



# THE SOCIETAS TRUST

Great Learning Opportunities for ALL!

**Report of the Trustees and  
Financial Statements for the Year Ended 31st August 2018  
for  
The Societas Trust**



Ash Green Primary



Ellison Primary



Gladstone Primary



Goldenhill Primary



Summerbank Primary

**The Societas Trust**

**Contents of the Financial Statements  
for the Year Ended 31st August 2018**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 14
Governance Statement	15 to 18
Statement on Regularity, Propriety and Compliance	19
Statement of Trustees Responsibilities	20
Report of the Independent Auditors	21 to 22
Independent Accountant's Report on Regularity	23
Statement of Financial Activities	24
Balance Sheet	25
Cash Flow Statement	26
Notes to the Financial Statements	27 to 50

# The Societas Trust

## Reference and Administrative Details for the Year Ended 31st August 2018

<b>Members</b>	Mr G Easdown Mr W Griffin Mr R Palin Mr G Weir												
<b>Trustees (Directors)</b>	Mrs C Bartley (appointed 1st September 2017) Mrs A Bradshaw (appointed 11th October 2018) Mrs C Dudson Mrs R Foster (appointed 1st September 2017 & resigned 1st September 2018) Mrs J Fury Mrs N Gibson (appointed 1st September 2017 & resigned 1st September 2018) Mr W Griffin (appointed 14th December 2017) Mrs G Jenkins Mr R Knight (appointed 1st September 2018) Mr J Lovatt Mr R Machin (appointed 1st September 2018) Mr S Martin (resigned 1st September 2018) Mrs K Niblett (appointed 1st September 2017 & resigned 29th September 2017) Mr G Weir (appointed 14th December 2017) Mrs D Swift (resigned 30th November 2017)												
<b>Senior Management Team</b>	<table><tr><td>Mr J Lovatt</td><td>CEO and Accounting Officer</td></tr><tr><td>Mrs R Foster</td><td>Head of Ash Green Primary Academy</td></tr><tr><td>Mrs N Gibson</td><td>Head of Ellison Primary Academy</td></tr><tr><td>Mr S Martin</td><td>Head of Goldenhill Primary Academy</td></tr><tr><td>Mrs E Preston</td><td>Head of Gladstone Primary Academy</td></tr><tr><td>Mr R Shenton</td><td>Head of Summerbank Primary Academy</td></tr></table>	Mr J Lovatt	CEO and Accounting Officer	Mrs R Foster	Head of Ash Green Primary Academy	Mrs N Gibson	Head of Ellison Primary Academy	Mr S Martin	Head of Goldenhill Primary Academy	Mrs E Preston	Head of Gladstone Primary Academy	Mr R Shenton	Head of Summerbank Primary Academy
Mr J Lovatt	CEO and Accounting Officer												
Mrs R Foster	Head of Ash Green Primary Academy												
Mrs N Gibson	Head of Ellison Primary Academy												
Mr S Martin	Head of Goldenhill Primary Academy												
Mrs E Preston	Head of Gladstone Primary Academy												
Mr R Shenton	Head of Summerbank Primary Academy												
<b>Registered Office</b>	The Societas Trust The Hub Office Ellison Primary Academy Ellison Street Wolstanton Newcastle under Lyme ST5 0BL												
<b>Company Registration Number</b>	09987031 (England and Wales)												
<b>Auditors</b>	Hardings Chartered Accountants & Statutory Auditor 6 Marsh Parade Newcastle-under-Lyme Staffordshire ST5 1DU												
<b>Bankers</b>	Lloyds Bank PLC												
<b>Solicitors</b>	SAS Daniels LLP												



## **The Societas Trust**

### **Report of the Trustees for the Year Ended 31st August 2018**

The trustees of The Societas Trust (the Trust) present their annual report together with the audited financial statements for the period from 1st September 2017 to 31st August 2018. 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 2018, there were five academies within the Trust with a combined capacity of 1,890 and had a roll of 1,807 (excluding Nursery children) at the end of the Academic Year 2018.

The five Academies concerned were:

- Ash Green Primary Academy
- Ellison Primary Academy
- Gladstone Primary Academy
- Goldenhill Primary Academy
- Summerbank Primary Academy

For the purpose of this report, the terms trustee and director are interchangeable.

#### **Objectives and activities**

##### **Objects, Vision and aims**

The Objects of the Trust are as follows:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for the children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"),
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social economic circumstances or for the public at large in the interests of social welfare and with the object of improving of life of the said inhabitants.

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.



**Report of the Trustees  
for the Year Ended 31st August 2018**

**Objectives and activities  
Objectives, Strategies and Activities**

The Trust's main objectives for the period from 1st September 2017 to 31st August 2018, linked to the Trust's Improving Education Plan, along with measures used to assess success, were as follows:-

**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;
- External consultants will continue to lead moderation groups;
- EYFS practitioners in the MAT schools work together on embedding the nursery baseline and reviewing the trial reception baseline;
- The Trust's data tracking system to include a Nursery progress measure linked to Development Matters;
- The ongoing development of moderation folders across the Trust that all schools can use to ensure the accuracy of assessment;
- Schools will begin the development of accurate assessments in science and phonics;
- The Trust's data tracking system reports are produced on time, and are easily understood to give leaders the necessary tools to fully analyse data;
- Marking and feedback procedures to begin to be shared across schools during subject leader meetings in order to identify good practice and seek ways of reducing workload;
- Science leaders will be able to talk more knowledgeably about standards in their subject;
- Moderation in Science will be at school and MAT level.

**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 (2018-19);
- Training is disseminated across the five schools, particularly for Teaching Assistants;
- Senior leaders to check the effectiveness of phonics teaching regularly;
- Writing activities include opportunities to use the phonics learnt;
- Phonic decodable reading materials will be evident in class book areas in EYFS and KS1.

