

REGISTERED COMPANY NUMBER: 09987031 (England and Wales)



Great Learning Opportunities and Outcomes for ALL!

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2017
for
The Societas Trust**

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

The Societas Trust

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The Societas Trust

Reference and Administrative Details for the Year Ended 31st August 2017

Members

Mr G Easdown
Mr W Griffin
Mr R Palin
Mr G Weir

Trustees (Directors)

Mr G Boote (resigned 31st August 2017)
Mrs C Dudson
Mrs J Fury
Mrs G Jenkins
Mr R Knight (resigned 31st August 2017)
Mr G Leary (resigned 31st August 2017)
Mr J Lovatt
Mr R Machin (resigned 31st August 2017)
Mr S Martin
Mrs E Preston (resigned 31st August 2017)
Mrs D Swift (resigned 30th November 2017)
Mrs C Bartley (appointed 1st September 2017)
Mrs R Foster (appointed 1st September 2017)
Mrs N Gibson (appointed 1st September 2017)

Senior Management Team

Mr J Lovatt	CEO and Accounting Officer
Mrs J Fury	Director of Education
Mrs N Gibson	Head of Ellison Primary Academy
Mr S Martin	Head of Goldenhill Primary Academy

Registered Office

The Societas Trust
The Hub Office
Ellison Primary Academy
Ellison Street
Wolstanton
Newcastle under Lyme
ST5 0BL

Company Registration Number

09987031 (England and Wales)

Auditors

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

Bankers

Lloyds Bank PLC

Solicitors

SAS Daniels LLP

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

The trustees of The Societas Trust (the Trust) present their annual report together with the audited financial statements for the period from 1st September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report including a strategic report under company law.

The Trust was incorporated on 4th February 2016 and operates as a multi academy trust (MAT) for pupils aged 3 - 11. At 31 August 2017, there were two academies within the Trust with a combined capacity of 660 and had a roll of 588 at the end of the Academic Year 2017. The two Academies concerned were Ellison Primary Academy (converted 1st October 2016) and Goldenhill Primary Academy (converted 1st June 2017). For the purpose of this report, the terms trustee and director are interchangeable.

Objectives and activities

Vision and aims

The vision of the Trust is to create a sustainable, professional community where all learners are valued and encouraged to achieve their potential, and all individuals are respected.

The Trust's aims are:-

- To improve educational standards for all children;
- To achieve operational efficiencies through economies of scale;
- To increase flexibility of human resources;
- To improve potential for the retention of staff;
- To increase opportunity for continuing professional development;
- To establish succession planning programmes for all leaders;
- To provide peer to peer support and challenge;
- To enhance sustainability to maintain the pace of school improvement;
- To strengthen relationships between diverse communities;
- To further embed a celebration of diversity and mutual respect.

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

Objectives and activities

Objectives, Strategies and Activities

The Trust's main objectives for the period from 1st September 2016 to 31 August 2017, linked to the MAT's Improving Education Plan, were as follows (Commentary indicates strategies and activities deployed to date):-

1. Ensure the accuracy of assessment practise across all academies in the Societas Trust:-

- Ongoing collaboration between staff is ensuring that assessment practice across the MAT is accurate - Y2 and Y6 practitioners in the core subjects have established a successful model, which will continue. There is excellent support from Sarah Luty (English) and Cathy Garside (Maths), both of whom are consultants from Staffordshire. They, alongside staff from the MAT schools are identifying the criteria for end of year expectations in English and Maths which can be used in the standardisation/moderation process in all year groups. Ultimately the schools will explore ways to assess standards and progress in other subjects across the curriculum. Assessment leaders in all schools will share each school's tracking process to come to a common understanding and language which will allow the MAT to demonstrate progress in each school whilst allowing the schools to retain their own processes;
- The work in EYFS, facilitated by Mary Hughes, is ongoing and the creation of a baseline for the MAT is imminent;
- The Pedagogy (formerly curriculum) and Assessment Working Groups are firmly established and are prominent in deciding the focus for work done in collaboration with Worcester University and Keele University;
- After much collaboration between schools and with DCPro the creation of a bespoke reporting system to show both MAT-wide and individual school standards, achievement and progress is well on the way. Schools are in the process of highlighting their "favourite" reports and the Assessment Working Group will decide which reports are most useful. DCPro has also been commissioned to provide both MAT-wide and individual school support.

2. Continue to develop leadership at all levels, including governance, across the Trust:-

- The Head Teachers have established a good working relationship and, as well as collaborating on priorities agreed in the Education Plan, they have established an informal process of meeting regularly to discuss developments and share ideas and good practice;
- Through the Worcester process a Deputy Heads' group has been established and is working well in collaboration;
- Subject leader development is a priority in each of the schools and there is now a mechanism to share expertise through the various working groups and as a result of professional development, both internal and external;
- Also through the work of the Worcester process, a MAT student council has been established (the Really Useful Generation Student Group - RUGS) to help promote student collaboration across the Trust and to "inspire development strategies for learning".
- Four external EIPs (Education Improvement Partners) have been commissioned through the MAT to quality assure and validate the work of the CEO and Education Director;
- The ITE working group has formulated a proposal with regard to CPD entitlement across the MAT schools

3. Develop a common framework for the presentation of data covering the Trust and its individual academies:-

- The Assessment Working Group took on the ongoing development of a rigorous tracking and data gathering system which would satisfy the needs of both individual schools in the MAT and the whole Trust. The group met regularly and senior leaders and data managers from all the schools contributed to the process of identifying individual and shared needs. DCPro was actively involved throughout. A decisive meeting on the 3rd April 2017 agreed the following outcomes:
 - Whilst continuing to use and adapt particular report formats to meet the needs of individual schools, all schools agreed a number of common formats which would feed into a MAT-wide system for external review - these to be trialled from autumn 2017;
 - Schools would agree common systems for summative assessments (eg. PIRA and PUMA) which would be purchased centrally by the MAT. Results of the common tests would support the accuracy of assessment and tracking of progress across the MAT.

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

Objectives and activities

Objectives, Strategies and Activities

- As a result of the successful partnership with DCPro it was agreed that a package of support be purchased covering MAT-wide and individual school need. A means of logging the support provided to individual schools will be agreed with schools/DCPro
- The important standardisation/moderation work which continues across the MAT, and the ongoing work in EYFS will feed into the data system to support the tracking of standards and progress.

4. Further develop the evaluation process, as outlined in the MAT's "Improving Education Strategy", so that any areas of concern are quickly identified and effective support put in place:-

- The PRA (Performance Risk Assessment) process is established and termly meetings have taken place in each school, attended by the CEO, Education Director and senior leaders. During the meeting discussion takes place against criteria which appears in the PRA document and a RAG-rated judgement is agreed between all those involved in the process. The schools' self-evaluation process is an important element in the process, as are any external reviews/reports. The final PRA meetings of the academic year take place in June 2017. A full review of the process and the format of the PRA will be undertaken in the autumn term, when consideration will be given to the focus and criteria for judging the effectiveness of each school and the Trust as a whole;
- External EIPs (Education Improvement Partners) have been commissioned to support external validation;
- The MAT is working closely with Worcester University and the impact of the collaboration is extremely positive.

5. Ensure that senior leaders and governors effectively deploy resources in their school, including taking into account the hours teachers spend on marking and have regard to the work-life balance of their staff:-

- This is an ongoing commitment and the well-being of all staff forms an integral part of discussion during school visits by the Education Director and EIPs.

6. Ensure that Heads' and senior leaders' well-being is monitored in order to provide advice and support when appropriate:-

- From September 2017 there will be an informal process whereby Heads and senior leaders will have a contact, representing the MAT board, who will provide support/advice.

