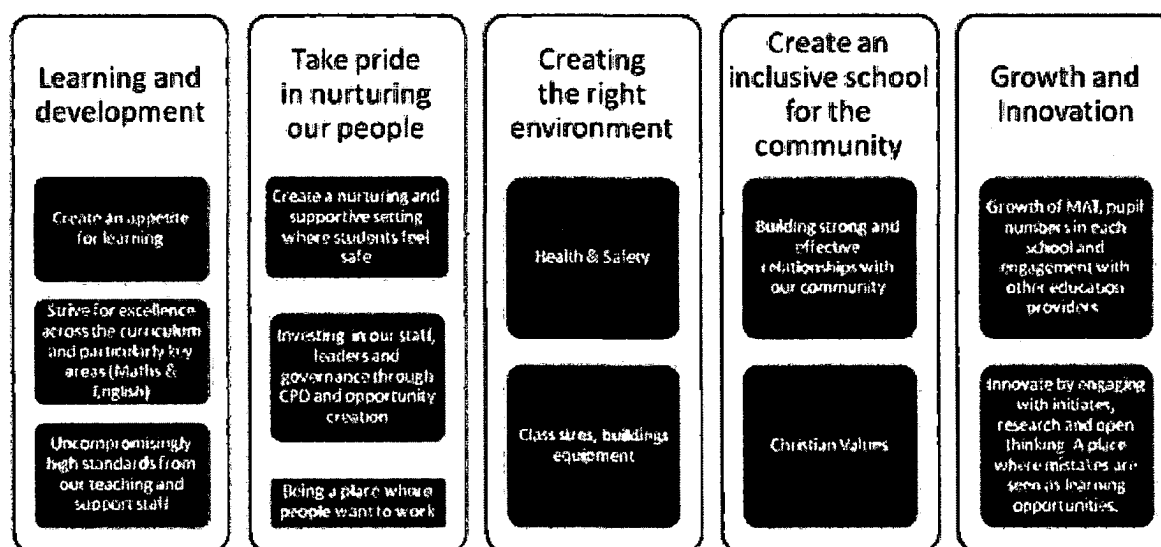
- We believe that effective small schools are a vital part of our community and we will strive to support these schools wherever possible.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. Objectives, strategies and activities

Strategic Pillars



c. Public benefit

In setting our objectives and planning our activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

By supporting small village schools to remain viable and thrive, the MAT provides a positive impact on the local communities, reducing the need for parents to transport their children and ensuring there is a strong church to school link.

The development of the Bardwell School House into the Tilian Offices has meant that an unusable building that would soon become derelict is now a resource for the MAT, the school, the Teaching School and community groups.

Achievements and performance

Strategic report

a. Key performance indicators

The key performance indicators for the Tilian Partnership are predominantly linked to the performance of the schools within the MAT.

Bardwell CE Primary School produced good results at Key Stage 2 for attainment and progress (when pupils who had just joined the school were removed from the measures). However the attainment in Key Stage 1 was disappointing particularly in Writing and Maths. The school is focusing on these areas and has introduced a new scheme of work for maths.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Gislingham CE Primary School's progress and attainment across all key stages was good with particular improvements in maths progress.

Ixworth CE Primary School's results in GLD were very high. Performance in KS1 and KS2 were low. The results in KS1 resulted from inconsistency in teaching and progress at KS2 was an area that requires further focus. The school's assessments for writing and maths across the school have identified these areas as key priorities. Leadership structures have changed with a new headteacher, Lyndsey Allsopp, starting from April 2018.

Old Newton CE Primary School's Phonics and KS1 were good but KS2 progress and attainment was disappointing. GLD results were poor, probably due to the inconsistency in teaching. This issue was resolved in summer 2018.

Palgrave CE Primary School produced good results across all key stages.

Rougham CE Primary School's data was good in EYFS and KS1. Progress and attainment were generally in line with national although maths progress was a little lower. The school is focusing on maths by introducing a new scheme.

b. Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy 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 Accounting Policies.

Financial review

a. Reserves policy

The MAT maintains a revenue reserve fund to provide flexibility and certainty in forward planning. The current policy is for each academy within the MAT to hold revenue reserves equivalent to one month's expenditure (including staff salaries). Free reserves stood at £453,140 at 31 August 2018, with the GAG balance standing at £nil.

The MAT has in place a business plan which has committed funds to future projects and development.

The fixed asset funds stood at £1,312,030 at 31 August 2018.

The pension deficit stood at £430,000 which represents the obligations owed to the Local Government Pension Scheme. The MAT is making payments at the levels recommended by the scheme actuary.

Other restricted funds at £168,544. Total funds were £1,503,714.

b. Material investments policy

The MAT has reviewed its investment policy after the first year of operation and put measures in place so that any surplus funds during the year can be invested free of risk.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. Principal risks and uncertainties

The MAT has a risk policy and register in place, which has identified risks in the following areas:

Strategic and Reputational Risk
Operation Risk
Compliance Risk
Financial Risk

Detailed consideration of the risks is undertaken by the Finance and Audit Committee and reported to the full Trust Board at each meeting.