**3. Developing outdoor learning across the MAT, particularly in the Early Years Foundation Stage (EYFS):**

- Early Years outdoor provision to be checked on Education Director visits;
- Training for Early Years (EY) leaders, and subsequently for other EY staff in what constitutes good outdoor learning;
- Individual support to EY leaders to be given where needed;
- Visits to identify 'good practice' settings to take place;
- Regular meetings to discuss, share and review outdoor learning practice;
- Forest School training where possible (2018-19);
- 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/begin to meet in response to the ongoing changes to the curriculum and to assessment;
- Each Local Governing Board will have an external review within 12 months of joining the Trust;
- Governors will receive joint training in how to be as effective as possible;
- Chairs of Governors will meet together throughout the year to share good practice and review the work they do;
- The Deputy Heads' 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. They will also explore ways to develop middle leaders;

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Objectives and activities**

**Objectives, Strategies and Activities**

- The Worcester process will provide coaching sessions for all senior leaders. These will then be rolled out to other school leaders;
- P2P (peer to peer support) will enable senior leaders in the first instance to be both challenged and supported in their roles;
- Ongoing activities to continue such as the Keele Research Breakfasts, Teacher Educators' Network, Crewe Hall group etc.

**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 Plan";
- 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.

**6. To explore and understand a common concept of well-being across the Trust and to find ways of ensuring well-being for all stakeholders:**

- Termly pastoral visit by former Education Director to discuss and monitor well-being of senior leaders;
- Well-being working party to be established in the Autumn Term;
- Staff questionnaires in the Summer Term to check morale etc. and establish a position statement.

**7. Developing a shared approach to inclusion across the MAT:**

- Inclusion Steering Group established;
- Support staff will share their expertise so that best practices are identified (for interventions and in general supporting of SEN pupils);
- A MAT 'Pathways' to be developed to ensure that all pupils put forward for an EHC have received a common entitlement to provision (links with LA work) and SENCO led;
- Review the way in which SEMH pupils are supported across the MAT in order to improve provision;
- Review the Trust policy on touch and restraint;
- Home/School Link Workers to meet regularly to share expertise and strengthen provision (parental involvement, Early Help etc.).

**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.



**Report of the Trustees  
for the Year Ended 31st August 2018**

**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 boards 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 2017 to 31st August 2018 are as follows (lists are not exhaustive):-

For Teaching and Learning:-

- Pupil outcomes at all five academies for combined reading, writing and maths at Key Stage 2 continue to improve year on year;
- Staff from Nursery to Year 6 have had opportunities to share assessment and other practices supported by experts in their field;
- Judgements have been standardised and moderated to ensure consistency;
- A Nursery and Reception Baseline has been trialled and evaluated;
- Expectations in reading, writing and maths for all year groups have been agreed;
- A method of tracking progress and attainment across all academies is in operation;
- Home School Link Workers / Learning Mentors / SENCOs continue to share good practice in how to best support our most vulnerable pupils;
- A framework has been implemented that outlines the entitlement for pupils with Special Educational Needs and Disabilities in Societas academies;
- Subject and other leaders have had opportunity to share best practice, work together on key priorities and develop their leadership skills;
- Working closely with colleagues from Worcester University, senior leaders have continued to explore how best to develop and implement Peer to Peer support to enhance leadership at all levels, including pupils;
- The termly Academy Performance Review has been embedded within the culture and more closely aligned to the Ofsted framework.

For Leaders:-

- A conference celebrating collaboration was held in September 2017, which was attended by all staff from across the Trust;
- A Professional Learning and Development Framework, to guide each academy in best practice relating to developing staff at all levels, has been implemented, which also encourages professional development opportunities to support relevant career progression;
- The Trust continues to work towards setting up a Societas Teaching School Alliance, in order to develop the next generation of teachers to serve our communities and beyond;
- The Trust continues to be a hub for Initial Teacher Education working closely with the local SCITT and School Direct;



**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**Achievement and performance**

*Charitable activities*

- A number of working groups and networks to share best practice continue to meet regularly, complemented by bringing in experts and other key strategic partners (including the Keele and North Staffordshire Teacher Education (KNSTE) 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;
- The Trust's Developing a Professional Community (DPC) Steering Group continue to meet and develop policy to support leadership development at all levels;
- An induction policy and programme for Newly Qualified Teachers has been developed;
- The Chairs' Group, led by the CEO, has been established and meets regularly to develop training initiatives to improve governance;
- A Wellbeing Steering Group has been established to develop and monitor strategies to support the mental health and wellbeing of staff.

**For Pupil Voice and Curriculum Enrichment:-**

- The MAT Student Council, the Really Useful Generation Students Group (RUGS), whose job it is to "inspire and develop exciting strategies for high quality learning across the MAT", continues to meet under the guidance of the CEO;
- Opportunities for children to collaborate and work together continue: e.g. the Shakespeare Project, the Ceramics Project; World Cup etc.;
- Collaboration of senior leaders continues with colleagues from Worcester University to develop pupils' voice, resilience and leadership across the MAT (e.g. the RUGS);
- Children from across all five academies were involved in a professional performance of Hamlet at the New Vic Theatre;
- Children from across all five academies took part in a World Cup tournament supported by staff from Port Vale Football Club.

**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), are:-

**For Attainment:-**

1. Attainment in EYFS is at the national average for a Good Level of Development (GLD);
2. Attainment in Y1 phonics is at the national average;
3. Attainment at the end of KS1 is at the national average;
4. More able pupils are attaining in line with their peers nationally with Greater Depth (GD) at national levels;
5. Attainment at KS2 is broadly in line with national combined score;
6. More-able pupils are attaining in line with their peers nationally with GD at national levels;
7. Trend of improvement in attainment over the last 3 years;
8. Attainment targets have been met.

**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 floor standards;
5. Groups of pupils are making at least expected progress;
6. Targets met for % of pupils at ARE (age related expectations).