Public benefit

The Trust provides educational services to all children in the local areas served by its academies and offers facilities to a variety of local community groups outside the normal school hours. The Trust's Academies also offer a wide range of family and adult learning opportunities and the facilities are frequently used by external agencies. The Trust fully complies with all statutory guidance.

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

Strategic report

Achievement and performance

Charitable activities

The Societas Trust is unique, it was originally founded as the result of the voluntary collaboration between the head teachers and governing bodies of 6 primary schools / academies who shared a belief that the needs of children are best met when schools and teachers collaborate and cooperate and are able to maintain close links with the communities they serve.

Whilst it is crucial for us to support the development of the unique identity of each school in the partnership, we also believe that by developing and promoting innovative and creative approaches to learning and teaching across the trust, we will ensure that our children have the very best opportunities to excel academically and develop socially.

We believe that children learn best and thrive in environments that promote and foster self-belief, the love of learning and high expectations of themselves and others.

The 5 schools / academies that now comprise The Societas Trust are:-

- Ash Green Primary Academy - joined on 1st December 2017;
- Ellison Primary Academy - joined on 1st October 2016;
- Gladstone Primary Academy - joined on 1st September 2017;
- Goldenhill Primary Academy - joined on 1st June 2017;
- Summerbank Primary Academy - joined on 1st September 2017.

The Trust's achievements and performance during the period from 1st September 2016 to 31 August 2017 are as follows (list is not exhaustive):-

For Teaching and Learning:-

- Staff from Reception to Year 6 have had opportunities to share assessment and other practices supported by experts in their field;
- Judgements in the Early Years, Year 2 and Year 6 have been standardised and moderated to ensure consistency;
- A Nursery and Reception Baseline has been created and trialled;
- Expectations in reading, writing and maths for all year groups have been agreed;
- A method of tracking progress and attainment across all academies has been developed;
- Good practice in the implementation of the Catch Up Maths intervention has been shared;
- Home School Link Workers / Learning Mentors have shared good practice in how to best support our most vulnerable pupils;
- A framework has been developed that outlines the entitlement for pupils with Special Educational Needs and Disabilities in Societas academies;
- A Subject Leaders' group has been formed - leaders will have opportunity to share best practice, work together on key priorities and develop their leadership skills;
- Working closely with colleagues from Worcester University, leaders have explored how best to develop Peer to Peer support to enhance leadership at all levels.

For People:-

- A Professional Learning and Development Framework, to guide each Societas academy in best practice relating to developing staff at all levels, has been developed, which also encourages professional development opportunities to support relevant career progression for those that wish it;
- The Trust has 'buddied up' with the Blackfriars Teaching School Alliance as a strategic partner, in a move towards setting up a Societas Teaching School Alliance, in order to develop the next generation of teachers to serve our communities and beyond;
- Working closely with Blackfriars TSA, work has begun in earnest to establish a bank of SLEs and NLEs across the MAT;
- A number of networks to share best practice across the MAT have also been setup, complemented by bringing in experts in their field and other key strategic partners (including the Keele and North Staffordshire Teacher Education and Worcester University);
- Each academy has a Lead Teacher Educator acting as a beacon and disseminator of best practice, who has also participated on a 'Reflecting on Practice' Masters module with Keele University;

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- Head teachers and other senior leaders have attended a series of best practice 'Breakfast Research' sessions also held at Keele University.

For Children:-

- The formation of a MAT Student Council, who have called themselves the Really Useful Generation Student Group (RUGS), whose job it is to "inspire and develop exciting strategies for high quality learning across the MAT";
- Opportunities to collaborate and work together: e.g. Societas Sings, Societas Games;
- Collaboration of leaders with colleagues from Worcester University to develop pupil voice, pupil resilience and pupil leadership across the MAT (e.g. the RUGS);
- Working with Worcester University, all children from across the MAT have been involved in an exercise to give their perspective on what 'great learning' looks like through the selection of 12 images representing High Quality Learning taking place;
- The aim is that the selected images of High Quality Learning will help inform the Trust's recognised 'Golden Threads of Learning', which are then woven into pedagogical practice across the MAT.

Key Academic Performance Indicators

The main indicators that the Trust uses to monitor the academic performance of its Academies, RAG rated as part of the termly Academy Performance Review (APR - formerly PRA), are:-

For Attainment:-

1. Attainment in EYFS is at the national average for a Good Level of Development (GLD) 71% in 2017;
2. Attainment in Y1 phonics is at the national average of 81% in 2017;
3. Attainment at the end of KS1 is at the national average of 75% (RD), 68% (WR) and 75% (MA) at the expected level;
4. More able pupils are attaining in line with their peers nationally with Greater Depth (GD) at national levels- 25% (RD), 16% (WR) and 20% (MA);
5. Attainment at KS2 is broadly in line with national- combined score of 61%, 71% (RD), 76% (WR), 75% (MA), and 77% SPAG;
6. More -able pupils are attaining in line with their peers nationally with GD at national levels: 25% (RD), 18% (WR), 23% (MA) and 31% SPAG. (2017 emerging);
7. Trend of improvement in attainment over the last 3 years;
8. School has met attainment targets that it has set.

For Progress:-

1. EYFS children are making expected/better than expected progress from their baseline on entry;
2. KS1 pupils are making expected/ better than expected progress from their GLD scores;
3. KS2 pupils are making expected/ better than expected progress from their KS1 scores;
4. KS2 pupils do not have average progress of below -5 (RD), -7 (WR) and -5 (MA);
5. Groups of pupils (gender, PP, SEN etc) are making at least expected progress;
6. Targets met for % of pupils at ARE (age related expectations).

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Report of the Trustees for the Year Ended 31st August 2017

Strategic report Achievement and performance Charitable activities

Standards Achieved in Key Stages 1 and 2

Below are the 2017 results for Key Stage 1 and Key Stage 2 for academies that joined the Trust before 31st August 2017 (comparable results for 2016 are in brackets):

(Age Related Expected (ARE) is the appropriate term for a pupil meeting the required year group/end of key stage standard.)

ELLISON PRIMARY ACADEMY

Key Stage 1

Academy		National	
91% (81%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
89% (81%)	Year 2 ARE and above Writing	68%	Year 2 ARE and above
93% (76%)	Year 2 ARE and above Maths	75%	Year 2 ARE and above

Key Stage 2

Academy		National	
97% (47%)	Year 6 ARE and above Reading	71%	Year 6 ARE and above
77% (79%)	Year 6 ARE and above Writing	76%	Year 6 ARE and above
86% (53%)	Year 6 ARE and above Maths	75%	Year 6 ARE and above
91% (66%)	Year 6 ARE and above SPAG	77%	Year 6 ARE and above

Combined Reading Writing and Maths

Academy		National	
71% (36%)	Year 6 ARE and above	61%	Year 6 ARE and above

GOLDENHILL PRIMARY ACADEMY

Key Stage 1

Academy		National	
81% (63%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
70% (53%)	Year 2 ARE and above Writing	68%	Year 2 ARE and above
78% (73%)	Year 2 ARE and above Maths	75%	Year 2 ARE and above

Key Stage 2

Academy		National	
85% (75%)	Year 6 ARE and above Reading	71%	Year 6 ARE and above
73% (84%)	Year 6 ARE and above Writing	76%	Year 6 ARE and above
88% (75%)	Year 6 ARE and above Maths	75%	Year 6 ARE and above
77% (82%)	Year 6 ARE and above SPAG	77%	Year 6 ARE and above

Combined Reading Writing and Maths

Academy		National	
65% (61%)	Year 6 ARE and above	61%	Year 6 ARE and above

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Report of the Trustees for the Year Ended 31st August 2017

Strategic report

Achievement and performance

Key financial performance indicators

The main indicators that the Trust uses to monitor the financial performance of its Academies, RAG rated as part of the termly Academy Performance Review (APR - formerly PRA), are:-

1. The academy setting does not have significantly large surpluses or a deficit budget (>5%);
2. The Leadership (including governors) engages with budget planning/strategic vision and future planning;
3. There is appropriate allocation of resources to priorities for improvement and linked to pupil outcomes;
4. Funding for pupil premium, primary PE and sports and SEN is appropriately spent. There is careful oversight of this by the governors;
5. All Trust finance policies and procedures have been adopted by the LGB and adhered to;
6. Financial monitoring information is uploaded to Dropbox by the Business Manager in line with the approved schedule (i.e. monthly) and in a timely fashion;
7. External and Internal Audit recommendations have been observed and actioned.