The MAT has identified and will monitor and manage key risks as follows:

1. In a time of when the MAT is expanding significantly it will need to ensure:
 - Capacity to fulfil requirement of MAT schools.
 - MAT schools are not adversely affected.
2. Compliance of GDPR
3. Increased staffing costs linked to the increase in pension contribution and minimum wage.

Fundraising

No material fundraising activities have been undertaken in the year.

Plans for future periods

a. Future developments

The MAT recognises the need to increase the number of member schools to enable financial security in the future. There will be a need to continue to review the current structure of the organisation, both governance and staffing.

On 1 September 2018 Crawford's Church of England Primary School Haughley joined the MAT.

There are no trade union disclosures to be made during this period.

Disclosure of information to auditors


Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Directors' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2018 and signed on its behalf by:


C Wells MBE
Chair of Directors

18th December 2018

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

GOVERNANCE STATEMENT

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, 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 The Tilian Partnership and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' report and in the Statement of Directors' 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:

Director	Meetings attended	Out of a possible
C Wells MBE **, Chair	7	7
D Pettitt **, Vice Chair	5	7
A Berry ** (Principal and accounting officer)	7	7
N Butcher **	7	7
P Harrington	6	7
N Insley**	7	7
J Jones	0	2
S Yapp	2	2
C Pitt ** (Foundation trustee)	5	6
MA Reardon (Foundation trustee)	0	2
J Welham (Staff trustee)	5	7
S Richards	0	1

**** Members of the Finance and Audit Committee**

The Trust Board is scheduled to meet 5 times per year with additional meetings called as and when required.

Changes to the Members and Directors are listed at the beginning of this document.

The Tilian Partnership Trust Board provides the strategic development of the multi academy trust as well as being responsible for the statutory functions as listed on the Trust's website (www.tilian.org.uk). The Trust Board carried out an annual self evaluation of the effectiveness of its governance during the Autumn Term. This was completed prior to the accounts sign off but took into consideration the findings of the auditors.

The Trust Board receives performance data from all schools as well as financial reports so that Directors can ensure action is being taken to deal with any weaknesses.

The Finance and Audit Committee is a committee of the Board of Trustees and incorporates the role of an Audit Committee within its terms of reference. Its purpose is to scrutinise the trust's finances and have financial oversight of the management of the trust.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
C Wells MBE	4	5
N Butcher	5	5
N Insley	1	1
C Pitt	4	5
A Berry	5	5
D Pettitt	3	5

Review of Value for Money

As Accounting Officer, the Principal has responsibility for ensuring that the academy 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'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by improving the performance at each school as highlighted in the Key Performance Indicator section. Restructuring of the central team to create more finance and administration tasks held centrally rather than at the individual schools which is more efficient.

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 ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Tilian Partnership for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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'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:

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- 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 audit committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Schools' Choice as internal auditor.

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

- reporting on the operation of the system of control and on the discharge of the board of trustees' financial responsibilities.

On a 4 monthly basis, the auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

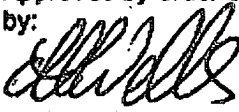
Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee 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 18 December 2018 and signed on their behalf, by:


C Wells MBE
Chair of Directors


A Berry
Accounting Officer

18th December 2018

18/12/18.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Tilian Partnership I have considered my responsibility to notify the academy trust board of trustees and the Education & 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 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.

A Berry
Accounting Officer



Date: 18 December 2018

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the board of trustees on 18 December 2018 and signed on its behalf by:



C Wells MBE
Chair of Directors

18th December 2018

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
TILIAN PARTNERSHIP**

Opinion

We have audited the financial statements of The Tilian Partnership (the 'academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, 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', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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.

THE TILIAN PARTNERSHIP
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
TILIAN PARTNERSHIP**

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. 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.

Opinion 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 Directors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report including the Strategic report.

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

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

THE TILIAN PARTNERSHIP
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
TILIAN PARTNERSHIP**

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities, the Directors (who are also the directors of the academy 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 Directors 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 Directors are responsible for assessing the academy'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 Directors either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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. This description forms part of our Auditors' report.

Use of our report

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

Larking Gowen LLP

Christopher Yeates FCA DChA (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich
19 December 2018

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE TILIAN PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 1 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Tilian Partnership during the year 1 September 2017 to 31 August 2018 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 The Tilian Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Tilian Partnership 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 The Tilian Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Tilian Partnership's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Tilian Partnership's funding agreement with the Secretary of State for Education dated 29 July 2016, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 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 2017 to 2018 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's income and expenditure.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE TILIAN PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)

In planning and conducting our work we had due regard to professional guidance, including the Academies Accounts Direction 2017 to 2018. The work undertaken to draw to our conclusion, includes, but is not limited to:

- Enquiry of senior management and the Multi Academy Trust's Directors;
- Inspection and review of the accounting records, meeting minutes, internal control procedures; management representations and declarations of interest; and
- Observation and re-performance of the financial controls.