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**  
**Achievement and performance**  
*Charitable activities*

**Standards Achieved in Key Stages 1 and 2**

Below are the 2018 results for Key Stage 1 and Key Stage 2 for academies that joined the Trust before 31st August 2018 (comparable results for 2017 are in brackets):

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

**ASH GREEN PRIMARY ACADEMY**

**Key Stage 1**

<b>Academy</b>		<b>National</b>	
87% (81%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
82% (78%)	Year 2 ARE and above Writing	70%	Year 2 ARE and above
87% (81%)	Year 2 ARE and above Maths	76%	Year 2 ARE and above

**Key Stage 2**

<b>Academy</b>		<b>National</b>	
98% (78%)	Year 6 ARE and above Reading	75%	Year 6 ARE and above
93% (87%)	Year 6 ARE and above Writing	78%	Year 6 ARE and above
90% (87%)	Year 6 ARE and above Maths	76%	Year 6 ARE and above
95% (83%)	Year 6 ARE and above SPAG	78%	Year 6 ARE and above

**Combined Reading Writing and Maths**

<b>Academy</b>		<b>National</b>	
90% (76%)	Year 6 ARE and above	64%	Year 6 ARE and above

**ELLISON PRIMARY ACADEMY**

**Key Stage 1**

<b>Academy</b>		<b>National</b>	
87% (91%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
85% (89%)	Year 2 ARE and above Writing	70%	Year 2 ARE and above
85% (93%)	Year 2 ARE and above Maths	76%	Year 2 ARE and above

**Key Stage 2**

<b>Academy</b>		<b>National</b>	
88% (97%)	Year 6 ARE and above Reading	75%	Year 6 ARE and above
88% (77%)	Year 6 ARE and above Writing	78%	Year 6 ARE and above
90% (86%)	Year 6 ARE and above Maths	76%	Year 6 ARE and above
90% (91%)	Year 6 ARE and above SPAG	78%	Year 6 ARE and above

**Combined Reading Writing and Maths**

<b>Academy</b>		<b>National</b>	
83% (71%)	Year 6 ARE and above	64%	Year 6 ARE and above

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**  
**Achievement and performance**  
*Charitable activities*

**GLADSTONE PRIMARY ACADEMY**

**Key Stage 1**

<b>Academy</b>		<b>National</b>	
60% (67%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
50% (57%)	Year 2 ARE and above Writing	70%	Year 2 ARE and above
62% (70%)	Year 2 ARE and above Maths	76%	Year 2 ARE and above

**Key Stage 2**

<b>Academy</b>		<b>National</b>	
73% (47%)	Year 6 ARE and above Reading	75%	Year 6 ARE and above
75% (67%)	Year 6 ARE and above Writing	78%	Year 6 ARE and above
61% (53%)	Year 6 ARE and above Maths	76%	Year 6 ARE and above
73% (64%)	Year 6 ARE and above SPAG	78%	Year 6 ARE and above

**Combined Reading Writing and Maths**

<b>Academy</b>		<b>National</b>	
55% (42%)	Year 6 ARE and above	64%	Year 6 ARE and above

**GOLDENHILL PRIMARY ACADEMY**

**Key Stage 1**

<b>Academy</b>		<b>National</b>	
65% (81%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
58% (70%)	Year 2 ARE and above Writing	70%	Year 2 ARE and above
61% (78%)	Year 2 ARE and above Maths	76%	Year 2 ARE and above

**Key Stage 2**

<b>Academy</b>		<b>National</b>	
93% (85%)	Year 6 ARE and above Reading	75%	Year 6 ARE and above
83% (73%)	Year 6 ARE and above Writing	78%	Year 6 ARE and above
93% (88%)	Year 6 ARE and above Maths	76%	Year 6 ARE and above
93% (77%)	Year 6 ARE and above SPAG	78%	Year 6 ARE and above

**Combined Reading Writing and Maths**

<b>Academy</b>		<b>National</b>	
83% (65%)	Year 6 ARE and above	64%	Year 6 ARE and above



**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**  
**Achievement and performance**  
*Charitable activities*

**SUMMERBANK PRIMARY ACADEMY**

**Key Stage 1**

<b>Academy</b>		<b>National</b>	
65% (54%)	Year 2 ARE and above Reading	75%	Year 2 ARE and above
60% (54%)	Year 2 ARE and above Writing	70%	Year 2 ARE and above
65% (65%)	Year 2 ARE and above Maths	76%	Year 2 ARE and above

**Key Stage 2**

<b>Academy</b>		<b>National</b>	
75% (64%)	Year 6 ARE and above Reading	75%	Year 6 ARE and above
73% (76%)	Year 6 ARE and above Writing	78%	Year 6 ARE and above
76% (67%)	Year 6 ARE and above Maths	76%	Year 6 ARE and above
71% (79%)	Year 6 ARE and above SPAG	78%	Year 6 ARE and above

**Combined Reading Writing and Maths**

<b>Academy</b>		<b>National</b>	
68% (58%)	Year 6 ARE and above	64%	Year 6 ARE and above

*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), 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.

## **The Societas Trust**

### **Report of the Trustees for the Year Ended 31st August 2018**

#### **Strategic report**

##### **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 2018, 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 2018, total incoming resources amounted to £28,587,533. This overall total consisted of two main components - Firstly, the balances on conversion in respect of the three new converters totalled £19,742,382. This represented the value of the fixed assets on conversion along with any budget surplus/deficit, offset against the deficit on the Local Government Pension Scheme (LGPS). Note 23 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 of 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 £9,497,111 which included a £471,000 cost attributed to the LGPS (included in governance costs within note 8) along with depreciation on tangible fixed assets of £257,339. There was an actuarial gain on the LGPS of £819,000.

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 a closing carry forward surplus of £141,658 at 31st August 2018. This does not include the £413,773 deficit on conversion of Ash Green Primary Academy.

A full breakdown of the balances can be seen at note 20 on page 44 along with explanation of the deficit recovery plan.

##### *Investment policy and objectives*

Investments must be made only in accordance with written procedures approved by the Trust 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.

##### *Going concern*

After making appropriate enquiries, the Trust 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.



## **The Societas Trust**

### **Report of the Trustees for the Year Ended 31st August 2018**

#### **Strategic report**

##### **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 and there are regular reviews, through an annual internal audit process (Including Peer Review), to ensure financial policy and procedures are correctly adhered to. The CEO and CFO 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 developed and 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. Standardisation and sharing of best practice is also supported by the peer review process.

#### **Fundraising**

All fundraising taking place across the Trust conforms to all recognised standards as defined under the provisions of the Charities (Protection and Social Investment) Act 2016.



**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**Future plans**

The Societas Trust's Strategic Development Plan (SDP) is the responsibility of the CEO to develop, working closely with members of the Executive Board. The plan identifies the strategic developments that the Societas Trust will make during the next three years (2018 to 2021). It is a strategic statement of intent that guides our work and allows stakeholders to monitor progress towards reaching our objectives.

The plan has been written following consideration of:

- Current OFSTED framework for inspections for Schools and outcomes from internal and external monitoring and key data;
- Local and national developments that we know will have an impact on our academies over the coming years.