Financial review

Principal funding sources

The Trust's accounting year is from 1st September to 31st August in any year.

Most of the Trust's income is derived from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the year to 31st August 2017, and associated expenditure, are shown as restricted funds in the statement of financial activities.

All expenditure of the Trust is made in line with the Trust's Financial Policy and Procedures Manual which supports the provision of Education of all the pupils on roll.

During the year ended 31st August 2017, total incoming resources amounted to £8,590,136. This overall total consisted of two main components. Firstly, the balances on conversion in respect of Ellison Primary Academy and Goldenhill Primary Academy totalled £6,774,551. This represented the value of the fixed assets on conversion along with any budget surplus offset against the deficit on the Local Government Pension Scheme (LGPS). Note 22 shows further analysis of this figure. The remainder of the income was received from the ESFA and local authority in connection with the educational operations on the Trust along with other funds generated by the Trust. Notes 2-5 show a detailed breakdown of the incoming resources.

Resources expended for the period totalled £2,051,817 which included a £83,000 cost attributed to the LGPS (included in governance costs within note 8) along with depreciation on tangible fixed assets of £21,593. There was a small actuarial gain on the LGPS of £12,000.

In terms of the day to day operation of the Trust and excluding the non-monetary costs mentioned above in connection with depreciation and the LGPS movements, there was in year deficit of £66,817. This deficit was more than covered by the reserves brought forward in connection with the Primary Chain Development Grant and as at 31st August 2017 there was a carryforward surplus of £52,611 on the Trust's general funds.

At the balance sheet date the Trust held a positive balance of £20,023 of unrestricted funds, £32,588 of general restricted funds (total £52,611 as above) and £7,911,136 of restricted fixed asset funds, offset by a deficit on the LGPS of £1,294,000.

Investment policy and objectives

Investments must be made only in accordance with written procedures approved by the Directors' Board under the Trust's separate Investment Policy contained within the Trust's Finance Policy and Procedures Manual, which is reviewed annually.

Reserves policy

The Budget is managed in line with the Trust's Reserves Policy which is contained within the Trust's Finance Policy and Procedures Manual, and is reviewed annually. The review considers all income and expenditure and any future commitments.

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

Strategic report

Financial review

Going concern

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

Principal risks and uncertainties

The system of internal control is designed to manage risk to a reasonable level rather than eliminate it. Actions to mitigate the risk have been planned for. Principal risks and uncertainties as noted by the trustees are:-

- Change in government funding regime;
- Pupil numbers in decline resulting in loss of revenue - this could be caused by pupils failing to make good progress, an unsatisfactory Ofsted report and loss of reputation;
- Staffing issues such as loss of Senior Management, epidemic sickness or long term sickness rendering the academy unable to function effectively and efficiently;
- Inappropriate or insufficient financial controls and systems;
- Fraudulent activity;
- Financial commitments made without adequate authorisation.

Financial and risk management objectives and policies

The trustees of The Societas Trust are responsible for the management of the risks faced by all the Trust's academies. Risks for each academy are identified and assessed in a Trust risk register. Actions taken and actions required to control these risks are noted throughout the year. The major risks to which the Trust is exposed have been reviewed and systems have been developed to monitor and control those risks to mitigate any impact that they may have in the future.

Risk is managed at The Societas Trust through sound financial practice stipulated in the Trust's Finance Policy and Procedures Manual. The Trust and each academy also operate a scheme of financial delegation policy and regular reviews through an internal audit system (Peer Review) to ensure financial policy and procedures are correctly adhered to. The CFO and Trust Representative on each LGB have operational oversight of the internal audit process.

The Trust is committed to strengthening the efficacy of the finance function across the Trust and retaining expertise in each Academy. Financial software and other data base systems have been installed across the Trust to allow collaborative working. Trust financial policy and procedures have been adopted by each Academy to improve internal auditing, also with the advice from the Trust's external auditors, to obtain and sustain best practice. The CFO and Academy Business Managers also meet regularly to standardise processes and maximise economies of scale through combined procurement.

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Report of the Trustees for the Year Ended 31st August 2017

Strategic report

Future plans

The Trust's Corporate Strategy is the responsibility of the CEO to develop, working closely with other members of the Executive Board. Going forward, in addition to the Operational Plan, the Corporate Strategy linked to improving all pupils' outcomes will comprise three main plans:

Education Plan

The Main Objectives of the Education Plan going forward are:-

1. Ensure the accuracy of assessment practise across all academies in the Societas Trust:-

- Schools across the MAT will continue to develop the collaborative process, with staff from all phases and year groups meeting regularly to moderate and standardise work matched to the age-related criteria. This process has been scheduled for all year groups;
- EYFS practitioners in the MAT schools work together on embedding the nursery baseline and reviewing the trial reception baseline;
- The ongoing use of the Societas bank of work that all schools can use to ensure the accuracy of assessment;
- Schools will begin the development of criteria to cover other subject areas across the curriculum;
- Subject leaders will be supported to develop their leadership skills in collaboration across the MAT;
- Pupils in all phases will be better prepared to "read for meaning" and have the skills of inference and deduction to better cope with the demands of the KS2 Reading test and the KS2 Maths reasoning paper;
- DCPRO reports are produced on time, and are easily understood to give staff more confidence with their use of assessment.

2. Developing the teaching of phonics across the MAT to ensure a greater proportion attain Y1 national expectations:-

- Joint training for phonics leaders to share good practice;
- Training is disseminated across the all schools, particularly for TAs;
- Senior leaders to check the effectiveness of phonics teaching regularly;
- Writing activities include opportunities to use the phonics learnt.

3. Developing outdoor learning across the MAT, particularly in the EYFS:-

- Training for EY leaders, and subsequently for other EY staff in what constitutes good outdoor learning;
- Visits to identified 'good practice' settings to take place;
- Regular meetings to discuss, share and review outdoor learning practice;
- Forest School training where possible;
- Senior leaders to regularly check outdoor learning to track improvements;
- EY outdoor learning plan evident in each school.

4. Continue to develop leadership at all levels, including governance, across the Trust:-

- Senior leaders will continue to develop the network of support and challenge so that best practice can be shared across the MAT;
- Subject/middle leaders will continue to develop in response to the ongoing changes to the curriculum and to assessment;
- Governors will receive joint training in how to be as effective as possible. Chairs of Governors will meet together along with the CEO throughout the year to share good practice and review the work they do;
- The Deputies group will meet regularly in order to share good practice and focus on a designated MAT issue;
- Each Deputy Head will lead on a MAT group or project.

5. Further develop the evaluation process, as outlined in the MAT's "Improving Education Strategy", so that any areas of concern are quickly identified and effective support put in place:-

- A rigorous process of review and evaluation is in place so that areas of concern can be identified using the criteria outlined in the "Improving Education Strategy";

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Report of the Trustees for the Year Ended 31st August 2017

Strategic report

- External review/QA undertaken by independent consultants - this will help to identify strengths and areas for development/support;
- Support, whether internal or external, is put in place and improvements impact on outcomes in individual schools and across the MAT;
- Academy Performance Review (APR) revised and aligned closely to the Ofsted criteria;
- Working with colleagues from Worcester University, to establish a framework for Peer to Peer (P2P) support which is best fit with the ethos of the Trust and its academies and effective in delivering sustainable school improvement.

