

Company Registration No. 08339345 (England and Wales)

**PARTNERSHIP LEARNING**  
**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' STRATEGIC REPORT AND AUDITED FINANCIAL  
STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

# PARTNERSHIP LEARNING

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1 - 2
Directors' report	3 - 8
Governance statement	9 - 11
Statement on regularity, propriety and compliance	12
Statement of Directors' responsibilities	13
Independent auditor's report on the financial statements	14 - 16
Independent reporting accountant's report on regularity	17 - 18
Statement of financial activities including income and expenditure account	19 - 20
Balance sheet	21
Statement of cash flows	22
Notes to the financial statements including accounting policies	23 - 50

---

# PARTNERSHIP LEARNING

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Directors

D Singleton (Chair)  
A Lazell  
D Reedy (Resigned 25 October 2016)  
J Farquharson  
R Leighton (Accounting Officer)  
I Rowley  
S Mubashar  
P McPartland (Appointed 9 January 2017)

### Members

D Singleton  
L Graham  
H Flint  
J Cripps  
D Reedy (from 09.01.2017)

### Senior leadership team

R Leighton	- Chief Executive
K Sayers	- Director of Operations
N Ball	- Director of Finance (to 31.10.16)
L Medlock	- Director of Finance (from 01.11.16)
M Parvez	- Director of School Improvement
M Auden	- Director of Assets
M Junnix	- Director of ICT

### Company secretary

J Black

### Company registration number

08339345 (England and Wales)

### Registered office

Sydney Russell School  
Parsloes Ave  
Dagenham, Essex  
RM9 5QT

### Academies operated

Riverside Bridge School  
Riverside Primary School  
Eastbury Primary School  
Riverside School  
The Sydney Russell School  
Thames View Junior School  
Partnership Learning  
The Albany School  
Greatfields School  
James Cambell Primary School

### Location

Barking and Dagenham  
Barking and Dagenham  
Barking and Dagenham  
Barking and Dagenham  
Barking and Dagenham  
Barking and Dagenham  
Barking and Dagenham  
Barking and Dagenham  
Havering  
Barking and Dagenham  
Barking and Dagenham

### Principal

A Hope  
S Kinnaird  
L Hovey  
A Roberts  
J Davies  
S Rider  
R Leighton  
V Masson  
R Paul  
K Thomas

# PARTNERSHIP LEARNING

## REFERENCE AND ADMINISTRATIVE DETAILS

---

**Independent auditor**

Wilkins Kennedy LLP  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

**Bankers**

Lloyds Bank plc  
11 Station Parade  
Barking  
IG11 8ED

Santander  
P.O Box 382  
21 Prescott St  
London  
E1 8AD

The Co-Operative Bank PLC  
P.O. Box 3  
11 Market Rd  
Essex  
CM1 1XW

**Solicitors**

Browne Jacobson  
30 Finsbury Circus  
London  
EC2M 7DT

# PARTNERSHIP LEARNING

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2017

---

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

The Trust operates nine academies serving catchment areas in the London Borough of Barking & Dagenham and the London Borough of Havering:

- The Sydney Russell School, 4-18 mainstream all through school, approximately 2,160 pupils
- Riverside School, 11-18 mainstream secondary school, approximately 660 pupils
- Thames View Junior School, 7-11 mainstream junior school, approximately 480 pupils
- Riverside Bridge School, 4-16 special school, approximately 60 pupils
- Riverside Primary School, 4-11 primary school, approximately 60 pupils
- Eastbury Primary School, 4-11 primary school, approximately 840 pupils
- The Albany School, 11-16 mainstream secondary school, approximately 830 pupils
- Greatfields School, 11-18 mainstream secondary school, approximately 90 pupils
- James Cambell Primary School, 4-11 primary school, approximately 800 pupils

#### **Structure, governance and management**

##### Constitution

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

The Directors are the trustees of Partnership Learning and are also the directors of the charitable company for the purposes of company law. Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

The Partnership Learning Trust was incorporated on 21 December 2012. The company changed its name from The Partnership Learning Trust to Partnership Learning on 4 December 2014.

##### 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.

##### Principal activities

The principal activity of Partnership Learning is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

##### Directors' indemnities

Directors and Governors liability is covered under the Risk Protection Arrangement with the ESFA.

# **PARTNERSHIP LEARNING**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

---

#### Method of recruitment and appointment or election of Directors

##### **Members**

The Members of the Academy Trust shall comprise:

- a. the members of the company on the date of the adoption of the articles (23rd June 2016); and
- b. any person appointed under Article 15A – (“The Members may agree by passing a special resolution to appoint such additional Members as they think fit”) - provided that at any time the minimum number of Members shall not be less than three. An employee of the Academy Trust cannot be a Member of the Academy Trust.

##### **Directors/Trustees**

The number of Trustees shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Academy Trust shall have the following Trustees:

- up to 7 Trustees, appointed under Article 50 (“The Members may appoint by ordinary resolution up to 7 Trustees”);

- any Co-opted Trustee appointed under Article 58 (“The Trustees may appoint Co-opted Trustees. A ‘Co-opted Trustee’ means a person who is appointed to be a Trustee by being Co-opted by Trustees who have not themselves been so appointed. The Trustees may not co-opt an employee of the Academy Trust as a Co-opted Trustee if thereby the number of Trustees who are employees of the Academy Trust would exceed one third of the total number of Trustees including the Chief Executive Officer to the extent he or she is a Trustee.”).

Providing that the Chief Executive Officer agrees so to act, the Members may by ordinary resolution appoint the Chief Executive Officer as a Trustee.

The total number of Trustees (including the Chief Executive Officer if they so choose to act as Trustee) who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

The term of office for any Trustee shall be four years, save that this time limit shall not apply to any post which is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at an Annual General Meeting.

#### Policies and procedures adopted for the induction and training of Directors

All new Directors receive an induction. Directors will also be provided with adequate opportunities to undertake and receive suitable training so as to enable them to undertake their role more effectively.

#### Organisational structure

The structure consists of the following connected elements: the Directors, the Chief Executive, the Local Governing Bodies and the Headteachers.

The Directors are responsible for setting general Trust policy, adopting an annual Trust plan and budget, monitoring the Academies, budget monitoring and making major decisions about the direction of the Academy Trust, capital expenditure and senior staff appointments.

The Chief Executive is the Accounting Officer and is responsible to the Board of Directors for the overall performance of the Trust and its constituent schools.