The plan reflects the Trust's vision, ethos and values and has been created by the Executive Board and approved by the Trust Board. It represents the core of our drive to ensure high standards and should be viewed on the context of the overall strategy for development.

The Societas Trust Strategic Development Plan also informs individual Academy plans and each school will have an operational plan that demonstrates how it will implement the strategic statement and also additional elements and actions to address local need.

The CEO, working alongside the Education Director and Academy Head Teachers, will monitor and evaluate impact through the Academy Performance Review (APR) process and report periodically to the Trust Board.

To achieve continuous school improvement, the Trust has a commitment to training and professional development which supports staff at all levels. All Societas Trust academies have a commitment to participate in a school led improvement model and work collaboratively with schools and academies with and beyond the MAT to share best practice and accomplish improvements through partnership working. The SDP will operate within the boundaries of sound financial management.

The main focus of development over the next three years is to raise standards for all pupils across the trust so that all schools / academies are judged at least 'good' with outstanding features for Quality of Provision and Welfare through the APR process by summer 2021. This is to be achieved by:

- o Using the philosophy for children project for all pupils including, amongst other vulnerable groups, the disadvantaged and those with high prior attainment at risk of underachieving, by developing their language skills, their ability to probe and analyse facts, ask questions and articulate reasons, so that by summer 2019 all schools achieve Bronze standard; summer 2020 most schools in the trust achieve Silver; by summer 2021 some achieve Gold.
- o All schools to participate fully in the Sandwell project that aims to support and improve the mental health and wellbeing of all stakeholders by developing teaching and learning practices that promote resilience, support social and emotional learning, and cultivate a love of learning among the whole school community; all schools to achieve the charter mark within three years.
- o Extend the capacity (skills and ability) of leaders so that by summer 2021 they all have the drive and ambition necessary to fulfil their role, can monitor, evaluate, diagnose and improve the areas for which they are responsible, can lead by example, and can manage and deploy resources effectively. This is to be achieved, among several other initiative, through participating in peer-to-peer, coaching and mentoring, and collaborative governance training.
- o Ensure that each academy has a rich, inspiring and highly stimulating curriculum, including extracurricular provision that fully meets the needs of all pupils and leaves them with highly memorable and influential experiences, and overcomes some of the barriers to cementing a broader community and a corporate understanding of great learning. This is to be achieved, in part, through the Shakespeare, Music, PE and Ceramic Projects and the work of the Really Useful Generation of Students (RUGS).

Also:

- o To grow the trust through a process of 'growth through collaboration' with other 'like-minded' schools and trusts, to serve a pupil population (excluding nursery children) of no less than 3,000 pupils by the summer of 2021.



**Report of the Trustees  
for the Year Ended 31st August 2018**

**Strategic report**

**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 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 trustees to the Directors' Board (Trust Board). When a vacancy for a non-executive trustee occurs, nominations are sought from stakeholders and recruitment is dependent on an individual's complimentary skillset. Each academy is represented on the Trust Board by either their Head teacher or Chair of the Local Governing Board. However, a reconstitution took place on 1st September 2018, with Head Teachers being removed and replaced with a member of each academy's local governing board (usually the Chair); the Head Teachers were also appointed as associate members. The Trust Board is also responsible for the appointment of the Trust Appointed Governors on each Academy's Local Governing Board (LGB). Candidates are nominated in line with the Academy's published Instrument of Government. Parent and Staff governors are either elected or appointed in line with the articles of association and scheme of delegation.

**Organisational structure**

The organisational structure of the Trust consists of a Trust Board comprising either the Head Teacher or Chair of the Local Governing Board from each of the Trust's academies; 4 non-executive trustees; and the CEO. However, a reconstitution took place on 1st September 2018, with Head Teachers being removed and replaced with a member of each academy's local governing board (usually the Chair); the Head Teachers were also appointed as associate members. The Chair of the Trust Board is also a member of the charitable company. The CEO sits on the Trust Board in a non-voting capacity. The Trust Board has two main committees, Education and Resources, and a number of steering groups linked to the Trust's Strategic Development Plan. A non-executive trustee chairs each of the main committees. The Trust Board and / or its committees meet at least once a term. Decisions delegated to the Trust Board, its committees, and the Academies 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, 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 Trust Board and its committees. There is also a Chief Finance Officer for the Trust as a whole and a Business Manager in each academy.

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

The Head Teachers on the Executive Board are also responsible for the day to day leadership and management of the academies, which includes acting on strategic decisions made by the Trust Board and its committees.

**Report of the Trustees  
for the Year Ended 31st August 2018**

**Structure, governance and management**

**Induction and training of new trustees**

All trustees and local 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 local governor. All Trust level policies and procedures are reviewed on an annual cycle by the Trust Board in-line with the Trust's Policy Register and can be found on the Trust's website. New trustees and local governors are also invited to attend a bespoke 'effective governance' training course hosted annually by a local provider.

**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-demographic.

**Funds held as custodian for others**

There are no funds held as Custodian Trustee on behalf of others

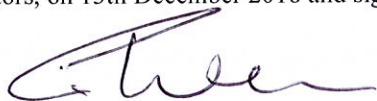
**Statement as to disclosure of information to auditors**

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

**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 13th December 2018 and signed on the board's behalf by:



G Weir - Trustee



**Governance Statement  
for the Year Ended 31st August 2018**

**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 Trust 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 Trust 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 Trust 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 Trust Board the proportion of the overall Academy budget to be delegated to individual Academies;
- To recommend the Pay Policy to the Trust 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 Trust 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 Trust 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 Trust Board.