6. To develop a whole school approach to Philosophy for Children:-

- To support collaborative working between a 'partnership' of schools and academies;
- To Train teachers to deliver the P4C programme across the schools in a challenging and supportive manner;
- To drive pupil's questioning, reasoning and independent learning skills;
- To address the barriers faced by vulnerable groups of learners:
To generate good discussion with and between children - a skill that will improve teaching across the board and ensure pupils achieve well in core subjects;
- To increase key skills in order to improve pupil outcomes in reading, writing and maths at every Key Stage.

People Plan

The Main Objectives of the People Plan going forward are:-

- To ensure the successful implementation in all academies of the Trust's Professional Learning and Development Framework, to encourage professional development opportunities and support relevant career progression for those that wish it;
- To continue the move towards setting up a Societas Teaching School Alliance in order to develop the next generation of teachers to serve our communities and beyond;
- To continue to work closely with Blackfriars TSA to establish a bank of SLEs and NLEs across the MAT;
- To support the establishment of more 'learning' networks to share best practice across the MAT;
- To continue the development of lead teacher educators acting as beacons and disseminators of best practice across the MAT;
- Head teachers and other senior leaders to continue to attend best practice 'Breakfast Research' sessions at Keele University;
- To ensure that the well-being of all staff is monitored in order to provide advice and support as needed;
- To ensure that senior leaders and governors effectively deploy resources in their school, including taking into account the hours teachers spend on marking and have regard to the work-life balance of their staff.

Children Plan

The Main Objectives of the Children Plan going forward are:-

- To continue to support and promote the work of the MAT Student Council (RUGS);
- To continue to provide children with opportunities to collaborate and work together - future projects include:-
 - Shakespeare Project - 2018;
 - Ceramics Project - 2018;
 - World Cup - 2018;
 - Participation in Younger Voices - 2019;
- Leaders will continue to collaborate with colleagues from Worcester University to further develop pupil voice, pupil resilience and pupil leadership across the MAT (e.g. the RUGS);
- To embed the Trust's Golden Threads of Learning (informed by images of High Quality Learning and Staff Word clouds) into pedagogical practice across the MAT.

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

Structure, governance and management

Charity constitution

The 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 Trust.

The trustees of The Societas Trust are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Societas Trust. Details of the trustees (directors) who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect trustees and local governors from claims arising from negligent acts, errors or omissions occurring whilst on the Trust's business. The insurance provides cover up to £5,000,000 being the total amount payable during any one Period of Insurance.

Recruitment and appointment of new trustees

The members of the Trust are responsible for the appointment of non-executive trustees to the Directors' Board. When such a vacancy occurs, nominations are sought from stakeholders and recruitment is dependent on an individual's complimentary skillset. Head teacher and Chair of Local Governing Board type trustees sit on the Directors' Board by nature of their office. A rotation of these types of trustee takes place annually. The Directors' Board is also responsible for the appointment of the Trust Appointed Governors on each Academy Local Governing Board (LGB): candidates are nominated by the LGB in line with the Academy's published Instrument of Governance. Parent and Staff governors are either elected or appointed by each Academy LGB in line with the articles of association.

Organisational structure

The organisational structure of the Trust consists of a Directors' Board comprising either the head teacher or Chair of the Local Governing Board (LGB) of each of the Trust's academies, and 3 non-executive trustees. The chair of the Directors' Board is also a member of the charitable company who is non-voting. The CEO and Education Director also sit on the Directors' Board in a non-voting capacity. The Directors' Board has two main committees, Education and Resources, and a number of working groups linked to the MAT's Improving Education Plan. A member of the charitable company chairs each of the main committees. The Directors' Board and / or its committees meet at least once a term. Decisions delegated to the Directors' Board, its committees, and the Academy Local Governing Boards are defined in the Trust's Scheme of Delegation and Finance Policy and Procedures Manual.

The senior management team of the Trust also sit on the Executive Board, which consists of the CEO and Accounting Officer, the Education Director, the Head Teachers, and (on occasion by the request of the CEO) the Deputy Head Teachers. The Executive Board meets every half term and makes recommendations to the Directors' Board and its committees. There is also a Chief Finance Officer for the Trust as a whole and an Academy Business Manager in each Academy.

The MAT Student Council (the Really Useful Generation Student Group - RUGS) promotes student collaboration and "inspires and develops exiting strategies for high quality learning" across the MAT. A boy and a girl are elected to sit on the RUGS Group from each academy bi-annually, and they meet at least once a term. The RUGS also act as student ambassadors for the Trust as a whole. The CEO chairs the RUGS Group.

The Head Teachers on the Executive Board are also responsible for the day to day leadership and management of their own academy, which includes acting on strategic decisions made by the Directors' Board and its committees in the formation of the MAT's Corporate Strategy, including the Improving Education Plan, and by LGB members in the formation of the Academy's Development plan.

Induction and training of new trustees

All trustees and LGB governors are provided, on appointment, with relevant copies of policies, procedures, minutes, accounts, budgets, plans and any other document that will support them in carrying out their role as a trustee or LGB governor. All Trust level policies and procedures are reviewed on an annual cycle by the Directors' Board and LGB in-line with the Trust's Policy Register.

The Societas Trust

Report of the Trustees for the Year Ended 31st August 2017

Structure, governance and management

Key management remuneration

Arrangements for setting the pay of the Trust's Key Management Personnel is based upon performance management targets linked to pupil outcomes. The pay of the CEO and the Education Director is also benchmarked against other Multi Academy Trusts of similar size and socio-demographics.

Statement as to disclosure of information to auditors

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

Auditors

The auditors, Hardings, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 14th December 2017 and signed on the board's behalf by:



G Jenkins - Trustee

The Societas Trust

Governance Statement for the Year Ended 31st August 2017

Scope of Responsibility

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

The trustees have delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform within the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Societas Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Directors' Board any material weaknesses or breakdowns in internal control.

Governance

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

The Trustees have set up two committees, Education and Resources, to assist the decision making of the Directors' Board by enabling more detailed consideration to be given to all educational and financial matters within the scheme of delegation and committee terms of reference (ToR):-

Resources Committee ToR:-

- To make recommendations to the Directors' Board with regard to central services and budget;
- To oversee the financial and risk management of the individual academy budgets;
- To oversee policy and procedure implementation at each academy with regard to staffing;
- To recommend to the Directors' Board the proportion of the overall Academy budget to be delegated to individual Academies;
- To recommend the Pay Policy to the Directors' Board;
- To enter into contracts up to the limits of delegation and within an agreed budget (set by Directors);
- To authorise payments within agreed financial limits;

Improving Education Strategy

- To evaluate the effectiveness of each academy to ensure a coherent and strategic approach to educational improvement, ensuring that every child receive a good education;
- To monitor and make judgements about standards and quality of provision;
- To identify the Societas academies that are potentially at risk;
- To provide bespoke and tailored support to ensure rapid improvement;
- To challenge and support the Headteacher and Chair of the Local Governing Board;
- To monitor and review the school improvement plan for each school against measurable success criteria;
- To evaluate progress being made by providers and to report termly to the Directors' Board.