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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Larking Gowen LLP

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

19 December 2018

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:						
Donations & capital grants:						
Transfer from local authority on conversion	2	60,974	(272,000)	257,000	45,974	-
Other donations and capital grants	2	16,293	12,010	210,222	238,525	31,745
Charitable activities:	3					
Other charitable activities		83,333	2,984,475	-	3,067,808	1,610,773
Teaching schools	31	16,036	40,808	-	56,844	29,381
Other trading activities	4	89,682	-	-	89,682	30,379
Investments	5	399	-	-	399	320
Other income	6	6,313	-	-	6,313	13,828
Total income		273,030	2,765,293	467,222	3,505,545	1,716,426
Expenditure on:						
Raising funds		33,973	-	-	33,973	17,242
Charitable activities		171,799	3,054,303	86,955	3,313,057	1,683,292
Teaching schools	31	13,865	50,259	-	64,124	65,504
Total expenditure	7	219,637	3,104,562	86,955	3,411,154	1,766,038
Net income / (expenditure) before transfers		53,393	(339,269)	380,267	94,391	(49,612)
Transfers between Funds	20	-	(7,178)	7,178	-	-
Net income / (expenditure) before other recognised gains and losses		53,393	(346,447)	387,445	94,391	(49,612)
Actuarial gains on defined benefit pension schemes	26	-	188,000	-	188,000	122,000
Net movement in funds		53,393	(158,447)	387,445	282,391	72,388
Reconciliation of funds:						
Total funds brought forward		399,747	(103,009)	924,585	1,221,323	1,148,935
Total funds carried forward		453,140	(261,456)	1,312,030	1,503,714	1,221,323

THE TILIAN PARTNERSHIP
(A company limited by guarantee)
REGISTERED NUMBER: 10259334

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	15		11,020		14,798
Tangible assets	16		1,134,578		896,323
			<u>1,145,598</u>		<u>911,121</u>
Current assets					
Stocks	17	3,846		1,681	
Debtors	18	237,392		45,966	
Cash at bank and in hand		887,934		673,435	
			<u>1,129,172</u>	<u>721,082</u>	
Creditors: amounts falling due within one year	19	(341,056)		(141,880)	
Net current assets			<u>788,116</u>		<u>579,202</u>
Total assets less current liabilities			<u>1,933,714</u>		<u>1,490,323</u>
Defined benefit pension scheme liability	26		(430,000)		(269,000)
Net assets including pension scheme liabilities			<u><u>1,503,714</u></u>		<u><u>1,221,323</u></u>
Funds of the academy					
Restricted income funds:					
Restricted income funds	20	168,544		165,991	
Restricted fixed asset funds	20	1,312,030		924,585	
Restricted income funds excluding pension liability		1,480,574		1,090,576	
Pension reserve		(430,000)		(269,000)	
Total restricted income funds			<u>1,050,574</u>		<u>821,576</u>
Unrestricted income funds	20		<u>453,140</u>		<u>399,747</u>
Total funds			<u><u>1,503,714</u></u>		<u><u>1,221,323</u></u>

The financial statements on pages 20 to 53 were approved by the Directors, and authorised for issue, on 18 December 2018 and are signed on their behalf, by:



C Wells MBE
Chair of Directors

18th December 2018

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>24,211</u>	<u>483,848</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		399	320
Purchase of tangible fixed assets		(20,333)	(39,085)
Capital grants from DfE/ ESFA		<u>210,222</u>	<u>19,453</u>
Net cash provided by/(used in) investing activities		<u>190,288</u>	<u>(19,312)</u>
Change in cash and cash equivalents in the year		214,499	464,536
Cash and cash equivalents brought forward		<u>673,435</u>	<u>208,899</u>
Cash and cash equivalents carried forward	23	<u><u>887,934</u></u>	<u><u>673,435</u></u>

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies

The Tilian Partnership is a company incorporated in England and Wales, registered number 10259334. The registered office is The Tilian Partnership, Tilian House, Skinners Lane Off School Lane, Bardwell, Bury St Edmunds, Suffolk, IP31 1AD.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Tilian Partnership constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in Sterling (£).

1.2 Going concern

The Directors 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 MAT to continue as a going concern. The Directors 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 MAT 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.

1.3 Fund accounting

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

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.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.4 Income

All income is recognised once the MAT has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Intangible fixed assets and amortisation

Intangible assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided at the following rates:

Computer Software	-	5 years straight line
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THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The academy trust occupies playing fields under 125 years leases from the local authority at nil rental. The playing fields are capitalised within tangible fixed assets as leasehold property reflecting the academy trust's right to use the playing fields over the long term.