## The Societas Trust

### Governance Statement for the Year Ended 31st August 2018

#### Attendance

The Trust Board has formally met 2 times from the 1st September 2017 to 31st August 2018, and attendance was as follows:

	Meetings Attended	Out of a Possible
Mrs C Bartley	2	2
Mrs C Dudson	1	2
Mr G Easdown (Chair)	1	2
Mrs R Foster	1	2
Mrs J Fury	1	2
Mrs N Gibson	2	2
Mr W Griffin	1	2
Mrs G Jenkins	2	2
Mr J Lovatt	2	2
Mr S Martin	2	2
Mr G Weir	2	2

The Trust Board's Resources Committee has formally met 2 times from the 1st September 2017 to 31st August 2018, and attendance was as follows:

	Meetings Attended	Out of a Possible
Mrs C Bartley	2	2
Mrs C Dudson	2	2
Mrs N Gibson	2	2
Mr J Lovatt	2	2
Mr S Martin	1	2
Mr G Weir (Chair)	2	2

The Trust Board's Education Committee has formally met 3 times from the 1st September 2017 to 31st August 2018, and attendance was as follows:

	Meetings Attended	Out of a Possible
Mrs R Foster	1	2
Mrs J Fury	0	2
Mrs N Gibson	2	2
Mr W Griffin (Chair)	0	2
Mrs G Jenkins	2	2
Mr J Lovatt	2	2

#### 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 wider 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 Trust Board and its 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, CFO 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 sustainable over the medium term;
- Maximising 'zero cost (£)' opportunities for professional development by sharing good practice across the Trust
- Working closely with the CFO and Academy Business Managers to secure Trust wide procurement ensuring economies of scale are fully exploited.



**Governance Statement  
for the Year Ended 31st August 2018**

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

The Trust's system of internal control (Internal Audit Process) 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 31 August 2018 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Trust Board, its 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 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Trust Board and its 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 Trust Board;
- Regular reviews by the Trust Board, its Resources Committee and Academy Local Governing Boards of financial 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;
- A comprehensive internal audit processes (including peer reviews) with regular monitoring of resultant action plans at all levels of governance within the organisation;
- Identification of risks and risk management via a risk register for each academy and the Trust as a whole.

The trustees have introduced a programme of Internal Audit (including Peer to Peer review), for the purpose of evaluating and managing the control framework, which is contained as an appendix in the Trust's Finance Policy and Procedures Manual. The CEO and CFO have an operational oversight of this process. Termly reports along with recommendations and action plans are considered periodically by the Trust Board's Resources Committee and each Academy's Local Governing Board.

**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 and internal auditors;
- The financial compliance self-assessment and internal audit 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 Societas Trust**

**Governance Statement  
for the Year Ended 31st August 2018**

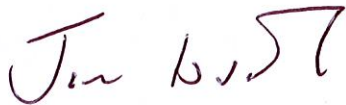
**Review of Effectiveness**

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 13th December 2018 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'G Weir', written in a cursive style.

G Weir - Trustee

A handwritten signature in red ink, appearing to be 'J Lovatt', written in a cursive style.

J Lovatt - Accounting Officer



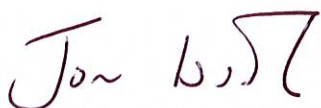
## The Societas Trust

### Statement on Regularity, Propriety and Compliance for the Year Ended 31st August 2018

As accounting officer of The Societas Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

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

J Lovatt - Accounting Officer

13th December 2018

## The Societas Trust

### Statement of Trustees Responsibilities for the Year Ended 31st August 2018

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 Academies 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 2017 to 2018;
- make judgements and estimates that are reasonable and prudent;
- 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 13th December 2018 and signed on it's behalf by:



G Weir - 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 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust's affairs as at 31st August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 2017 to 2018.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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



## **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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

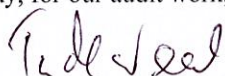
### **Our responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

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



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

13th December 2018



## **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 2017 to 2018, 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 2017 to 31st August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The 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 1st September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1st September 2017 to 31st August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

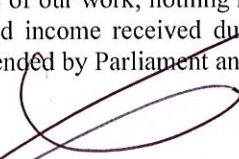
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust'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 2017 to 31st August 2018 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

13th December 2018

The Societas Trust

Statement of Financial Activities  
for the Year Ended 31st August 2018

					31/8/18	31/8/17
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £	Total funds £
<b>Income and endowments from</b>						
Donations and capital grants	2	-	54,606	31,459	86,065	26,386
Transfer from Local Authority on conversion	23	146,384	22,619,532	(3,023,534)	19,742,382	6,774,541
<b>Charitable activities</b>						
Funding for the academy's educational operations	3	-	-	8,226,635	8,226,635	1,630,717
Other trading activities	4	-	-	532,008	532,008	158,374
Investment income	5	443	-	-	443	118
<b>Total</b>		146,827	22,674,138	5,766,568	28,587,533	8,590,136
<b>Expenditure on</b>						
Raising funds	7	-	-	-	-	992
<b>Charitable activities</b>						
Academy's educational operations		-	257,339	9,239,772	9,497,111	2,050,825
<b>Total</b>	6	-	257,339	9,239,772	9,497,111	2,051,817
<b>Net income/(expenditure)</b>		146,827	22,416,799	(3,473,204)	19,090,422	6,538,319
<b>Transfers between funds</b>	20	(25,192)	76,349	(51,157)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/losses on defined benefit schemes		-	-	819,000	819,000	12,000
<b>Net movement in funds</b>		121,635	22,493,148	(2,705,361)	19,909,422	6,550,319
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		20,023	7,911,136	(1,261,412)	6,669,747	119,428
<b>Total funds carried forward</b>		141,658	30,404,284	(3,966,773)	26,579,169	6,669,747

All of the academy trust's activities derive from continuing operations and acquisitions in the current year.

The notes form part of these financial statements



**Balance Sheet**  
**At 31st August 2018**

				31/8/18	31/8/17	
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £	Total funds £
<b>Fixed assets</b>						
Tangible assets	14	-	30,404,284	-	30,404,284	7,911,135
<b>Current assets</b>						
Debtors	15	-	-	352,981	352,981	118,405
Cash at bank		141,658	-	464,847	606,505	181,306
		<u>141,658</u>	<u>-</u>	<u>817,828</u>	<u>959,486</u>	<u>299,711</u>
<b>Creditors</b>						
Amounts falling due within one year	16	-	-	(872,998)	(872,998)	(247,099)
		<u>141,658</u>	<u>-</u>	<u>(55,170)</u>	<u>86,488</u>	<u>52,612</u>
<b>Net current assets/(liabilities)</b>						
		<u>141,658</u>	<u>-</u>	<u>(55,170)</u>	<u>86,488</u>	<u>52,612</u>
<b>Total assets less current liabilities</b>						
		141,658	30,404,284	(55,170)	30,490,772	7,963,747
<b>Creditors</b>						
Amounts falling due after more than one year	17	-	-	(358,603)	(358,603)	-
Pension liability	21	-	-	(3,553,000)	(3,553,000)	(1,294,000)
		<u>141,658</u>	<u>30,404,284</u>	<u>(3,966,773)</u>	<u>26,579,169</u>	<u>6,669,747</u>
<b>Net assets</b>						
		<u>141,658</u>	<u>30,404,284</u>	<u>(3,966,773)</u>	<u>26,579,169</u>	<u>6,669,747</u>
<b>Funds</b>						
Unrestricted funds	20				141,658	20,023
Restricted funds					26,437,511	6,649,724
					<u>26,579,169</u>	<u>6,669,747</u>
<b>Total funds</b>						
					26,579,169	6,669,747