Local Governing Bodies are responsible for the strategic direction and financial oversight of their schools and holding their Headteacher to account for the performance of the school.

Headteachers are responsible for the overall performance of their schools and meeting the objectives set for them by their Local Governing Body and the Directors.

# PARTNERSHIP LEARNING

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Arrangements for setting pay and remuneration of key management personnel

Directors/Trustees receive no pay or remuneration for acting as Directors/Trustees, only approved expenses.

The pay and remuneration of the Chief Executive and Trust central senior management team is set by the Board of Trustees' Personnel and Remuneration Committee, which takes account of market intelligence and benchmarking against similar roles.

The pay and remuneration of Headteachers and senior school staff is set by Local Governing Boards, following the requirements of the School Teachers Pay and Conditions Document.

#### **Objectives and activities**

##### Objects and aims

The Principal Guiding Aim is to ensure that each student within the Trust's schools has an equal opportunity to experience a whole curriculum that is balanced, relevant and broadly based and which will promote the intellectual, cultural, moral, spiritual, aesthetic and physical development of the individual to the benefit of his or herself, the school and the wider community.

##### Vision

The Trust's Vision is to maximise social mobility and personal and community well-being by giving pupils in all its schools the same opportunities as their most favoured peers:

- consistently good teaching;
- schools organised around the aptitude profile and potential of their pupils; and
- wide-ranging enrichment activities to develop confidence, oracy and resilience;

ensuring all pupils achieve the best possible outcomes and successful transitions to further study and working life.

The main objective of Partnership Learning during the year to 31 August 2016 was to continue to develop its new role as a Multi-Academy Trust and work towards achieving its vision.

#### Objectives, strategies and activities

##### Public benefit

The Directors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

##### Admissions arrangements

Partnership Learning's schools adhere to the admissions criteria of the London Borough of Barking & Dagenham for its schools based in Barking and Dagenham and to the admissions criteria of the London Borough of Havering for its schools based in Havering- the main entry criterion in the event of over subscription being distance from home to school.

## **Strategic report**

### **Achievements and performance**

Partnership Learning has high aspirations for its students and a drive for continuous improvement. The Trust's analysis of examination/test performance is thorough, and much use is made of performance and benchmarking data from a range of sources.

Current pupil assessments show that the Trust's schools are on track to meet their targets in all main achievement measures.

# PARTNERSHIP LEARNING

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Key performance indicators

The key performance indicators include monitoring of expenditure of EFA grant funding. The levels of capital expenditure for new facilities together with actual and projected cash flow and reserves have also been monitored. These items are all reported in the financial statements.

#### Going concern

After making appropriate enquiries, the board of directors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of directors continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

Most of the Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which are restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy Trust also receives grants for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £38,565k (2016: £25,618k ) was met by recurrent grant funding from the ESFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds, transfers on conversion and transfers to restricted fixed asset funds) was £833k (2016: £1,090k).

At 31 August 2017 the net book value of fixed assets was £130,987k (2016:£60,465k ). Movements in tangible fixed assets are shown in Note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy Trust's schools.

The Local Government Pension Funds, in which the Academy participates, showed a deficit of £5,739k (2016: £4,227k ) at 31 August 2017.

#### Reserves policy

The Directors review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors have determined that the appropriate level of unrestricted funds should be equivalent 5% of budgeted income, approximately £2,100K (2016: £1,500k).

The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of unrestricted funds of £2,217k (2016: £1,091k) (total funds less the amount held in fixed assets and restricted funds).

The directors are hoping to increase the level of unrestricted funds in the future.



# PARTNERSHIP LEARNING

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Investment policy and powers

Under the Memorandum and Articles of Association, the Academy Trust has the power to invest funds not immediately required for its own purposes, in any way the Directors see fit. The organisation has a positive cash balance to cover eventualities and unforeseen expenses. The banking facilities are reviewed on a regular basis.

#### Financial position

The Academy Trust held fund balances at 31 August 2017 of £126,309k (2016:£55,616k) comprising £124,092k (2016:£54,525k) of restricted funds and £2,217k (2016:£1,091k) of unrestricted general funds. Of the restricted funds £129,561k (2016:£58,608k) is represented by tangible fixed assets and £270k (2016:£144k) of general restricted funds.

The pension reserve which is considered part of restricted funds was £5,739k (2016:£1,399k) in deficit.

#### Principal risks and uncertainties

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Directors have implemented a number of systems to assess risks that its schools face, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The Directors have introduced systems, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement on page 8.

The principal risks and uncertainties that Partnership Learning faces are:

#### *Pupil achievement risks*

Mitigation: Directors ensure rigorous monitoring and data collection processes are in place to alert them to any signs of deteriorating standards of achievement in their schools. A team of School Improvement Advisers works with schools to ensure a programme of continuous improvement. The programme consists of support provided centrally from Partnership Learning, school to school support from the Trust's schools and brokered external support if needed. The schools in the Trust work together to raise standards for all pupils in order to ensure they attain the very best outcomes.

#### *Potential of reduced funding and cash flow*

Mitigation: The Trust models financial scenarios based on high, medium and low income levels and keeps expenditure tightly under review to remain responsive to any fluctuations. The Trust works hard to develop robust pupil recruitment policies with its schools to underpin core pupil numbers, which is the main driver of funding, and to react quickly to any falling pupil numbers by adjusting expenditure accordingly. The Trust also continually seeks to widen its range of income streams, for instance by selling services outside the Trust.

#### *Provision of Facilities*

Mitigation: The Trust protects against major facilities risks (fire, theft, etc) through insurance via the Risk Protection Arrangement (RPA) scheme, which is backed by the UK government. Day to day operational risks relating to the ongoing maintenance of these facilities is mitigated through a process of annual condition surveys and work with schools to ensure that operational and legislative requirements are met. The Trust is eligible for a School Condition Allocation, which will provide additional resources to directly support maintenance of school estates.

# PARTNERSHIP LEARNING

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### Financial and risk management objectives and policies

The financial risks which Partnership Learning is exposed to relate primarily to

- change in government and legislation
- potential of reduced funding and cash flow
- reduction in student numbers

A risk arises in relation to the defined benefit pension scheme, due to the fact that there is a deficit of £5,739k (£4,227k).