Education Committee ToR:-

- To oversee the implementation of the curriculum policies set by each academy;
- To approve the performance management policies and procedures as recommended by the Executive Board;
- To approve the staff code of conduct as recommended by the Executive Board;
- To oversee the implementation of the admissions policy and the exclusion and reinstatement of pupils;
- To make recommendations to the Directors' Board, on an annual basis, those policies which will be developed by the Trust and mandatory for all Trust Academies;
- To enter into contracts up to the limits of delegation and within an agreed budget (set by Directors);
- To authorise payments within agreed financial limits;

Improving Education Strategy

- To evaluate the effectiveness of each academy to ensure a coherent and strategic approach to educational improvement, ensuring that every child receive a good education;
- To hold schools to account regarding standards achieved;
- To monitor and make judgements about standards and quality of provision;
- To identify the Societas academies that are potentially at risk;
- To moderate school self-evaluation by coordinating the Annual Health Check using an external provider for all Trust Academies;
- To provide bespoke and tailored support to ensure rapid improvement;
- To challenge and support the Headteacher and Chair of the Local Governing Board;
- To monitor and review the school improvement plan for each school against measurable success criteria;
- To evaluate progress being made by providers and to report termly to the Directors' Board.

The Societas Trust

Governance Statement for the Year Ended 31st August 2017

Attendance

The Directors' Board has formally met 3 times from the 1st September 2016 to 31st August 2017, and attendance was as follows:

	Meetings Attended	Out of a Possible
Mr G Easdown (Chair)	3	3
Mr G Boote	3	3
Mrs C Dudson	3	3
Mrs J Fury (Education Director) *	2	3
Mrs G Jenkins	3	3
Mr R Knight *	1	3
Mr G Leary **	0	0
Mr J Lovatt (CEO)	3	3
Mr R Machin	3	3
Mr S Martin	3	3
Mrs E Preston *	2	3
Mrs D Swift *	1	3

The Directors' Resources Committee has formally met 3 times from the 1st September 2016 to 31st August 2017, and attendance was as follows:

	Meetings Attended	Out of a Possible
Mr G Weir (Chair)	3	3
Mr G Boote	3	3
Mrs C Bartley +	2	2
Mrs C Dudson	3	3
Mr G Leary **	0	0
Mr J Lovatt	3	3
Mr R Machin *	1	3
Mr S Martin	3	3

The Directors' Education Committee has formally met 3 times from the 1st September 2016 to 31st August 2017, and attendance was as follows:

	Meetings Attended	Out of a Possible
Mr W Griffin (Chair)	3	3
Mr G Boote	1	1
Mrs J Fury	3	3
Mrs G Jenkins	3	3
Mr R Knight *	1	3
Mr S Martin	2	2
Mrs K Niblett +	2	2
Mrs E Preston	3	3
Mrs D Swift *	1	3

* Apologies received and accepted

** Leave of absence granted

+ Co-opted Spring Term 2017

The Societas Trust

Governance Statement for the Year Ended 31st August 2017

Review of Value for Money

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

The CEO considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Directors' Board and Directors' Resources Committee where value for money can be improved, including the use of benchmarking data where available.

The CEO and Accounting Officer for the Trust, working alongside the Education Director and Executive Board, has delivered improved value for money during the year by:-

- Improving educational standards across all academies within the Trust;
- Ensuring academy budgets are balanced and sustainable over the medium term;
- Maximising 'zero cost (£)' opportunities for professional development by sharing good practice across the Trust;
- Working closely with the Academy Business Managers to secure Trust wide procurement ensuring economies of scale are enjoyed.

The Purpose of the System of Internal Control

The Trust's system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve Trust policies, aims and objectives: it can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to achieving 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 The Societas Trust for the year ended 31st August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1st September 2016 to 31st 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 trustees.

The Directors' Board, the Directors' Resources Committee, and the Executive Board have reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there is a formal on-going process of identifying, evaluating and managing the Trust's significant risks that has been in place for the period ending 31st August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Directors' Board and the Directors' Resources Committee.

The Risk and Control Framework

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures, including the segregations of duties and a system of financial delegation and accountability, contained within the Trust's Finance and Procedures Manual. In particular it includes:-

- Comprehensive budgeting and monitoring systems with a cycle for annual budget setting and periodic financial reports (included as an appendix to the Trust's Finance and Procedures Manual), which is reviewed and agreed by the Directors' Board;
- Regular reviews by the Directors' Board and the Directors' Resources Committee of reports which indicate financial performance against the budget forecasts over the medium term;
- Establishment of and regular reviews of, via the termly 'Academy Performance Review' (APR) Framework, key performance indicators for academic and financial performance of each academy conducted jointly by the CEO and Education Director;
- Delegation of financial authority and appropriate segregation of duties;
- External and Internal (Peer Review) audit processes with regular monitoring of resultant action plans at all levels of governance within the organisation;

The Societas Trust

Governance Statement for the Year Ended 31st August 2017

The Risk and Control Framework

- Identification of risks and risk management.

The trustees have introduced a programme of Peer to Peer review for the purpose of internal audit, which is to be carried out by the Academy Business Managers once a term at each Academy, using the framework contained as an appendix in the Trust's Finance Policy and Procedures Manual. The CFO and Trust Representative on each LGB have an operational oversight of this process. Termly reports along with recommendations and action plans are then to be considered periodically by the Directors' Resources Committee.

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 regular reviews of, via the termly 'Academy Performance Review' (APR) Framework, key performance indicators for academic and financial performance of each academy conducted jointly by the CEO and Education Director;
- Regular meetings between the CEO, Academy Head Teachers and Business Managers to review financial performance against the budget forecasts over the medium term;
- The work of external auditor;
- The financial management and governance self-assessment process;
- The work of the CFO and Academy Business Managers Group, who have responsibility for the development, maintenance and review of the internal control framework. This group is also advised by the Trust's external auditor.

The Accounting Officer has been advised of the implications of the results of the CFO and Academy Business Managers' review of the system of internal control, and is assured that a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 14th December 2017 and signed on its behalf by:



G Jenkins - Trustee



J Lovatt - Accounting Officer

The Societas Trust

Statement on Regularity, Propriety and Compliance for the Year Ended 31st August 2017

As accounting officer of The Societas Trust I have considered my responsibility to notify the charitable company board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the charitable company 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 charitable company board of trustees are able to identify any material irregular or improper use of all funds by the charitable company, or material non-compliance with the terms and conditions of funding under the charitable company's funding agreement and the Academies Financial Handbook 2016.

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

A handwritten signature in dark ink, appearing to read 'J Lovatt', with a stylized flourish at the end.

J Lovatt - Accounting Officer

14th December 2017

The Societas Trust

Statement of Trustees Responsibilities for the Year Ended 31st August 2017

The trustees (who act as governors of The Societas Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees 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 trustees to prepare financial statements for each financial year. Under company law the trustees 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

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

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

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

Approved by order of the board of trustees on 14th December 2017 and signed on it's behalf by:


G Jenkins - Trustee

Report of the Independent Auditors to the Members of The Societas Trust

Opinion

We have audited the financial statements of The Societas Trust (the 'academy trust') for the year ended 31st August 2017 on pages twenty three to forty seven. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency (ESFA).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st 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 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

Report of the Independent Auditors to the Members of The Societas Trust

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page nineteen, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Our responsibilities for the audit of the financial statements

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

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



Timothy McNeal FCA (Senior Statutory Auditor)
for and on behalf of Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

14th December 2017

Independent Reporting Accountant's Assurance Report on Regularity to The Societas Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Societas Trust during the period 1st September 2016 to 31st 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 The Societas Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Societas Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Societas Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Societas Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Societas Trust's funding agreement with the Secretary of State for Education 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 1st September 2016 to 31st 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

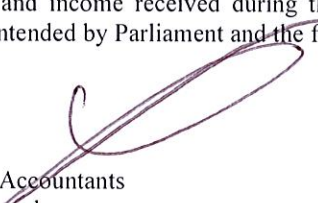
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