The financial statements were approved by the Board of Trustees on 13th December 2018 and were signed on its behalf by:



G Weir -Trustee

The notes form part of these financial statements

**The Societas Trust**

**Cash Flow Statement  
for the Year Ended 31st August 2018**

	Notes	31/8/18 £	31/8/17 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	24	501,106	83,000
<b>Net cash provided by (used in) operating activities</b>		<u>501,106</u>	<u>83,000</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(130,956)	(23,811)
Capital grants from DfE/ESFA		54,606	18,284
Interest received		443	118
<b>Net cash provided by (used in) investing activities</b>		<u>(75,907)</u>	<u>(5,409)</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>425,199</u>	<u>77,591</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>181,306</u>	<u>103,715</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>606,505</u></u>	<u><u>181,306</u></u>

The notes form part of these financial statements



**Notes to the Financial Statements  
for the Year Ended 31st August 2018**

**1. Accounting policies**

**Basis of preparing the financial statements**

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2017 to 2018 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 academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Grants**

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

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

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

**Sponsorship income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where 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 academy trust has provided the goods or services.

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**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 academy trust's accounting policies.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust 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 academy trust 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 academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

**Governance costs**

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



**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**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
Improvements to property	- 2% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% 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 2018**

**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 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**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 21, 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.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

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

	31/8/18	31/8/17
	£	£
Donations	31,459	8,102
Grants	54,606	18,284
	<u>86,065</u>	<u>26,386</u>

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

	31/8/18	31/8/17
	£	£
Capital Grants from ESFA/LA	<u>54,606</u>	<u>18,284</u>

3. Funding for the academy's educational operations

	Unrestricted funds	Restricted funds	31/8/18 Total funds	31/8/17 Total funds
	£	£	£	£
<b>DfE/ESFA revenue grant</b>				
General Annual Grant(GAG)	-	6,471,266	6,471,266	1,402,994
Other DfE/ESFA Grants	-	933,593	933,593	123,549
	<u>-</u>	<u>7,404,859</u>	<u>7,404,859</u>	<u>1,526,543</u>
<b>Other government grant</b>				
Local Government Grants	-	821,776	821,776	104,174
	<u>-</u>	<u>8,226,635</u>	<u>8,226,635</u>	<u>1,630,717</u>

4. Other trading activities

	31/8/18	31/8/17
	£	£
Recharges -staff and services	-	53,045
Hire of facilities	19,798	8,342
Catering income	206,616	51,025
Educational visits	56,318	6,329
Staff insurance credits	46,422	21,289
Other income	202,854	18,344
	<u>532,008</u>	<u>158,374</u>

Other income includes parental contributions for Nursery and Before and After School Clubs etc.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

5. Investment income

	31/8/18	31/8/17
	£	£
Deposit account interest	443	118
	<u>          </u>	<u>          </u>

6. Expenditure

				31/8/18	31/8/17
	Staff costs	Non-pay expenditure			
	£	Premises	Other costs	Total	Total
	£	£	£	£	£
<b>Raising funds</b>					
<b>Costs of fundraising</b>					
Direct costs	-	-	-	-	992
<b>Charitable activities</b>					
<b>Academies educational operations</b>					
Direct costs	5,685,558	-	494,121	6,179,679	1,288,612
Allocated support costs	1,148,710	1,459,825	708,897	3,317,432	762,213
	<u>6,834,268</u>	<u>1,459,825</u>	<u>1,203,018</u>	<u>9,497,111</u>	<u>2,051,817</u>

Net resources are stated after charging/(crediting)

	31/08/18	31/08/17
	£	£
Auditor's remuneration (as auditor)	10,000	6,500
Auditor's remuneration (other)	13,000	7,000
Depreciation - leased assets	149,976	-
Depreciation - owned assets	107,363	21,593
	<u>          </u>	<u>          </u>

7. Raising funds

Costs of fundraising

	31/8/18	31/8/17
	£	£
Fundraising costs	-	992
	<u>          </u>	<u>          </u>



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

8. Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	31/8/18 Total funds £	31/8/17 Total funds £
Direct costs	-	6,179,679	6,179,679	1,288,612
Support costs	-	3,317,432	3,317,432	762,213
	<u>-</u>	<u>9,497,111</u>	<u>9,497,111</u>	<u>2,050,825</u>

	31/8/18 Total £	31/8/17 Total £
<b>Analysis of support costs</b>		
Support staff costs	1,148,710	276,263
Depreciation	257,339	21,593
Technology costs	70,078	28,896
Premises costs	765,419	124,805
Other support costs	381,480	141,169
Governance costs	694,406	169,487
<b>Total support costs</b>	<u>3,317,432</u>	<u>762,213</u>

Included in governance costs is the £471,000 (2017: £83,000) charge in respect of the LGPS and legal/professional fees in connection with the three new conversions in the year.

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

9. Trustees' remuneration and benefits

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:

	2018 £	2017 £
J Lovatt		(From 1st October 2016)
Remuneration	65,000-70,000	50,000-55,000
Pension contributions paid	10,000-15,000	Nil
S Martin		(From 1st June 2017)
Remuneration	60,000-65,000	15,000-20,000
Pension contributions paid	10,000-15,000	0-5,000
R Foster	(From 1st December 2017)	
Remuneration	45,000-50,000	na
Pension contributions paid	5,000-10,000	na
N Gibson		
Remuneration	65,000-70,000	na
Pension contributions paid	10,000-15,000	na

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31st August 2018 nor for the year ended 31st August 2017.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

10. Staff costs

	31/8/18	31/8/17
	£	£
Wages and salaries	5,327,127	1,062,857
Social security costs	448,185	87,838
Operating costs of defined benefit pension schemes	982,406	181,340
	<u>6,757,718</u>	<u>1,332,035</u>
Supply teacher costs	76,550	44,965
	<u>6,834,268</u>	<u>1,377,000</u>

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

	31/8/18	31/8/17
Teachers	100	30
Admin & Support	210	70
Management	13	3
	<u>323</u>	<u>103</u>

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

	31/8/18	31/8/17
£60,001 - £70,000	3	-
£70,001 - £80,000	1	-
	<u>4</u>	<u>-</u>

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 £471,850 (2017: £137,464).