The academy trust occupies further land and buildings, which are owned by independent religious bodies, under licence arrangements that include a clause allowing the owners to give a two year notice to terminate the licence. The St Edmundsbury and Ipswich Diocesan Board of Finance is also party to the licences.

No rental is payable under the licence arrangements. The licences delegate aspects of the management of the land and buildings to the academy trust but do not vest any legal rights over the land and buildings in the academy trust.

Having considered the arrangements under which the academy trust is occupying these land and buildings, the directors have concluded that, whilst the schools have occupied the sites for a number of years and none of the independent religious bodies have indicated that they intend to exercise the two year termination clause, due to the lack of influence over the independent religious bodies, or the St Edmundsbury and Ipswich Diocesan Board of Finance, the academy trust does not have sufficient control over the land and buildings to recognise these as assets of the academy trust. As such no amount is recognised in the financial statements in relation to these. The cost of improvements to these properties are expensed and not capitalised.

Additionally, no amount is reflected in income and expense to reflect the below-market rent because the academy trust does not believe the amount can be reliably quantified or measured.

Further details of the occupation arrangements can be found in note 16 of the financial statements.

Depreciation is provided on all tangible fixed assets other than land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

Leasehold property	- 125 years straight line
Motor vehicles	- 5 years straight line
Fixtures and fittings	- 10 years straight line
Computer equipment	- 3 years straight line

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 incorporating income and expenditure account.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the MAT; this is normally upon notification of the interest paid or payable by the Bank.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.12 Liabilities and provisions

Liabilities and provisions 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 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 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 interest payable and similar charges.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

1.13 Financial instruments

The MAT only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the MAT 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 18. 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 costs as detailed in note 19. 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 instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.14 Taxation

The MAT 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 MAT is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.15 Pensions

Retirement benefits to employees of the MAT are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 MAT in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE TILIAN PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. Accounting policies (continued)

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

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

1.16 Conversion to an academy trust

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

The assets and liabilities transferred on conversion in the year from Ixworth Church of England Voluntary Controlled Primary School and Rougham Church of England Voluntary Controlled Primary School have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 24.

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.17 Critical accounting estimates and areas of judgment

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, 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 01 April 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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 judgment:

As described in note 1.7, the directors have judged that a reliable estimate of the amount the trust would otherwise have to pay to occupy its rent free school buildings can not be made.

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transfer from local authority on conversion	60,974	(272,000)	257,000	45,974	-
Donations	16,293	12,010	-	28,303	12,292
Capital Grants	-	-	210,222	210,222	19,453
Subtotal	16,293	12,010	210,222	238,525	31,745
	77,267	(259,990)	467,222	284,499	31,745
Total 2017	8,879	3,413	19,453	31,745	

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

3. Income from charitable activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants	83,333	2,984,475	3,067,808	1,610,773
	<u>83,333</u>	<u>2,984,475</u>	<u>3,067,808</u>	<u>1,610,773</u>
<i>Total 2017</i>	<u>32,236</u>	<u>1,578,537</u>	<u>1,610,773</u>	

Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Educational operations				
General Annual Grant (GAG)	-	2,412,782	2,412,782	1,400,284
Rates Relief	-	4,667	4,667	6,272
Pupil Premium	-	97,255	97,255	58,540
Other DfE/ESFA grants	-	278,631	278,631	96,243
Conversion grants	-	75,000	75,000	-
	<u>-</u>	<u>2,868,335</u>	<u>2,868,335</u>	<u>1,561,339</u>
Other government grants				
Other local authority grants	-	116,140	116,140	8,261
	<u>-</u>	<u>116,140</u>	<u>116,140</u>	<u>8,261</u>
Other funding				
Catering	56,552	-	56,552	29,372
Trips	26,781	-	26,781	11,801
	<u>83,333</u>	<u>-</u>	<u>83,333</u>	<u>41,173</u>
	<u>83,333</u>	<u>2,984,475</u>	<u>3,067,808</u>	<u>1,610,773</u>
<i>Total 2017</i>	<u>32,236</u>	<u>1,578,537</u>	<u>1,610,773</u>	

THE TILIAN PARTNERSHIP
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Letting income	1,165	-	1,165	284
Music services income	2,116	-	2,116	1,218
Uniform Sales	226	-	226	1,454
Self generated income	85,620	-	85,620	26,437
Utilities from playgroup	480	-	480	818
Sale of other goods and services	75	-	75	168
	<u>89,682</u>	<u>-</u>	<u>89,682</u>	<u>30,379</u>
<i>Total 2017</i>	<u>30,379</u>	<u>-</u>	<u>30,379</u>	

5. Investment income

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	399	-	399	320
	<u>399</u>	<u>-</u>	<u>399</u>	
<i>Total 2017</i>	<u>320</u>	<u>-</u>	<u>320</u>	