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

Conclusion

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



Hardings
Chartered Accountants
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

14th December 2017

The Societas Trust

Statement of Financial Activities
for the Year Ended 31st August 2017

				Year Ended 31/8/17	Period 4/2/16 to 31/8/16
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
Income and endowments from					
Donations and capital grants	2	-	18,284	8,102	26,386
Transfer from Local Authority on conversion	22	88,624	7,908,917	(1,223,000)	6,774,541
Charitable activities					
Funding for the academy's educational operations	3	-	-	1,630,717	1,630,717
Other trading activities	4	-	-	158,374	158,374
Investment income	5	118	-	-	118
Total		88,742	7,927,201	574,193	8,590,136
Expenditure on					
Raising funds	7	-	-	992	992
Charitable activities					
Academy's educational operations		-	21,593	2,029,232	2,050,825
Total	6	-	21,593	2,030,224	2,051,817
Net income/(expenditure)		88,742	7,905,608	(1,456,031)	6,538,319
Transfers between funds	19	(68,742)	5,528	63,214	-
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	-	12,000	12,000
Net movement in funds		20,000	7,911,136	(1,380,817)	6,550,319
Reconciliation of funds					
Total funds brought forward		23	-	119,405	119,428
Total funds carried forward		20,023	7,911,136	(1,261,412)	6,669,747

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

The notes form part of these financial statements

The Societas Trust (Registered number 09987031)

Balance Sheet
At 31st August 2017

				31/8/17	31/8/16	
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £	Total funds £
Fixed assets						
Tangible assets	14	-	7,911,136	-	7,911,136	
Current assets						
Debtors	15	-	-	118,405	118,405	25,798
Cash at bank		<u>20,023</u>	<u>-</u>	<u>161,283</u>	<u>181,306</u>	<u>103,715</u>
		20,023	-	279,688	299,711	129,513
Creditors						
Amounts falling due within one year	16	-	-	(247,100)	(247,100)	(10,085)
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net current assets		<u>20,023</u>	<u>-</u>	<u>32,588</u>	<u>52,611</u>	<u>119,428</u>
Total assets less current liabilities						
		20,023	7,911,136	32,588	7,963,747	119,428
Pension liability	20	-	-	(1,294,000)	(1,294,000)	-
		<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net assets		<u>20,023</u>	<u>7,911,136</u>	<u>(1,261,412)</u>	<u>6,669,747</u>	<u>119,428</u>
Funds						
Unrestricted funds	19				20,023	23
Restricted funds					<u>6,649,724</u>	<u>119,405</u>
Total funds					<u>6,669,747</u>	<u>119,428</u>

The financial statements were approved by the Board of Trustees on 14th December 2017 and were signed on its behalf by:


G Jenkins -Trustee

The notes form part of these financial statements

The Societas Trust

**Cash Flow Statement
for the Year Ended 31st August 2017**

		Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Cash flows from operating activities:	Notes		
Cash generated from operations	23	<u>83,001</u>	<u>103,692</u>
Net cash provided by (used in) operating activities		<u>83,001</u>	<u>103,692</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(23,812)	-
Capital grants from DfE/ESFA/LA		18,284	-
Interest received		<u>118</u>	<u>23</u>
Net cash provided by (used in) investing activities		<u>(5,410)</u>	<u>23</u>
Change in cash and cash equivalents in the reporting period		<u>77,591</u>	<u>103,715</u>
Cash and cash equivalents at the beginning of the reporting period		<u>103,715</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u><u>181,306</u></u>	<u><u>103,715</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31st August 2017**

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Societas Trust meets the definition of a public benefit entity under FRS 102.

Going concern

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

Income

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

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

Sponsorship income provided to the charity 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 it is probable that the income will be received and the amount can be measured reliably.

Donations

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

Other income

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

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

1. Accounting policies - continued

Donated goods, facilities and services

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

Donated fixed assets

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds

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

Charitable activities

Costs of charitable activities are incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity 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 and trustees' meetings and reimbursed expenses.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

1. Accounting policies - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold land & buildings	- over the expected useful economic life
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

Note that land, included within Leasehold land and buildings is not depreciated. The leasehold buildings and any associated improvements are depreciated in line with the expected remaining useful economic life as per the professional valuation carried out. The valuations for the newly converted Academies were carried out close to the balance sheet date and therefore no depreciation is charged in the first year.

Assets costing £250 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.

Financial instruments

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

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

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16. 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.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

1. Accounting policies - continued

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

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

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 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.

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

1. Accounting policies - continued

Conversion to an academy

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

2. Donations and capital grants

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Donations	8,102	-
Grants	<u>18,284</u>	<u>-</u>
	<u>26,386</u>	<u>-</u>

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

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Capital Grants from ESFA/LA	<u>18,284</u>	<u>-</u>

3. Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/17 Total funds £	Period 4/2/16 to 31/8/16 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	1,402,994	1,402,994	-
Start Up Grant	-	-	-	125,000
Other DfE/ESFA Grants	<u>-</u>	<u>123,549</u>	<u>123,549</u>	<u>90,000</u>
	-	1,526,543	1,526,543	215,000
Other government grant				
Local Government Grants	<u>-</u>	<u>104,174</u>	<u>104,174</u>	<u>-</u>
	<u>-</u>	<u>1,630,717</u>	<u>1,630,717</u>	<u>215,000</u>

The Societas Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

4. Other trading activities

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Recharges -staff and services	53,045	-
Hire of facilities	8,342	-
Catering income	51,025	-
Educational visits	6,329	-
Staff insurance credits	21,289	-
Other income	<u>18,344</u>	<u>1,374</u>
	<u>158,374</u>	<u>1,374</u>

5. Investment income

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Deposit account interest	<u>118</u>	<u>23</u>

6. Expenditure

	Staff costs £	Non-pay expenditure		Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
		Premises £	Other costs £	Total £	Total £
Raising funds					
Costs of fundraising	-	-	992	992	-
Charitable activities					
Academies educational operations					
Direct costs	1,100,737	-	187,875	1,288,612	8,400
Allocated support costs	<u>276,263</u>	<u>294,292</u>	<u>191,658</u>	<u>762,213</u>	<u>88,569</u>
	<u>1,377,000</u>	<u>294,292</u>	<u>380,525</u>	<u>2,051,817</u>	<u>96,969</u>

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

6. Expenditure - continued

Net resources are stated after charging/(crediting)

	Year Ended 31/08/17 £	Period Ended 31/08/16 £
Auditor's remuneration (as auditor)	6,500	-
Depreciation - owned assets	<u>21,593</u>	<u>-</u>

7. Raising funds

Costs of fundraising

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Fundraising costs	<u>992</u>	<u>-</u>

8. Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	Year Ended 31/8/17 Total funds £	Period 4/2/16 to 31/8/16 Total funds £
Direct costs	-	1,288,612	1,288,612	8,400
Support costs	<u>-</u>	<u>762,213</u>	<u>762,213</u>	<u>88,569</u>
	<u>-</u>	<u>2,050,825</u>	<u>2,050,825</u>	<u>96,969</u>

	Year Ended 31/8/17 Total £	Period 4/2/16 to 31/8/16 Total £
Analysis of support costs		
Support staff costs	276,263	-
Depreciation	21,593	-
Technology costs	28,896	14,109
Premises costs	124,805	1,846
Other support costs	141,169	12,000
Governance costs	<u>169,487</u>	<u>60,614</u>
Total support costs	<u>762,213</u>	<u>88,569</u>

The Societas Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2017

9. Trustees' remuneration and benefits

There were no trustees' remuneration or other benefits for the year ended 31st August 2017 nor for the period ended 31st August 2016.