#### **Plans for future periods**

Partnership Learning will work to maintain the performance of its students at all levels. Additionally, it will continue its efforts to improve the achievements of its students, not only in academic subjects but also in extra-curricular activities and in essential life skills; so as to increase the number of opportunities open to its students when they move on to higher education and ultimately employment. Directors recognize that through good financial management they wish to be able to maintain and improve the quality of the built environment of the Trust's schools including staff and student facilities. A planned maintenance programme will be developed and implemented to maintain and improve the Trust's schools' facilities.

The Trust has been approved to open five additional new free schools over the next three years: Greatfields Primary School (primary) Mallard Primary School (primary) Beam High School (secondary) Thames View Bridge School (special) and Beam Bridge School (special).

The Trust also expects to add a minimum of three additional existing schools during the coming academic year (2017-18): George Mitchell School (all-through) in the London Borough of Waltham Forest, Harrow Lodge Primary School – formerly Wykeham Primary School – (primary) in the London Borough of Havering and Southchurch High School - formerly Futures Community College - (secondary) in Southend.

#### **Auditor**

In so far as the Directors are aware:

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

The directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 19 December 2017 and signed on its behalf by:

D Singleton  
**Chair**

# PARTNERSHIP LEARNING

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### Scope of responsibility

As Directors we acknowledge we have overall responsibility for ensuring that Partnership Learning 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 directors has delegated the day-to-day responsibility to the CEO, 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 Partnership Learning and the Secretary of State for Education. They are also responsible for reporting to the board of directors 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 directors has formally met three times during the year. Attendance during the year at meetings of the board of directors was as follows:

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Singleton (Chair)	3	3
A Lazell	3	3
D Reedy (Resigned 25 October 2016)	0	0
J Farquharson	3	3
R Leighton (Accounting Officer)	3	3
I Rowley	3	3
S Mubashar	3	3
P McPartland (Appointed 9 January 2017)	0	2

There were two changes in the composition of the board of trustees during the 2016-17 year. One was the resignation of David Reedy as a Director/Trustee, due to pressure of other commitments, although David agreed to continue his involvement with the Trust as a Member. The other was the addition of Peter McPartland OBE as a Director/Trustee. Peter brings particular expertise from the special school sector, as the recently-retired Headteacher of an Outstanding special school. The main challenge for the Board during the year has continued to be ensuring that the rapid growth of the Trust has not compromised standards and quality of delivery.

During 2016-17, the Chair of Trustees, CEO and Company Secretary carried out a review of the composition of the Board and its skill set, using the competencies outlined in the 'Governing Board Skills Audit for Trustees of Multi-Academy Trusts' produced by the National Governors' Association. Of the nineteen key areas of expertise/experience listed in the 'Accountability' section, the following four were identified as the only ones not being covered within the then current make-up of the Board:

- special education needs and disabilities (SEND);
- procurement/purchasing;
- property and estate-management;
- marketing, media and PR.

As a result of the review, the decision was taken to appoint Peter McPartland OBE, recently retired Headteacher of an Outstanding special school, as a new Trustee, to ensure experience and expertise in the area of special education needs and disabilities (SEND). For the other areas not covered on the Board - procurement/purchasing; property/estate-management; marketing/media/PR - it was felt that adequate expertise could be procured as needed from professional advisers, although these areas would be borne in mind when considering future Trustee recruitment.

The Trust intends to carry out its next review of governance during the Spring Term 2017-18.

# PARTNERSHIP LEARNING

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

---

The audit and finance committee is a sub-committee of the main board of directors. Its purpose is to oversee External Audit, the Internal Controls Framework (including Internal Audit), Financial Management & Policies and General Financial Matters.

Attendance at meetings in the year was as follows:

<b>Directors</b>	<b>Meetings attended</b>	<b>Out of possible</b>
D Singleton (Chair)	3	4
J Farquharson	3	4
R Leighton (Accounting Officer)	4	4
S Mubashar	4	4

#### **Review of value for money**

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

The Board of Directors are committed to achieving 'Value for Money' in all decisions made. The Board of Directors use the principles of 'Value for Money' as they commit to securing continuous improvement across the trust through:

- Regularly reviewing the functions of the Trust and its schools, challenging how and why services are provided and setting targets and performance indicators for improvement;
- Monitoring outcomes and comparing performance within the Trust, both between schools in the Trust and with other schools;
- Consulting appropriate stakeholders before major decisions are made, in line with the scheme of financial delegation;
- Promoting fair competition through quotations and tenders to ensure that goods and services are procured in the most economic, efficient and effective way.

#### **The purpose of the system of internal control**

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

#### **Capacity to handle risk**

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

# **PARTNERSHIP LEARNING**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

---

### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of directors;
- regular reviews by the finance and general purposes 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 directors has considered the need for a specific internal audit function and has decided not to appoint a responsible officer. However the Directors have appointed Essex County Council as Internal Auditor (IA).

The checks carried out in the period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The internal auditor will be providing, on a termly basis, reports to the Board of Directors on financial matters and performing a range of checks on the Academy Trust's financial systems. The internal auditor will be providing on a termly basis; the internal auditor reports to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Director's financial responsibilities.

The Academy Trust confirms that the internal auditors have delivered their schedule of work as planned, that any material control issues arising as a result of this work have been reported to the Audit and Finance Committee and, if relevant, remedial action is being taken to rectify the issues.

### **Review of effectiveness**

As accounting officer the CEO 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 auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of directors on 19 December 2017 and signed on its behalf by:

D Singleton  
**Chair**

R Leighton  
**Accounting Officer**

# **PARTNERSHIP LEARNING**

## **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2017***

---

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

I confirm that I and the academy trust's board of directors 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.

During the year monthly internal control procedures in relation to the reconciliation of control accounts were not always adhered to, as a result of which extensive additional accounting work was required at the year end to correct the mispostings particularly in regard to the Bursary bank account. Since the year end a new Chief Financial Officer (CFO) has been appointed and is ensuring that internal control procedures are being followed.

During the year it was also noted that the staff procurement policy was not adhered to in relation to staff expenses reclaimed and appropriate authorisation was not received before expenses paid out. Procedures for approval of staff expenses have been tightened and will be monitored by the CFO.

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

R Leighton  
**Accounting Officer**

19 December 2017

# **PARTNERSHIP LEARNING**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2017***

---

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

Company law requires the 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 in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 that 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 board of directors on 19 December 2017 and signed on its behalf by:

D Singleton  
**Chair**

# PARTNERSHIP LEARNING

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

---

### Opinion

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

In our opinion the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

- the 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 trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The 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 auditor's 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.