6. Other incoming resources

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Insurance income	6,313	-	6,313	13,828
	<u>6,313</u>	<u>-</u>	<u>6,313</u>	<u>13,828</u>
<i>Total 2017</i>	<u>13,828</u>	<u>-</u>	<u>13,828</u>	

THE TILIAN PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	-	-	33,973	33,973	17,242
Support costs	-	-	-	-	-
Activities:					
Direct costs	2,154,263	-	20,514	2,174,777	1,147,025
Support costs	312,949	273,605	551,726	1,138,280	536,267
Teaching schools	44,053	-	20,071	64,124	65,504
	<u>2,511,265</u>	<u>273,605</u>	<u>626,284</u>	<u>3,411,154</u>	<u>1,766,038</u>
<i>Total 2017</i>	<u>1,337,396</u>	<u>98,198</u>	<u>330,444</u>	<u>1,766,038</u>	

8. Support costs

	Provision of education £	Total 2018 £	Total 2017 £
Catering costs	159,371	159,371	86,135
Property costs	359,982	359,982	105,275
Educational supplies and services	100,980	100,980	57,910
Other costs	93,214	93,214	56,950
Governance costs	68,928	68,928	48,924
Wages and salaries	256,294	256,294	128,871
National insurance	5,957	5,957	4,085
Pension cost	50,698	50,698	28,882
Depreciation and amortisation	42,856	42,856	19,235
	<u>1,138,280</u>	<u>1,138,280</u>	<u>536,267</u>
<i>Total 2017</i>	<u>536,267</u>	<u>536,267</u>	

THE TILIAN PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	39,078	15,479
Amortisation of intangible fixed assets	3,778	3,756
Audit fee	12,500	7,800
Auditors' non audit costs	2,700	3,450
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,811,598	979,100
Social security costs	135,074	68,826
Operating costs of defined benefit pension schemes	411,385	223,835
	<u>2,358,057</u>	<u>1,271,761</u>
Agency staff costs	136,900	65,635
Staff restructuring costs	16,308	-
	<u>2,511,265</u>	<u>1,337,396</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	13,808	-
Severance payments	2,500	-
	<u>16,308</u>	<u>-</u>

b. Non-statutory/non-contractual staff severance payments

Included with staff costs are non-statutory/non-contractual severance payment totalling £2,500 (2017: £nil). This was an individual payment of £2,500 made on 30 June 2018.

c. Staff numbers

The average number of persons employed by the MAT during the year was as follows:

	2018 No.	2017 No.
Teachers	31	21
Administration and support	76	40
Management	10	7
	<u>117</u>	<u>68</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	1

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**NOTES TO THE FINANCIAL STATEMENTS
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10. Staff costs (continued)

The above employee participates in the Teachers' Pension Scheme.

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and senior management team as listed on page 1. The total amount of employee benefits (including employer pension and national insurance contributions) received by key management personnel for their services to the academy trust was £440,378 (2017 - £355,507) for the period.

11. Central services

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

- Minibus
- Accounting software license
- Audit and actuarial fees
- Other professional services
- MAT admin staff costs
- Principal staff costs

The MAT charges for these services on the following basis:

The principal's staff costs are split based on the proportion of time spent at each school. Other MAT admin staff costs are split equally between the schools. Professional services are charged pro rata based on staff number or pupil numbers. Minibus costs are charged between Bardwell, Old Newton and Gislingham.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Gislingham CEVC Primary	21,620	38,054
Bardwell CEVC Primary	24,748	38,054
Old Newton CEVC Primary	21,452	38,054
Palgrave CEVC Primary	22,135	38,054
Rougham CEVC Primary	17,410	-
Ixworth CEVC Primary	21,091	-
Teaching School Alliance	5,423	-
Total	<u>133,879</u>	<u>152,216</u>

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12. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the academy. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		2018 £	2017 £
A Berry	Remuneration	55,000-60,000	65,000-70,000
	Pension contributions paid	5,000-10,000	10,000-15,000
J Welham	Remuneration	40,000-45,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year ended 31 August 2018, no Directors received any reimbursement of expenses (2017 - £NIL).

13. Directors' and officers' insurance

In accordance with normal commercial practice the MAT has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on MAT business. The insurance provides cover up to £10,000,000 on any one claim.

14. Other finance income

	2018 £	2017 £
Interest income on pension scheme assets	19,000	5,000
Interest on pension scheme liabilities	(31,000)	(13,000)
	<u>(12,000)</u>	<u>(8,000)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Intangible fixed assets

	Software £
Cost	
At 1 September 2017 and 31 August 2018	18,891
Amortisation	
At 1 September 2017	4,093
Charge for the year	3,778
At 31 August 2018	7,871
Carrying amount	
At 31 August 2018	11,020
At 31 August 2017	14,798

16. Tangible fixed assets

	Leasehold property £	Furniture and fixtures £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	837,612	2,612	37,551	34,888	912,663
Additions	-	1,325	-	19,008	20,333
Assets transferred on conversion	257,000	-	-	-	257,000
At 31 August 2018	1,094,612	3,937	37,551	53,896	1,189,996
Depreciation					
At 1 September 2017	-	1,415	4,214	10,711	16,340
Charge for the year	16,016	422	7,510	15,130	39,078
At 31 August 2018	16,016	1,837	11,724	25,841	55,418
Net book value					
At 31 August 2018	1,078,596	2,100	25,827	28,055	1,134,578
At 31 August 2017	837,612	1,197	33,337	24,177	896,323

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16. Tangible fixed assets (continued)

The addition to leasehold property of £257,000 is the recognition of Rougham playing field.