The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and other staff members under their contracts of employment, and not in respect of their roles as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
J Lovatt	(From 1st October 2016)		
	Remuneration	50,000-55,000	n/a
	Pension contributions paid	Nil	n/a
S Martin	(From 1st June 2017)		
	Remuneration	15,000-20,000	n/a
	Pension contributions paid	0-5,000	n/a

Trustees' expenses

There were no trustees' expenses paid for the year ended 31st August 2017 nor for the period ended 31st August 2016.

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

10. Staff costs

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Wages and salaries	1,062,857	-
Social security costs	87,838	-
Operating costs of defined benefit pension schemes	<u>181,340</u>	<u>-</u>
	1,332,035	-
Supply teacher costs	<u>44,965</u>	<u>-</u>
	<u><u>1,377,000</u></u>	<u><u>-</u></u>

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

	Year Ended 31/8/17	Period 4/2/16 to 31/8/16
Teachers	30	-
Admin & Support	70	-
Management	<u>3</u>	<u>-</u>
	<u><u>103</u></u>	<u><u>-</u></u>

No employees received emoluments in excess of £60,000.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £137,464 (2016: N/A).

11. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees/governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

12. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
Income and endowments from				
Charitable activities				
Funding for the academy's educational operations	-	-	215,000	215,000
Other trading activities	-	-	1,374	1,374
Investment income	<u>23</u>	<u>-</u>	<u>-</u>	<u>23</u>
Total	23	-	216,374	216,397
Expenditure on				
Charitable activities				
Academy's educational operations	<u>-</u>	<u>-</u>	<u>96,969</u>	<u>96,969</u>
Net income/(expenditure)	<u>23</u>	<u>-</u>	<u>119,405</u>	<u>119,428</u>
Total funds carried forward	<u><u>23</u></u>	<u><u>-</u></u>	<u><u>119,405</u></u>	<u><u>119,428</u></u>

13. Central services

The Academy Trust provided the following central services during the year:

- financial services
- legal services
- educational support
- IT
- professional development
- governance cost of the trust

The Trust charges for these services based on an equal split of Academies within the Trust or full recharge where costs relate to a specific Academy.

The actual amounts charged during the year were as follows:

	2017 £
Ellison Primary Academy	15,500
Goldenhill Primary Academy	10,004
Total	<u><u>25,504</u></u>

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

14. Tangible fixed assets

	Leasehold land & buildings £	Fixtures and fittings £	Computer equipment £	Totals £
Cost				
Transfer on conversion	7,755,000	103,977	49,940	7,908,917
Additions	-	9,789	14,023	23,812
At 31st August 2017	<u>7,755,000</u>	<u>113,766</u>	<u>63,963</u>	<u>7,932,729</u>
Depreciation				
Charge for year	-	9,370	12,223	21,593
Net book value				
At 31st August 2017	<u>7,755,000</u>	<u>104,396</u>	<u>51,740</u>	<u>7,911,136</u>
At 31st August 2016	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accounting policies and note 22 for details of land and building valuations on conversion.

15. Debtors: amounts falling due within one year

	31/8/17 £	31/8/16 £
Trade debtors	17,917	-
Other debtors	-	5,000
VAT	36,909	5,248
Prepayments and accrued income	<u>63,579</u>	<u>15,550</u>
	<u>118,405</u>	<u>25,798</u>

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

16. Creditors: amounts falling due within one year

	31/8/17	31/8/16
	£	£
Trade creditors	132,147	-
Social security and other taxes	33,468	-
Other creditors	1,143	7,585
Accruals and deferred income	<u>80,342</u>	<u>2,500</u>
	<u>247,100</u>	<u>10,085</u>

Deferred Income

	£
Deferred income as at 1st September 2016	-
Resources deferred in the year	54,555
Amounts released from previous years	<u>-</u>
Deferred income as at 31st August 2017	<u>54,555</u>

At the balance sheet date, the academy trust was holding funds received in advance from the ESFA in respect of the Universal Infant Free School Meals commencing in September 2017 along with school trips taking place in the Autumn.

17. Leasing agreements

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

	31/8/17	31/8/16
	£	£
Within one year	2,805	-
Between one and five years	<u>3,409</u>	<u>-</u>
	<u>6,214</u>	<u>-</u>

18. Members' liability

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

The Societas Trust

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

19. Movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
Unrestricted funds				
Unrestricted fund	23	88,742	(68,742)	20,023
Restricted funds				
General Annual Grant (GAG)	-	(52,944)	63,214	10,270
Other DfE/ESFA grants	118,031	(95,713)	-	22,318
Other	1,374	(1,374)	-	-
Pension deficit	-	(1,294,000)	-	(1,294,000)
Restricted fixed asset fund	-	7,905,608	5,528	7,911,136
	119,405	6,461,577	68,742	6,649,724
TOTAL FUNDS	<u>119,428</u>	<u>6,550,319</u>	<u>-</u>	<u>6,669,747</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Unrestricted fund	88,742	-	-	88,742
Restricted funds				
General Annual Grant (GAG)	1,402,993	(1,455,937)	-	(52,944)
Other DfE/ESFA grants	123,549	(219,262)	-	(95,713)
Local authority grants	104,174	(104,174)	-	-
Other	166,477	(167,851)	-	(1,374)
Pension deficit	(1,223,000)	(83,000)	12,000	(1,294,000)
Restricted fixed asset fund	7,927,201	(21,593)	-	7,905,608
	8,501,394	(2,051,817)	12,000	6,461,577
TOTAL FUNDS	<u>8,590,136</u>	<u>(2,051,817)</u>	<u>12,000</u>	<u>6,550,319</u>

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

19. Movement in funds - continued

Purposes of unrestricted funds

Included in unrestricted funds includes the surplus on conversion from a local authority school, along with other income generated from the other small donations, etc. which carry no specific restrictions. These funds are available for the academy trust to use as deemed appropriate.

Purposes of restricted funds

The General Annual Grant represents the grant funding received from the ESFA in order to cover the on-going costs of the academy trust. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31st August 2017.

The start-up grant is funding received from the ESFA in connection with the new Academies joining the Trust.

Other DfE/ESFA grants received include amounts for Pupil Premium, UIFSM

Local Authority grants include nursery / early years funding as well as funding to support children with special education needs.

Purposes of restricted fixed assets funds

The restricted fixed assets funds reflects resources received by the academy trust to acquire assets for continuing use and furtherance of the trust's aims and objectives. Resources expended reflect the associated depreciation charges as set out on the accounting policies.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

19. Movement in funds - continued

Analysis of academies by fund balance

Fund balances at 31st August 2017 were allocated as follows:

	31/08/17 £	31/08/16 £
Ellison Primary Academy	50,002	
Goldenhill Primary Academy	2,609	
Central	-	119,428
	<u>52,611</u>	<u>119,428</u>
Total before fixed assets and pension reserve		
	<u>52,611</u>	<u>119,428</u>
Restricted fixed assets funds	7,911,136	-
Pension reserve	(1,294,000)	-
	<u>6,669,747</u>	<u>119,438</u>
Total	<u><u>6,669,747</u></u>	<u><u>119,438</u></u>

Analysis of academies by cost

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

	Teaching and support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding depreciation) £	Total £
Ellison Primary Academy	926,069	179,843	51,032	381,359	1,538,303
Goldenhill Primary Academy	174,668	40,079	4,483	92,882	312,112
Central Services	-	56,341	-	40,468	96,809
FRS102 Charge				83,000	83,000
	<u>1,100,737</u>	<u>276,263</u>	<u>55,515</u>	<u>597,709</u>	<u>2,030,224</u>

20. Pension and similar obligations

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

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

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

20. Pension and similar obligations
- continued

Teachers' pension scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 16.48%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1st April 2019.