# PARTNERSHIP LEARNING

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

---

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

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

- the information given in the Directors' Report including the incorporated strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report including the incorporated 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 the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors 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 trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Academy Trust, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

# **PARTNERSHIP LEARNING**

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

---

### **Use of our report**

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

**Catherine Cooper (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP**

.....

**Statutory Auditor  
Chartered Accountants**

Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

# **PARTNERSHIP LEARNING**

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

---

In accordance with the terms of our engagement letter dated 20 June 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Partnership Learning during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Partnership Learning's funding agreement with the Secretary of State for Education dated 20 July 2013 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Approach**

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

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

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

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

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a higher risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion as well as additional testing based on our assessment of risk of material irregularity.

# **PARTNERSHIP LEARNING**

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

---

### **Conclusion**

In the course of our work, except for the matters set out on the statement on regularity, propriety and compliance on page 12, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Reporting Accountant**

Wilkins Kennedy LLP  
Greytown House  
221-227 High Street  
Orpington  
Kent  
BR6 0NZ

Dated: 20 December 2017

# PARTNERSHIP LEARNING

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000	Total 2016 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	3	168	30	44,557	44,755	155
Donations - transfer from local authority on conversion & transfer of existing academy	29, 30	1,848	(2,564)	25,397	24,681	17,169
Charitable activities:						
- Funding for educational operations	4	-	34,290	-	34,290	22,276
- Funding for SCITT	28	-	1,909	-	1,909	-
Other trading activities	5	1,303	296	-	1,599	1,188
Investments	6	3	-	-	3	3
<b>Total income and endowments</b>		<u>3,322</u>	<u>33,961</u>	<u>69,954</u>	<u>107,237</u>	<u>40,791</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	704	34,694	1,399	36,797	25,618
- SCITT	28	-	1,768	-	1,768	-
<b>Total expenditure</b>	7	<u>704</u>	<u>36,462</u>	<u>1,399</u>	<u>38,565</u>	<u>25,618</u>
<b>Net income/(expenditure)</b>		2,618	(2,501)	68,555	68,672	15,173
Transfers between funds		(1,492)	(906)	2,398	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	2,021	-	2,021	(1,950)
<b>Net movement in funds</b>		<u>1,126</u>	<u>(1,386)</u>	<u>70,953</u>	<u>70,693</u>	<u>13,223</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>1,091</u>	<u>(4,083)</u>	<u>58,608</u>	<u>55,616</u>	<u>42,393</u>
Total funds carried forward		<u>2,217</u>	<u>(5,469)</u>	<u>129,561</u>	<u>126,309</u>	<u>55,616</u>

## PARTNERSHIP LEARNING

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

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2016
		£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>					
Donations and capital grants	3	155	-	-	155
Donations - transfer from local authority on conversion	29	41	(762)	17,890	17,169
Charitable activities:					
- Funding for educational operations	4	-	22,276	-	22,276
Other trading activities	5	788	400	-	1,188
Investments	6	3	-	-	3
<b>Total income and endowments</b>		<u>987</u>	<u>21,914</u>	<u>17,890</u>	<u>40,791</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	508	24,204	906	25,618
<b>Total expenditure</b>	7	<u>508</u>	<u>24,204</u>	<u>906</u>	<u>25,618</u>
<b>Net income/(expenditure)</b>		479	(2,290)	16,984	15,173
Transfers between funds		(176)	196	(20)	-
<b>Other recognised gains and losses</b>					
Actuarial gains/(losses) on defined benefit pension schemes	20	-	(1,950)	-	(1,950)
<b>Net movement in funds</b>		303	(4,044)	16,964	13,223
<b>Reconciliation of funds</b>					
Total funds brought forward		788	(39)	41,644	42,393
Total funds carried forward		<u>1,091</u>	<u>(4,083)</u>	<u>58,608</u>	<u>55,616</u>

# PARTNERSHIP LEARNING

## BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		130,987		60,465
<b>Current assets</b>					
Debtors	13	2,476		2,201	
Cash at bank and in hand		5,332		2,479	
		<u>7,808</u>		<u>4,680</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	14	(6,037)		(4,109)	
<b>Net current assets</b>			<u>1,771</u>		<u>571</u>
<b>Total assets less current liabilities</b>			<u>132,758</u>		<u>61,036</u>
Creditors: amounts falling due after more than one year	15		(710)		(1,193)
<b>Net assets excluding pension liability</b>			<u>132,048</u>		<u>59,843</u>
Defined benefit pension liability	20		(5,739)		(4,227)
<b>Net assets</b>			<u>126,309</u>		<u>55,616</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			129,561		58,608
- Restricted income funds			270		144
- Pension reserve			(5,739)		(4,227)
<b>Total restricted funds</b>			<u>124,092</u>		<u>54,525</u>
<b>Unrestricted income funds</b>	18		<u>2,217</u>		<u>1,091</u>
<b>Total funds</b>			<u>126,309</u>		<u>55,616</u>

The financial statements were approved by the board of directors and authorised for issue on 19 December 2017 and are signed on its behalf by:

D Singleton  
Chair

Company Number 08339345

# PARTNERSHIP LEARNING

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash provided by (used in) operating activities	21		3,273		(1,236)
Cash funds transferred on conversion			2,067		86
			<u>5,340</u>		<u>(1,150)</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		3		3	
Capital grants from DfE and ESFA		(41,829)		-	
Capital funding from sponsors and others		43,193		-	
Payments to acquire tangible fixed assets		(3,331)		-	
		<u></u>	<u>(1,964)</u>	<u></u>	<u>3</u>
<b>Cash flows from financing activities</b>					
New long term local authority loan		-		900	
Repayment of long term local authority loan		(429)		19	
Financing costs		(94)		(44)	
		<u></u>	<u>(523)</u>	<u></u>	<u>875</u>
<b>Change in cash and cash equivalents in the reporting period</b>			<u>2,853</u>		<u>(272)</u>
Cash and cash equivalents at 1 September 2016			<u>2,479</u>		<u>2,751</u>
<b>Cash and cash equivalents at 31 August 2017</b>			<u><u>5,332</u></u>		<u><u>2,479</u></u>



# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 AUGUST 2017

---

#### 1 Accounting policies

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

##### 1.1 Basis of preparation

The 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

##### 1.2 Going concern

The Directors assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 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 from James Cambell Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 29.