Terms of occupation:

Academy name	Land and Buildings	Playing Fields
Gislingham CEVC Primary	licence, 2 year notice GUC/DBF	125 year lease SCC
Bardwell CEVC Primary	licence, 2 year notice BPC/DBF	125 year lease SCC
Old Newton CEVC Primary	licence, 2 year notice DBF (1)	125 year lease SCC
Palgrave CEVC Primary	licence, 2 year notice DBF (2)	N/A
Rougham CEVC Primary	licence, 2 year notice DBF (3)	125 year lease SCC
Ixworth CEVC Primary	licence, 2 year notice IPC&IT/DBF	N/A

DBF = St Edmundsbury and Ipswich Diocesan Board of Finance

(1) The DBF acts as trustee of the Old Newton Church of England School Charity

(2) The DBF acts as trustee of the Palgrave Church of England School Charity

(3) The DBF acts as trustee of Rougham Church of England School Charity

SCC = Suffolk County Council

GUC = Gislingham United Charities, owner of the School buildings

BPC = Bardwell Parish Council as Trustees of the Bardwell Church of England School Foundation, owner of the school buildings.

IPC & IT = Ixworth Parish Council and Ixworth Thorpe, owner of the school building.

17. Stocks

	2018	2017
	£	£
Stock	3,846	1,681

18. Debtors

	2018	2017
	£	£
Trade debtors	83,047	580
Other debtors	38,039	271
Prepayments and accrued income	73,133	34,453
Tax recoverable	43,173	10,662
	237,392	45,966

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19. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	94,556	29,511
Other taxation and social security	38,211	17,882
Other creditors	42,498	36,950
Accruals and deferred income	165,791	57,537
	<u>341,056</u>	<u>141,880</u>

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	36,365	32,121
Resources deferred during the year	84,021	36,365
Amounts released from previous years	(36,365)	(32,121)
Deferred income at 31 August 2018	<u>84,021</u>	<u>36,365</u>

Deferred income held at 31 August 2018 comprised academy trip income advance receipts and Universal Infant Free School Meals receipts.

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20. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	385,931	256,994	(205,802)	-	-	437,123
Teaching school alliance	13,816	16,036	(13,835)	-	-	16,017
	<u>399,747</u>	<u>273,030</u>	<u>(219,637)</u>	<u>-</u>	<u>-</u>	<u>453,140</u>
Restricted funds						
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	-	2,412,782	(2,412,782)	-	-	-
Other DFE/EFSA grants	15,597	380,553	(297,087)	-	-	99,063
Start up grants	122,190	-	(84,710)	(7,178)	-	30,302
Teaching school alliance	28,204	40,808	(50,289)	-	-	18,723
Other local authority grants	-	116,140	(116,140)	-	-	-
Other restricted funds	-	12,010	(7,622)	-	-	4,388
Conversion grant	-	75,000	(58,932)	-	-	16,068
Pension reserve	(269,000)	(272,000)	(77,000)	-	188,000	(430,000)
	<u>(103,009)</u>	<u>2,765,293</u>	<u>(3,104,562)</u>	<u>(7,178)</u>	<u>188,000</u>	<u>(261,456)</u>

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20. Statement of funds (continued)

Restricted fixed asset funds

Capital expenditure from						
GAG	4,276	-	(177)	-	-	4,099
Transfer on conversion	886,637	257,000	(32,165)	-	-	1,111,472
Capital funds	12,167	32,513	-	-	-	44,680
Other restricted funds	21,505	-	(10,514)	7,178	-	18,169
CIF Funding	-	177,709	(44,099)	-	-	133,610
	<u>924,585</u>	<u>467,222</u>	<u>(86,955)</u>	<u>7,178</u>	<u>-</u>	<u>1,312,030</u>
Total restricted funds	<u>821,576</u>	<u>3,232,515</u>	<u>(3,191,517)</u>	<u>-</u>	<u>188,000</u>	<u>1,050,574</u>
Total of funds	<u>1,221,323</u>	<u>3,505,545</u>	<u>(3,411,154)</u>	<u>-</u>	<u>188,000</u>	<u>1,503,714</u>

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

Restricted Fixed Asset Funds: These funds relate to capital funding to carry out works of a capital nature. It also incorporates the value of fixed assets recognised on conversion.