The pension costs paid to TPS in the period amounted to £103,000 (2016: N/A).

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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2017

20. Pension and similar obligations
- continued

Local government pension scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2017 was £99,000, of which employer's contributions totalled £78,000 and employees' contributions totalled £21,000. The agreed contribution rates for future years are 21.2% for employers and the contribution for employees is dependant upon salary banding.

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/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 18th July 2013.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31/8/17	31/8/16
	£	£
Present value of funded obligations	(2,058,000)	-
Fair value of plan assets	<u>764,000</u>	<u>-</u>
	<u>(1,294,000)</u>	<u>-</u>
Deficit	<u>(1,294,000)</u>	<u>-</u>
Liability	<u><u>(1,294,000)</u></u>	<u><u>-</u></u>

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

	Defined benefit pension plans	
	31/8/17	31/8/16
	£	£
Current service cost	142,000	-
Net interest from net defined benefit asset/liability	<u>28,000</u>	<u>-</u>
	<u><u>170,000</u></u>	<u><u>-</u></u>
Actual return on plan assets	<u><u>37,000</u></u>	<u><u>-</u></u>

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

**20. Pension and similar obligations
- continued**

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

	Defined benefit pension plans	
	31/8/17	31/8/16
	£	£
Current service cost	142,000	-
Contributions by scheme participants	21,000	-
Interest cost	28,000	-
Benefits paid	(9,000)	-
Business combinations	1,851,000	-
Actuarial (gains)/losses from changes in financial assumptions	25,000	-
	<u>2,058,000</u>	<u>-</u>

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

	Defined benefit pension plans	
	31/8/17	31/8/16
	£	£
Contributions by employer	78,000	-
Contributions by scheme participants	21,000	-
Interest income on plan assets	9,000	-
Benefits paid	(9,000)	-
Business combinations	628,000	-
Return on plan assets (excluding interest income)	37,000	-
	<u>764,000</u>	<u>-</u>

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

	Defined benefit pension plans	
	31/8/17	31/8/16
	£	£
Actuarial (gains)/losses from changes in financial assumptions	(25,000)	-
Return on plan assets (excluding interest income)	37,000	-
	<u>12,000</u>	<u>-</u>

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

	Defined benefit pension plans	
	31/8/17	31/8/16
	£	£
Equities	580,640	-
Bonds	91,680	-
Property	61,120	-
Cash	30,560	-
	<u>764,000</u>	<u>-</u>

The Societas Trust

**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

**20. Pension and similar obligations
- continued**

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

	31/8/17	31/8/16
Discount rate	2.5%	n/a
Future salary increases	2.8%	n/a
Future pension increases	2.4%	n/a
Inflation assumption CPI	2.5%	n/a
Commutation of pensions to lump sums	50%	n/a

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

	At 31/8/17	At 31/8/16
Retiring today		
Males	22.1	n/a
Females	24.4	n/a
Retiring in 20 years		
Males	24.1	n/a
Females	26.4	n/a

Sensitivity Analysis

	Approx monetary amount	
Change in assumption as at :	31/08/17	31/08/16
0.5% decrease in Real Discount Rate	£285,000	N/A
0.5% increase in Salary Increase Rate	£69,000	N/A
0.5% increase in Pension Increase Rate	£209,000	N/A

The Societas Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2017

21. Related party disclosures

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

MJF Educational Consultancy Limited a company in which Mrs J Fury (a trustee of the trust) has a majority interest:

The trust purchased educational consultancy services from MJF Educational Consultancy Limited totalling £17,675 (2016: £8,400) during the period. There were no amounts outstanding at 31st August 2017 (2016: £1,575)

The trust made the purchase at arms length following a competitive tendering exercise in accordance with its financial regulations, which Mrs Fury neither participated in, nor influenced.

ReformEd Limited a company in which Mr J Lovatt (a trustee of the trust) has a majority interest:

The trust purchased finance support services from ReformEd Limited totalling £4,500 (2016: £11,200) during the period. There were no amounts outstanding at 31st August 2017 (2016: Nil).

The trust made the purchase at arms length following a competitive tendering exercise in accordance with its financial regulations, which Mr Lovatt neither participated in, nor influenced. Following the appointment of Mr Lovatt as CEO of the trust, the trust's contract with ReformEd Ltd ceased.

Sutherland Primary Academy a trust in which Mr G Boote (a trustee of the trust) is also a trustee.

The trust recharged services to Sutherland Primary Academy totalling £19,363 (2016: £1,740) during the period. The amount outstanding at 31st August 2017 was £7,957 (2016: Nil)

The trust made the recharges as part of the original agreement that Sutherland Primary Academy would be joining the trust. After the balance sheet date, Sutherland Primary decided not to join the trust. The above outstanding balance was settled in September 2017.

Additionally, the trust utilised £5,000 of its Primary Chain Development Grant from 2016 to assist Sutherland Primary Academy with the additional legal fees etc. in connection with the anticipated transfer into The Societas Trust.

In entering into all the transactions above the trust has complied with the requirements of the Academies Financial Handbook 2016.

22. Conversion to an academy

On 1st October 2016, Ellison Primary School converted to academy trust status as Ellison Primary Academy under the Academies Act 2010 and all operations and assets and liabilities were transferred to The Societas Trust from Staffordshire County Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The Societas Trust

Notes to the Financial Statements - continued for the Year Ended 31st August 2017

The fair values of the identifiable assets and liabilities transferred with an analysis of their recognition in the SOFA is as follows:

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
- leasehold land and buildings	-	-	4,180,000	4,180,000
- other tangible fixed assets	-	-	89,210	89,210
Budget surplus on LA funds	76,838	-	-	76,838
LGPS pension deficit	-	(675,000)	-	(675,000)
	<u>76,838</u>	<u>(675,000)</u>	<u>4,269,210</u>	<u>3,671,048</u>

Following a review of the 125 year lease for Ellison Primary Academy between the local council and the academy trust, it was deemed that the risks and rewards of ownership had been transferred to the trust upon conversion. A professional valuation of the land and buildings were conducted during the period.

On 1st June 2017, Goldenhill Primary School converted to academy trust status as Goldenhill Primary Academy under the Academies Act 2010 and all operations and assets and liabilities were transferred to The Societas Trust from Stoke-on-Trent City Council for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings, with a corresponding net amount recognised as incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

The fair values of the identifiable assets and liabilities transferred with an analysis of their recognition in the SOFA is as follows:

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
- leasehold land and buildings	-	-	3,575,000	3,575,000
- other tangible fixed assets	-	-	64,707	64,707
Budget surplus on LA funds	11,786	-	-	11,786
LGPS pension deficit	-	(548,000)	-	(548,000)
	<u>11,786</u>	<u>(548,000)</u>	<u>3,639,707</u>	<u>3,103,493</u>

Following a review of the 125 year lease for Goldenhill Academy between the local council and the academy trust, it was deemed that the risks and rewards of ownership had been transferred to the trust upon conversion in respect of the playing fields only. A professional valuation of the land and buildings were conducted during the period.

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**Notes to the Financial Statements - continued
for the Year Ended 31st August 2017**

23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Year Ended 31/8/17 £	Period 4/2/16 to 31/8/16 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,538,319	119,428
Adjustments for:		
Depreciation	21,593	-
Capital grants from DfE/ESFA/LA	(18,284)	-
Transfer from Local Authority on conversion	(6,774,541)	-
Interest received	(118)	(23)
Cash transferred on conversion	88,624	-
Increase in debtors	(92,607)	(25,798)
Increase in creditors	237,015	10,085
Difference between pension charge and cash contributions	<u>83,000</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u><u>83,001</u></u>	<u><u>103,692</u></u>