##### **Transfer from another Academy Trust**

The assets and liabilities of The Albany School was transferred to the Trust on 1 December 2016 from another multi academy trust and the fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.

##### 1.4 Income

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

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

#### Grants receivable

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

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

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

#### Sponsorship income

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

#### Donations

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

#### Other income

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

#### Donated goods, facilities and services

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

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

#### Interest Receivable

Included within the statement of financial activities on a receivable basis.

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

#### 1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

##### Expenditure on raising funds

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

##### Charitable activities

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

##### Governance costs

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

#### 1.6 Tangible fixed assets and depreciation

Assets costing £10,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The properties are included at a valuation provided by London Borough of Barking and Dagenham at depreciated replacement cost.

The academy has a 125 year lease on its land and buildings with the London Borough of Barking and Dagenham at Sydney Russell School, Thames View Junior School, Eastbury Primary school, and James Cambell Primary School.

The Albany School's property is freehold.

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

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

Land and buildings	Buildings 2%, land not depreciated
Assets under construction	Not depreciated
Computer equipment	33.3%
Fixtures, fittings & equipment	10%

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

#### 1.7 Liabilities

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

#### 1.8 Leasing commitments

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

#### 1.9 Financial instruments

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

##### Financial assets

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

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

##### Financial liabilities

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

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

#### 1.10 Taxation

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

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

#### 1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

#### 1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency and Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency and Department for Education.

#### 1.13 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 2 Critical accounting estimates and areas of judgement

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

#### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

##### *Useful economic lives of tangible assets*

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 12 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

##### *Bad debts*

Debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no other key assumptions concerning the future or the other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### 3 Donations and capital grants

	Unrestricted funds	Restricted funds	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Donated fixed assets	-	43,193	43,193	-
Capital grants	-	1,364	1,364	-
Other donations	168	30	198	155
	<u>168</u>	<u>44,587</u>	<u>44,755</u>	<u>155</u>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 4 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	28,177	28,177	18,483
Start up grants	-	465	465	208
Other DfE / ESFA grants	-	3,012	3,012	2,356
	-	31,654	31,654	21,047
<b>Other government grants</b>				
Local authority grants	-	924	924	970
Other government grants	-	1,712	1,712	259
	-	2,636	2,636	1,229
<b>Total funding</b>	-	34,290	34,290	22,276

### 5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Hire of facilities	253	-	253	138
Catering income	699	-	699	450
Southern Consortium income	-	296	296	400
Other income	351	-	351	200
	1,303	296	1,599	1,188

### 6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000	Total 2016 £'000
Short term deposits	3	-	3	3

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

	Staff costs	Premises & equipment	Other costs	Total 2017	Total 2016
	£'000	£'000	£'000	£'000	£'000
<b>Academy's educational operations</b>					
- Direct costs	21,903	1,359	1,917	25,179	17,739
- Allocated support costs	5,452	757	5,409	11,618	7,879
	<u>27,355</u>	<u>2,116</u>	<u>7,326</u>	<u>36,797</u>	<u>25,618</u>
<b>SCITT</b>					
- Direct costs	1,520	-	42	1,562	-
- Allocated support costs	188	1	17	206	-
	<u>1,708</u>	<u>1</u>	<u>59</u>	<u>1,768</u>	<u>-</u>
<b>Total expenditure</b>	<u>29,063</u>	<u>2,117</u>	<u>7,385</u>	<u>38,565</u>	<u>25,618</u>

### Net income/(expenditure) for the year includes:

	2017 £'000	2016 £'000
Fees payable to auditor for:		
- Audit	33	21
- Other services	35	5
Operating lease rentals	-	32
Depreciation of tangible fixed assets	1,399	906
	<u>1,467</u>	<u>964</u>

### Central services

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

- human resources and payroll;
- financial services;
- legal services;
- licensing costs.

The academy trust charges for these services based on each schools pupil numbers and a recharge of central licensing costs.



# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 7 Expenditure

(Continued)

The amounts charged during the year were as follows:

	<b>Total £'000</b>
Riverside Bridge School	65
Riverside Primary School	32
Eastbury Primary School	126
Riverside School	145
The Sydney Russell School	436
Thames View Junior School	116
Partnership Learning	-
The Albany School	73
Greatfields School	38
James Cambell Primary School	33
	1,064

### 8 Charitable activities

	<b>Unrestricted funds £'000</b>	<b>Restricted funds £'000</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
Direct costs - educational operations	-	25,179	25,179	17,739
Direct costs - SCITT	-	1,562	1,562	-
Support costs - educational operations	704	10,914	11,618	7,879
Support costs - SCITT	-	206	206	-
	704	37,861	38,565	25,618

	<b>SCITT £'000</b>	<b>Educational operations £'000</b>	<b>Total 2017 £'000</b>	<b>Total 2016 £'000</b>
<b>Analysis of support costs</b>				
Support staff costs	188	5,452	5,640	2,809
Depreciation and amortisation	-	40	40	12
Technology costs	11	311	322	294
Premises costs	1	2,261	2,262	2,262
Other support costs	6	3,448	3,454	2,441
Governance costs	-	106	106	61
	206	11,618	11,824	7,879

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Staff costs

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	20,732	12,932
Social security costs	2,074	1,215
Operating costs of defined benefit pension schemes	4,046	2,024
Apprenticeship levy	38	-
	<hr/>	<hr/>
Staff costs	26,890	16,171
Supply staff costs	1,379	1,129
Staff restructuring costs	59	90
Staff development and other staff costs	735	96
	<hr/>	<hr/>
Total staff expenditure	29,063	17,486
	<hr/> <hr/>	<hr/> <hr/>

During the year the Trust paid non contractual severance payments to five (2016: four) members of staff totalling £59k (2016:£90k). These payments were £30k, £15k, £7k, £4k and £3k (2016: £40k, £25k, £20k and £5k ).

### Staff numbers

The average number of persons, by headcount, employed by the academy trust during the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
Teachers	396	232
Administration and support	501	320
Management	6	6
	<hr/>	<hr/>
	903	558
	<hr/> <hr/>	<hr/> <hr/>

### Higher paid staff

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

	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	20	13
£70,001 - £80,000	8	3
£80,001 - £90,000	2	-
£90,001 - £100,000	2	2
£100,001 - £110,000	2	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-
£200,001 - £210,000	-	1
£210,001 - £220,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 9 Staff costs

(Continued)

#### Key management personnel

The key management personnel of the academy trust comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance) received by key management personnel for their services to the academy trust was £693k (2016: £425k).