Pension Reserve: The pension reserve relates to the MAT's share of the deficit in the Suffolk County Council Local Government Pension Scheme.

The other restricted funds represent grants relating to the MAT's development and operational activities.

The transfer between the unrestricted fund and restricted fixed asset fund represents amounts capitalised during the period. The transfer between the unrestricted fund and GAG, other local authority grants and other restricted income represents the excess of expenditure over income on these restricted funds.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Gislingham CEVC Primary	218,850	181,744
Bardwell CEVC Primary	77,768	59,489
Old Newton CEVC Primary	29,059	73,280
Palgrave CEVC Primary	81,777	80,348
Ixworth CEVC Primary	(29,611)	-
Rougham CEVC Primary	20,797	-
Tilian Partnership	188,304	128,857
Teaching School Alliance	34,740	42,020
Total before fixed asset fund and pension reserve	621,684	565,738
Restricted fixed asset fund	1,312,030	924,585
Pension reserve	(430,000)	(269,000)
Total	1,503,714	1,221,323

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of academy	Amount of deficit £
Ixworth CEVC Primary	(29,611)

Ixworth CEVC Primary is carrying a net deficit of £29,611 due to excessive staff costs at the point in time when they joined the academy trust.

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

- Restructuring of educational support staff completed with effect from September 2018 resulting in a balanced budget being set for 2018-19.
- Further operational cost saving measures are currently being investigated and considered.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Gislingham CEVC						
Primary	389,413	13,090	30,704	187,328	620,535	473,667
Bardwell CEVC						
Primary	206,123	15,096	14,979	101,877	338,075	313,297
Old Newton CEVC						
Primary	288,466	5,672	27,385	93,947	415,470	349,092
Palgrave CEVC						
Primary	256,564	14,739	26,365	74,436	372,104	336,058
Teaching School						
Alliance	33,499	-	12,846	11,825	58,170	66,737
The Tilian						
Partnership	115,758	-	2,431	140,859	259,048	207,951
Ixworth CEVC						
Primary	495,654	24,613	15,852	157,665	693,784	-
Rougham CEVC						
Primary	423,080	29,850	35,182	123,000	611,112	-
	<u>2,208,557</u>	<u>103,060</u>	<u>165,744</u>	<u>890,937</u>	<u>3,368,298</u>	<u>1,746,802</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Funds - all funds	355,662	111,395	(47,990)	(19,320)	-	399,747
Restricted funds						
	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2017 £</i>
General Annual Grant (GAG)	-	1,400,284	(1,331,099)	(69,185)	-	-
Other DFE/EFSA grants	4,746	161,056	(132,718)	(17,487)	-	15,597
Start up grants	153,363	-	(30,175)	(998)	-	122,190
Teaching school alliance	80,295	-	(52,091)	-	-	28,204
Other local authority grants	-	5,397	(6,501)	1,104	-	-
Other restricted funds	-	18,841	(26,228)	7,387	-	-
Pension reserve	(345,000)	-	(120,000)	74,000	122,000	(269,000)
	<u>(106,596)</u>	<u>1,585,578</u>	<u>(1,698,812)</u>	<u>(5,179)</u>	<u>122,000</u>	<u>(103,009)</u>
Restricted fixed asset funds						
Capital expenditure from GAG	5,001	-	(1,976)	1,251	-	4,276
Transfer on conversion	894,868	-	(8,231)	-	-	886,637
Capital funds	-	19,453	(7,286)	-	-	12,167
Other restricted funds	-	-	(1,743)	23,248	-	21,505
	<u>899,869</u>	<u>19,453</u>	<u>(19,236)</u>	<u>24,499</u>	<u>-</u>	<u>924,585</u>
Total restricted funds	<u>793,273</u>	<u>1,605,031</u>	<u>(1,718,048)</u>	<u>19,320</u>	<u>122,000</u>	<u>821,576</u>
Total of funds	<u>1,148,935</u>	<u>1,716,426</u>	<u>(1,766,038)</u>	<u>-</u>	<u>122,000</u>	<u>1,221,323</u>

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21. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Intangible fixed assets	-	-	11,020	11,020
Tangible fixed assets	-	-	1,134,578	1,134,578
Current assets	458,904	503,836	166,432	1,129,172
Creditors due within one year	(5,764)	(335,292)	-	(341,056)
Provisions for liabilities and charges	-	(430,000)	-	(430,000)
	<u>453,140</u>	<u>(261,456)</u>	<u>1,312,030</u>	<u>1,503,714</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Intangible fixed assets	-	-	14,798	14,798
Tangible fixed assets	-	-	896,323	896,323
Current assets	399,747	307,871	13,464	721,082
Creditors due within one year	-	(141,880)	-	(141,880)
Provisions for liabilities and charges	-	(269,000)	-	(269,000)
	<u>399,747</u>	<u>(103,009)</u>	<u>924,585</u>	<u>1,221,323</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	94,391	(49,612)
Adjustment for:		
Depreciation and amortisation charges	42,856	19,235
Dividends, interest and rents from investments	(399)	(320)
Increase in stocks	(2,165)	(1,681)
(Increase)/decrease in debtors	(191,426)	465,800
Increase in creditors	199,176	23,879
Capital grants from DfE and other capital income	(210,222)	(19,453)
Defined benefit pension scheme cost less contributions payable	65,000	38,000
Defined benefit pension scheme finance cost	12,000	8,000
LGPS deficit transferred to trust on conversion	272,000	-
Fixed assets transferred to the trust on conversion	(257,000)	-
Net cash provided by operating activities	<u>24,211</u>	<u>483,848</u>