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.

12. Comparatives for the statement of financial activities

	Unrestricted fund	Restricted fixed asset fund	Restricted fund	Total funds
	£	£	£	£
<b>Income and endowments from</b>				
Donations and capital grants	-	18,284	8,102	26,386
Transfer from Local Authority on conversion	88,624	7,908,917	(1,223,000)	6,774,541
<b>Charitable activities</b>				
Funding for the academy's educational operations	-	-	1,630,717	1,630,717
Other trading activities	-	-	158,374	158,374

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

12. Comparatives for the statement of financial activities - continued

	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
Investment income	118	-	-	118
<b>Total</b>	<b>88,742</b>	<b>7,927,201</b>	<b>574,193</b>	<b>8,590,136</b>
<b>Expenditure on</b>				
Raising funds	-	-	992	992
<b>Charitable activities</b>				
Academy's educational operations	-	21,593	2,029,232	2,050,825
<b>Total</b>	<b>-</b>	<b>21,593</b>	<b>2,030,224</b>	<b>2,051,817</b>
<b>Net income/(expenditure)</b>	<b>88,742</b>	<b>7,905,608</b>	<b>(1,456,031)</b>	<b>6,538,319</b>
<b>Transfers between funds</b>	<b>(68,742)</b>	<b>5,528</b>	<b>63,214</b>	<b>-</b>
<b>Other recognised gains/(losses)</b>				
Actuarial gains/losses on defined benefit schemes	-	-	12,000	12,000
<b>Net movement in funds</b>	<b>20,000</b>	<b>7,911,136</b>	<b>(1,380,817)</b>	<b>6,550,319</b>
<b>Reconciliation of funds</b>				
<b>Total funds brought forward</b>	<b>23</b>	<b>-</b>	<b>119,405</b>	<b>119,428</b>
<b>Total funds carried forward</b>	<b>20,023</b>	<b>7,911,136</b>	<b>(1,261,412)</b>	<b>6,669,747</b>



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

13. Central services

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

- financial services
- legal services
- insurance services
- payroll services
- audit services
- information technology services
- educational support
- professional development
- governance cost of the trust

The Trust charges for these services based on a top-slice of GAG of 3% or full recharge where costs relate to a specific Academy.

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Ash Green Primary Academy	39,435	-
Ellison Primary Academy	35,684	15,500
Goldenhill Primary Academy	22,425	10,004
Gladstone Primary Academy	44,628	-
Summerbank Primary Academy	45,037	-
Total	187,209	25,504

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

14. Tangible fixed assets

	Leasehold land & buildings £	Improvements to property £	Fixtures and fittings £
<b>Cost</b>			
At 1st September 2017	7,755,000	-	113,765
Additions	-	53,111	25,209
Transfer on conversion	22,305,000	-	210,910
	<hr/>	<hr/>	<hr/>
At 31st August 2018	30,060,000	53,111	349,884
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1st September 2017	-	-	9,370
Charge for year	149,777	199	46,986
	<hr/>	<hr/>	<hr/>
At 31st August 2018	149,777	199	56,356
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31st August 2018	29,910,223	52,912	293,528
	<hr/>	<hr/>	<hr/>
At 31st August 2017	7,755,000	-	104,395
	<hr/>	<hr/>	<hr/>
	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost</b>			
At 1st September 2017	-	63,963	7,932,728
Additions	-	52,636	130,956
Transfer on conversion	11,226	92,396	22,619,532
	<hr/>	<hr/>	<hr/>
At 31st August 2018	11,226	208,995	30,683,216
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1st September 2017	-	12,223	21,593
Charge for year	2,581	57,796	257,339
	<hr/>	<hr/>	<hr/>
At 31st August 2018	2,581	70,019	278,932
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31st August 2018	8,645	138,976	30,404,284
	<hr/>	<hr/>	<hr/>
At 31st August 2017	-	51,740	7,911,135
	<hr/>	<hr/>	<hr/>

See accounting policies and note 23 for details of land and building valuations on conversion.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

15. Debtors: amounts falling due within one year

	31/8/18	31/8/17
	£	£
Trade debtors	1,890	17,917
VAT	70,941	36,909
Prepayments and accrued income	280,150	63,579
	<u>352,981</u>	<u>118,405</u>

16. Creditors: amounts falling due within one year

	31/8/18	31/8/17
	£	£
Trade creditors	312,617	132,146
Social security and other taxes	102,409	33,468
Other creditors	135,094	1,143
ESFA Creditor : Abatement of GAG	55,170	-
Accruals and deferred income	267,708	80,342
	<u>872,998</u>	<u>247,099</u>

Deferred Income

	£
Deferred income as at 1st September 2017	54,555
Resources deferred in the year	197,598
Amounts released from previous years	<u>(54,555)</u>
Deferred income as at 31st August 2018	<u>197,598</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 2018 along with rates relief for 2018/19. Additionally, high needs funding from the LA and income for school trips taking place in the Autumn was held.

17. Creditors: amounts falling due after more than one year

	31/8/18	31/8/17
	£	£
ESFA Creditor : Abatement of GAG	<u>358,603</u>	<u>-</u>

See note 20 for additional explanation re the Abatement of GAG

18. Leasing agreements

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

	31/8/18	31/8/17
	£	£
Within one year	26,997	2,805
Between one and five years	44,173	3,409
	<u>71,170</u>	<u>6,214</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

19. 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.