### 10 Directors' remuneration and expenses

The Chief Executive only receives remuneration in respect of services he provides undertaking the role of Chief Executive, and not in respect of his service as Director. Other Directors did not receive any payments, other than expenses, from the academy trust in respect of their role as Directors. During the year expenditure totaling £1,250 (2016: £837) was paid to Directors in relation of travel costs.

The value of the Chief Executive's remuneration was as follows:

R Leighton

- Remuneration £210,000- £215,000 (2016: £195,000- £200,000 )
- Employer's pension contributions £Nil(2016: £Nil )

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

### 11 Directors and officers insurance

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

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

	Land and buildings	Assets under construction	Computer equipment	Fixtures, fittings & equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2016	61,732	-	4	111	61,847
Additions	45,227	71	857	369	46,524
Transfer on conversion	25,306	-	21	70	25,397
At 31 August 2015	132,265	71	882	550	133,768
<b>Depreciation</b>					
At 1 September 2016	1,346	-	3	33	1,382
Charge for the year	1,359	-	8	32	1,399
At 31 August 2017	2,705	-	11	65	2,781
<b>Net book value</b>					
At 31 August 2017	129,560	71	871	485	130,987
At 31 August 2016	60,386	-	1	78	60,465

Transactions relating to land and buildings during the year include the taking up of a leasehold on Riverside School for £45,227k over a term of 125 years.

Included in land and buildings is land valued at £19,072k which is not depreciated.

### 13 Debtors

	2017	2016
	£'000	£'000
Trade debtors	373	186
VAT recoverable	983	964
Other debtors	524	744
Prepayments and accrued income	596	307
	2,476	2,201

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>14 Creditors: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Government loans	716	662
Trade creditors	1,714	600
Other taxation and social security	629	423
Other creditors	1,898	681
Accruals and deferred income	1,080	1,743
	<u>6,037</u>	<u>4,109</u>
	<u><u>6,037</u></u>	<u><u>4,109</u></u>
<b>15 Creditors: amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Government loans	710	1,193
	<u>710</u>	<u>1,193</u>
	<u><u>710</u></u>	<u><u>1,193</u></u>
<b>Analysis of loans</b>		
Wholly repayable within five years	1,426	1,855
Less: included in current liabilities	(716)	(662)
	<u>710</u>	<u>1,193</u>
	<u><u>710</u></u>	<u><u>1,193</u></u>
<b>Loan maturity</b>		
Debt due in one year or less	716	662
Due in more than one year but not more than two years	483	483
Due in more than two years but not more than five years	227	710
	<u>1,426</u>	<u>1,855</u>
	<u><u>1,426</u></u>	<u><u>1,855</u></u>

Included within government loans are two loans which are provided on the following terms.

A £789k loan between Eastbury Primary School and the London Borough of Barking and Dagenham, interest free and repayable in 16 quarterly payments.

An £637k loan between Sydney Russell School and the London Borough of Barking and Dagenham with an annual interest rate of 5% and repayable quarterly until 01/01/2020.

## PARTNERSHIP LEARNING

### NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

<b>16 Deferred income</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income is included within:		
Creditors due within one year	220	152
	<u>          </u>	<u>          </u>
Deferred income at 1 September 2016	152	-
Released from previous years	(152)	-
Amounts deferred in the year	220	152
	<u>          </u>	<u>          </u>
<b>Deferred income at 31 August 2017</b>	<b>220</b>	<b>152</b>
	<u>          </u>	<u>          </u>

At the balance sheet date the academy Trust was holding funds for Universal Infant Free School Meals, Trip income and Growth funding which has been received in advance relating to the year 2017/18.

<b>17 Financial instruments</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,002	1,894
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,462	3,295
Loan commitments measured at cost less impairment	1,426	1,855
	<u>          </u>	<u>          </u>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant	144	28,177	(27,415)	(906)	-
Start up grants	-	465	(465)	-	-
Other DfE / ESFA grants	-	3,012	(3,012)	-	-
Other government grants	-	2,636	(2,636)	-	-
SCITT	-	1,909	(1,768)	-	141
Other restricted funds	-	326	(197)	-	129
	<u>144</u>	<u>36,525</u>	<u>(35,493)</u>	<u>(906)</u>	<u>270</u>
Funds excluding pensions	144	36,525	(35,493)	(906)	270
Pension reserve	(4,227)	(2,564)	(969)	2,021	(5,739)
	<u>(4,083)</u>	<u>33,961</u>	<u>(36,462)</u>	<u>1,115</u>	<u>(5,469)</u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	-	25,397	-	(25,397)	-
DfE / ESFA capital grants	-	1,364	-	(1,364)	-
Loans with local authority	(1,856)	-	-	430	(1,426)
General fixed assets	60,464	43,193	(1,399)	28,729	130,987
	<u>58,608</u>	<u>69,954</u>	<u>(1,399)</u>	<u>2,398</u>	<u>129,561</u>
<b>Total restricted funds</b>	<u>54,525</u>	<u>103,915</u>	<u>(37,861)</u>	<u>3,513</u>	<u>124,092</u>
<b>Unrestricted funds</b>					
General funds	1,091	3,322	(704)	(1,492)	2,217
<b>Total funds</b>	<u>55,616</u>	<u>107,237</u>	<u>(38,565)</u>	<u>2,021</u>	<u>126,309</u>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 18 Funds

(Continued)

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

General Annual Grant: Income received from the ESFA to cover the normal running costs of the Academy.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

Other DFE/ESFA grants: This includes the pupil premium, summer school, Year 7 catch up, ICT funding and other DFE grants.

Other government grants: This includes SEN funding and additional pupil premium received from the Local Authority.

SCITT: This includes the SCITT see note 28.

Other restricted funds includes Southern Consortium income.

DFE/ESFA Capital grants: includes the devolved formula capital grant, the school condition allocation and building provided under the free school funding.

Transfers of funds relate to the purchase of fixed assets and overspend on GAG funding.



# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Movements in funds - previous year

	Balance at 1 September 2015 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2016 £'000
<b>Restricted general funds</b>					
General Annual Grant	786	18,483	(19,321)	196	144
Start up grants	-	208	(208)	-	-
Other DfE / ESFA grants	574	2,356	(2,930)	-	-
Other government grants	-	1,229	(1,229)	-	-
Other restricted funds	-	400	(400)	-	-
	<u>1,360</u>	<u>22,676</u>	<u>(24,088)</u>	<u>196</u>	<u>144</u>
Funds excluding pensions	1,360	22,676	(24,088)	196	144
Pension reserve	(1,399)	(762)	(116)	(1,950)	(4,227)
	<u>(39)</u>	<u>21,914</u>	<u>(24,204)</u>	<u>(1,754)</u>	<u>(4,083)</u>
	<u><u>(39)</u></u>	<u><u>21,914</u></u>	<u><u>(24,204)</u></u>	<u><u>(1,754)</u></u>	<u><u>(4,083)</u></u>
<b>Restricted fixed asset funds</b>					
Transferred on conversion	-	17,890	-	(17,890)	-
Loans with local authority	(936)	-	-	(920)	(1,856)
General fixed assets	42,580	-	(906)	18,790	60,464
	<u>41,644</u>	<u>17,890</u>	<u>(906)</u>	<u>(20)</u>	<u>58,608</u>
	<u><u>41,644</u></u>	<u><u>17,890</u></u>	<u><u>(906)</u></u>	<u><u>(20)</u></u>	<u><u>58,608</u></u>
<b>Total restricted funds</b>	<u><u>41,605</u></u>	<u><u>39,804</u></u>	<u><u>(25,110)</u></u>	<u><u>(1,774)</u></u>	<u><u>54,525</u></u>
<b>Unrestricted funds</b>					
General funds	788	987	(508)	(176)	1,091
	<u>788</u>	<u>987</u>	<u>(508)</u>	<u>(176)</u>	<u>1,091</u>
<b>Total funds</b>	<u><u>42,393</u></u>	<u><u>40,791</u></u>	<u><u>(25,618)</u></u>	<u><u>(1,950)</u></u>	<u><u>55,616</u></u>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Total funds analysis by academy

Fund balances at 31 August 2017 were allocated as follows:

	<b>Total £'000</b>
Riverside Bridge School	1
Riverside Primary School	1
Eastbury Primary School	1
Riverside School	1
The Sydney Russell School	1
Thames View Junior School	1
Partnership Learning	2,478
The Albany School	1
Greatfields School	1
James Cambell Primary School	1
	<hr/>
Total before fixed assets fund and pension reserve	2,487
Restricted fixed asset fund	129,561
Pension reserve	(5,739)
	<hr/>
Total funds	126,309
	<hr/> <hr/>

#### Total cost analysis by academy

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

	<b>Teaching and educational support staff costs £'000</b>	<b>Other support staff costs £'000</b>	<b>Educational supplies £'000</b>	<b>Other costs excluding depreciation £'000</b>	<b>Total £'000</b>
Riverside Bridge School	1,175	150	15	325	1,665
Riverside Primary School	306	33	15	80	434
Eastbury Primary School	3,372	992	47	703	5,114
Riverside School	2,524	453	117	955	4,049
The Sydney Russell School	7,867	1,640	297	3,335	13,139
Thames View Junior School	1,932	254	15	540	2,741
Partnership Learning	747	1,992	4	1,034	3,777
The Albany School	2,495	547	185	664	3,891
Greatfields School	496	97	50	206	849
James Cambell Primary School	1,063	141	21	282	1,507
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	21,977	6,299	766	8,124	37,166
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 18 Funds

(Continued)

#### Funds analysis by academy - previous year

	<b>Total 2016 £'000</b>
Fund balances at 31 August 2016 were allocated as follows:	
Riverside Bridge School	1
Riverside Primary School	1
Eastbury Primary School	1
Riverside School	1
The Sydney Russell School	1
Thames View Junior School	1
Partnership Learning	1,229
	<hr/>
Total before fixed assets fund and pension reserve	1,235
Restricted fixed asset fund	58,608
Pension reserve	(4,227)
	<hr/>
Total funds	55,616
	<hr/> <hr/>

#### Total cost analysis by academy - previous year

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

	<b>Teaching and educational support staff costs £'000</b>	<b>Other support staff costs £'000</b>	<b>Educational supplies £'000</b>	<b>Other costs excluding depreciation £'000</b>	<b>Total 2016 £'000</b>
Riverside Bridge School	619	-	26	112	757
Riverside Primary School	251	-	32	90	373
Eastbury Primary School	1,386	339	20	296	2,041
Riverside School	1,991	292	53	1,153	3,489
The Sydney Russell School	8,402	1,390	258	3,902	13,952
Thames View Junior School	1,914	200	20	686	2,820
Partnership Learning	26	588	5	661	1,280
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	14,589	2,809	414	6,900	24,712
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2017 £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	130,987	130,987
Current assets	2,217	5,591	-	7,808
Creditors falling due within one year	-	(5,321)	(716)	(6,037)
Creditors falling due after one year	-	-	(710)	(710)
Defined benefit pension liability	-	(5,739)	-	(5,739)
	2,217	(5,469)	129,561	126,309
	2,217	(5,469)	129,561	126,309

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2016 £'000
<b>Fund balances at 31 August 2016 are represented by:</b>				
Tangible fixed assets	-	-	60,465	60,465
Current assets	1,091	3,589	-	4,680
Creditors falling due within one year	-	(3,445)	(664)	(4,109)
Creditors falling due after one year	-	-	(1,193)	(1,193)
Defined benefit pension liability	-	(4,227)	-	(4,227)
	1,091	(4,083)	58,608	55,616
	1,091	(4,083)	58,608	55,616

### 20 Pensions and similar obligations

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

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

Contributions amounting to £478k (2016: £307k) were payable to the schemes at 31 August 2017 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.

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 20 Pensions and similar obligations

(Continued)

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 (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. 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 the TPS in the period amounted to £1,964k (2016: £1,205k).