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23. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	887,934	673,435
Total	<u>887,934</u>	<u>673,435</u>

24. Conversion to an academy trust

On 1 December 2017 Ixworth Church of England Voluntary Controlled Primary School and Rougham Church of England Voluntary Controlled Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Tilian Partnership from Suffolk County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land	-	-	257,000	257,000
Budget surplus/(deficit) on LA funds	60,974	-	-	60,974
LGPS pension surplus/(deficit)	-	(272,000)	-	(272,000)
Net assets/(liabilities)	<u>60,974</u>	<u>(272,000)</u>	<u>257,000</u>	<u>45,974</u>

25. Capital commitments

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>215,604</u>	<u>58,400</u>

26. Pension commitments

The MAT's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Suffolk County Council. Both are Multi-employer defined benefit pension schemes.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 01 April 2016.

Contributions amounting to £41,368 were payable to the schemes at 31 August 2018 (2017 - 21,787) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £194,385 (2017 - £111,835).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

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26. Pension commitments (continued)

trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £181,000 (2017 - £87,000), of which employer's contributions totalled £152,000 (2017 - £74,000) and employees' contributions totalled £29,000 (2017 - £13,000). The agreed contribution rates for future years are 33.2% for employers and tiered contribution % 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.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2018	2017
Retiring today		
Males	21.9	21.9
Females	24.4	24.4
Retiring in 20 years		
Males	23.9	23.9
Females	26.4	26.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	(40,000)	(15,000)
Discount rate -0.1%	40,000	15,000
Mortality assumption - 1 year increase	57,000	23,000
Mortality assumption - 1 year decrease	(57,000)	(23,000)
CPI rate +0.1%	31,000	11,000
CPI rate -0.1%	(31,000)	(11,000)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

26. Pension commitments (continued)

The MAT's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	622,000	207,000
Property	100,000	30,000
Cash and other liquid assets	10,000	3,000
Debt Instruments	271,000	64,000
Total market value of assets	<u>1,003,000</u>	<u>304,000</u>

The actual return on scheme assets was £50,000 (2017 - £28,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(217,000)	(112,000)
Interest income	19,000	5,000
Interest cost	(31,000)	(13,000)
Total	<u>(229,000)</u>	<u>(120,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	573,000	534,000
Upon conversion	743,000	-
Current service cost	217,000	112,000
Interest cost	31,000	13,000
Employee contributions	29,000	13,000
Actuarial gains	(160,000)	(99,000)
Closing defined benefit obligation	<u>1,433,000</u>	<u>573,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

Movements in the fair value of the MAT's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	304,000	189,000
Upon conversion	471,000	-
Interest income	19,000	5,000
Actuarial gains	28,000	23,000
Employer contributions	152,000	74,000
Employee contributions	29,000	13,000
	<u>1,003,000</u>	<u>304,000</u>
Closing fair value of scheme assets	<u>1,003,000</u>	<u>304,000</u>

27. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	<u>-</u>	<u>650</u>

28. 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.

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29. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Mrs G Butcher is the wife of Mr N Butcher, a director. Miss J Wells is the daughter of Mr C Wells, a director and member. Mrs M Berry is the wife of Mr A Berry the MAT's principal and former director. All three were employed as a teaching or learning support assistants on contracts approved by the directors. The remuneration packages provided are in line with the standard payscale for this role and their employment contracts are subject to normal terms and conditions. Their employment is authorised by the Articles.

No other transactions have taken place during the year.

30. Post balance sheet events

On 1 September 2018 Crawford's Church of England Primary School Haughley joined the multi academy trust.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

31. Teaching school trading account

	2018 £	2018 £	2017 £	2017 £
Income				
Direct income				
Grant income	40,808		-	
Other income				
Services provided	16,036		29,381	
Total income		56,844		29,381
Expenditure				
Direct expenditure				
Direct costs (including staff costs)	53,570		56,747	
Other expenditure				
Other costs (including staff costs)	10,554		8,757	
Total expenditure		64,124		65,504
Deficit from all sources		(7,280)		(36,123)
Teaching school balances at 1 September 2017		42,020		78,143
Teaching school balances at 31 August 2018		34,740		42,020