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18% to 24 per cent for employers and 5.5% to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £854k.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 29) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>20 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Total contributions made</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	1,253	703
Employees' contributions	335	187
	<u>          </u>	<u>          </u>
Total contributions	1,588	890
	<u>          </u>	<u>          </u>
<b>Principal actuarial assumptions</b>	<b>2017</b>	<b>2016</b>
	<b>%</b>	<b>%</b>
Rate of increases in salaries	2.9	3.6
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.1
Inflation assumption (CPI)	2.5	2.1
	<u>          </u>	<u>          </u>
The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:		
	<b>2017</b>	<b>2016</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.0	21.8
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.7	24.1
- Females	26.4	26.5
	<u>          </u>	<u>          </u>
<b>The academy trust's share of the assets in the scheme</b>	<b>2017</b>	<b>2016</b>
	<b>Fair value</b>	<b>Fair value</b>
	<b>£'000</b>	<b>£'000</b>
Equities	7,083	2,986
Bonds	1,750	909
Cash	44	173
	-	-
Property	567	260
Other assets	-	-
	<u>          </u>	<u>          </u>
Total market value of assets	9,444	4,328
	<u>          </u>	<u>          </u>
Actual return on scheme assets - gain/(loss)	377	(570)
	<u>          </u>	<u>          </u>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

<b>20 Pensions and similar obligations</b>	<b>(Continued)</b>	
<b>Amounts recognised in the statement of financial activities</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost (net of employee contributions)	2,082	749
Net interest cost	140	70
	<hr/>	<hr/>
Total operating charge	2,222	819
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the present value of defined benefit obligations</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Obligations at 1 September 2016	8,555	3,324
Obligations acquired on conversion	5,828	1,705
Current service cost	2,082	749
Interest cost	300	177
Employee contributions	335	187
Actuarial gain	(1,804)	2,413
Benefits paid	(113)	-
	<hr/>	<hr/>
At 31 August 2017	15,183	8,555
	<hr/> <hr/>	<hr/> <hr/>
<b>Changes in the fair value of the academy trust's share of scheme assets</b>	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Assets at 1 September 2016	4,328	1,925
Assets acquired on conversion	3,264	943
Interest income	160	107
Return on plan assets (excluding amounts included in net interest):		
Actuarial gain	217	463
Employer contributions	1,253	703
Employee contributions	335	187
Benefits paid	(113)	-
	<hr/>	<hr/>
At 31 August 2017	9,444	4,328
	<hr/> <hr/>	<hr/> <hr/>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 21 Reconciliation of net income to net cash flows from operating activities

	2017 £'000	2016 £'000
Net income for the reporting period	68,672	15,173
Adjusted for:		
Net surplus on conversion to academy	(24,681)	(17,169)
Capital grants from DfE/ESFA and other capital income	(44,557)	-
Investment income receivable	(3)	(3)
Finance costs payable	94	44
Defined benefit pension costs less contributions payable	829	46
Defined benefit pension net finance cost	140	70
Depreciation of tangible fixed assets	1,399	906
(Increase) in debtors	(275)	(1,079)
Increase in creditors	1,874	1,721
Stocks, debtors and creditors transferred on conversion	(219)	(945)
<b>Net cash provided by operating activities</b>	<u>3,273</u>	<u>(1,236)</u>

### 22 Contingent liabilities

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Education Funding Agency the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

### 23 Commitments under operating leases

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

	2017 £'000	2016 £'000
Amounts due within one year	80	75
Amounts due in two and five years	169	224
Amounts due after five years	53	77
	<u>302</u>	<u>376</u>



# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 24 Capital commitments

	2017 £'000	2016 £'000
Expenditure contracted for but not provided in the financial statements	229	-

### 25 Related party transactions

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

There were no related party transactions in the period.

### 26 Members' liability

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

### 27 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the trust received £171,809 (2016: £340,179) and disbursed £346,589 (2016: £230,040) from the fund. An amount of £196,780 (2016: £371,560) is included in other creditors relating to undistributed funds that are repayable to ESFA in the event the students leaves the scheme.

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

28 SCITT trading account	2017	
	£'000	£'000
<b>Direct income</b>		
Fee income		1,460
Government grants		449
		<hr/>
		1,909
<b>Other income</b>		<hr/>
		1,909
<b>Direct costs</b>		
Direct staff costs	987	
Educational supplies and services	4	
Staff development	533	
Educational consultancy	36	
Other direct costs	2	
	<hr/>	
	1,562	
	<hr/>	
<b>Other costs</b>		
Support staff costs	188	
Technology costs	11	
Recruitment and support	2	
Maintenance of premises and equipment	1	
Security and transport	1	
Other support costs	3	
	<hr/>	
	206	
	<hr/>	
Total expenditure		(1,768)
		<hr/>
<b>Surplus/(deficit) from all sources</b>		141
		<hr/>
<b>SCITT balances at 31 August 2017</b>		141
		<hr/>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 29 Conversion to an academy

On 1 December 2016 The Albany School transferred all its operations and assets and liabilities to Partnership Learning from The Albany School company number 07689986 for £nil consideration. Details of this transfer are in 30.

On 1 May 2017 the James Cambell Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Partnership Learning from the Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain] in the sstatement of ffinancial activities.

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.

<b>Net assets transferred:</b>				<b>2017</b>
				<b>£'000</b>
Leasehold land and buildings				25,306
Other tangible fixed assets				91
Cash				2,067
LGPS pension surplus/(deficit)				(2,564)
Debtors				102
Creditors				(321)
				<u>24,681</u>
				<u><u>24,681</u></u>
	<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
	<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2017</b>
<b>Funds surplus/(deficit) transferred:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fixed assets funds	-	-	25,397	25,397
LA budget funds	74	-	-	74
LGPS pension funds	-	(2,564)	-	(2,564)
Other funds	1,774	-	-	1,774
	<u>1,848</u>	<u>(2,564)</u>	<u>25,397</u>	<u>24,681</u>
	<u><u>1,848</u></u>	<u><u>(2,564)</u></u>	<u><u>25,397</u></u>	<u><u>24,681</u></u>

# PARTNERSHIP LEARNING

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

---

### 30 Transfer of existing academies into the academy trust

On 1 December 2016 The Albany School transferred from an existing Trust, The Albany School company number 07689986. The amounts transferred were:

	<b>Value reported by Transferring Trust £'000</b>	<b>Fair Value Adjustments £'000</b>	<b>Transfer in Recognised £'000</b>
<b>Tangible Fixed assets</b>			
Freehold land and buildings	14,142	-	14,142
Furniture and Equipment	70	-	70
Computer Equipment	21	-	21
<b>Current Assets</b>			
Debtors	102	-	102
Bank	1,993	-	1,993
<b>Liabilities</b>			
Creditors due in less than one year	(321)	-	(321)
Creditors Due greater than one year	-	-	-
<b>Pensions</b>			
Pension Liability	(1,669)	-	(1,669)
<b>Net assets / (liabilities)</b>	<b>14,338</b>	<b>-</b>	<b>14,338</b>