20. Movement in funds

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
<b>Unrestricted funds</b>				
Unrestricted fund	20,023	146,827	(25,192)	141,658
<b>Restricted funds</b>				
General Annual Grant (GAG)	10,270	40,887	(51,157)	-
Deficit on conversion (Ash Green)	-	(413,773)	-	(413,773)
Other DfE/ESFA grants	22,318	(22,318)	-	-
Pension deficit	(1,294,000)	(2,259,000)	-	(3,553,000)
Restricted fixed asset fund	7,911,136	22,416,799	76,349	30,404,284
	6,649,724	19,762,595	25,192	26,437,511
<b>TOTAL FUNDS</b>	6,669,747	19,909,422	-	26,579,169

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund	146,827	-	-	146,827
<b>Restricted funds</b>				
General Annual Grant (GAG)	6,471,269	(6,430,382)	-	40,887
Deficit on conversion (Ash Green)	(413,773)	-	-	(413,773)
Other DfE/ESFA grants	933,594	(955,912)	-	(22,318)
Local authority grants	821,775	(821,775)	-	-
Other	560,703	(560,703)	-	-
Pension deficit	(2,607,000)	(471,000)	819,000	(2,259,000)
Restricted fixed asset fund	22,674,138	(257,339)	-	22,416,799
	28,440,706	(9,497,111)	819,000	19,762,595
<b>TOTAL FUNDS</b>	28,587,533	(9,497,111)	819,000	19,909,422



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

## 20. Movement in funds - continued

## Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
<b>Unrestricted Funds</b>				
Unrestricted fund	23	88,742	(68,742)	20,023
<b>Restricted Funds</b>				
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
	<u>119,405</u>	<u>6,461,577</u>	<u>68,742</u>	<u>6,649,724</u>
<b>TOTAL FUNDS</b>	<u>119,428</u>	<u>6,550,319</u>	<u>-</u>	<u>6,669,747</u>

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

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund	88,742	-	-	88,742
<b>Restricted funds</b>				
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
	<u>8,501,394</u>	<u>(2,051,817)</u>	<u>12,000</u>	<u>6,461,577</u>
<b>TOTAL FUNDS</b>	<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 2018

20. Movement in funds - continued

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
<b>Unrestricted funds</b>				
Unrestricted fund	23	235,569	(93,934)	141,658
<b>Restricted funds</b>				
General Annual Grant (GAG)	-	(12,057)	12,057	-
Deficit on conversion (Ash Green)	-	(413,773)	-	(413,773)
Other DfE/ESFA grants	118,031	(118,031)	-	-
Other	1,374	(1,374)	-	-
Pension deficit	-	(3,553,000)	-	(3,553,000)
Restricted fixed asset fund	-	30,322,407	81,877	30,404,284
	<u>119,405</u>	<u>26,224,172</u>	<u>93,934</u>	<u>26,437,511</u>
<b>TOTAL FUNDS</b>	<u>119,428</u>	<u>26,459,741</u>	<u>-</u>	<u>26,579,169</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
Unrestricted fund	235,569	-	-	235,569
<b>Restricted funds</b>				
General Annual Grant (GAG)	7,874,262	(7,886,319)	-	(12,057)
Deficit on conversion (Ash Green)	(413,773)	-	-	(413,773)
Other DfE/ESFA grants	1,057,143	(1,175,174)	-	(118,031)
Local authority grants	925,949	(925,949)	-	-
Other	727,180	(728,554)	-	(1,374)
Pension deficit	(3,830,000)	(554,000)	831,000	(3,553,000)
Restricted fixed asset fund	30,601,339	(278,932)	-	30,322,407
	<u>36,942,100</u>	<u>(11,548,928)</u>	<u>831,000</u>	<u>26,224,172</u>
<b>TOTAL FUNDS</b>	<u>37,177,669</u>	<u>(11,548,928)</u>	<u>831,000</u>	<u>26,459,741</u>



**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**20. 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 2018.

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 2018

20. Movement in funds - continued

Analysis of academies by fund balance

Fund balances at 31st August 2018 were allocated as follows:

	31/08/18 £	31/08/17 £
Ash Green Primary Academy	20,650	-
Ellison Primary Academy	7,442	50,002
Gladstone Primary Academy*	(23,460)	
Goldenhill Primary Academy*	(15,626)	2,609
Summerbank Primary Academy	152,652	
Central	-	-
	<u>141,658</u>	<u>52,611</u>
Ash Green Primary Academy deficit on conversion**	(413,773)	-
Total before fixed assets and pension reserve	<u>(272,115)</u>	<u>52,611</u>
Restricted fixed assets funds	30,404,284	7,911,136
Pension reserve	(3,553,000)	(1,294,000)
<b>Total</b>	<u><u>26,579,169</u></u>	<u><u>6,669,747</u></u>

\*\* Note that the Trust agreed to take on the historic deficit associated with Ash Green Primary School. A loan has been agreed with the ESFA for the value of the deficit on conversion and will be repaid to the ESFA over a five year period by way of an abatement of GAG. The repayment plan is currently under discussion with the ESFA and is due to start imminently. A detailed recovery plan has been submitted to the ESFA to demonstrate the Trust's ability to repay the loan/deficit.

\* The above deficit positions are associated with costs related to conversion and will be recovered by the end of this academic year.

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding) depreciation £	Total £
Ash Green Primary Academy	880,320	186,521	34,324	316,014	1,417,179
Ellison Primary Academy	1,000,454	278,466	65,545	288,037	1,632,502
Gladstone Primary Academy	1,654,850	194,824	38,751	328,662	2,217,087
Goldenhill Primary Academy	721,427	192,654	19,540	244,274	1,177,895
Summerbank Primary Academy	1,428,505	199,333	30,647	454,419	2,112,906
Central Services	-	96,912	662	113,629	211,203
FRS102 Charge	-	-	-	471,000	471,000
	<u>5,685,558</u>	<u>1,148,710</u>	<u>189,469</u>	<u>2,216,035</u>	<u>9,239,772</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018**

**21. 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 2016.

The balance due at 31st August 2018, to be paid over in respect of the August 2018 payroll was £122,530. This was paid in September 2018. (Balance due at 31st August 2017 : £Nil).

**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 £473,000 (2017: £103,000).

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 2018

21. 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 2018 was £640,000 (2017: £99,000), of which employer's contributions totalled £509,000 (2017: £78,000) and employees' contributions totalled £131,000 (2017: £21,000). The agreed contribution rates for future years are 21.2% for employers and the contribution for employees is dependant upon salary banding.

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:

	<b>Defined benefit pension plans</b>	
	<b>31/8/18</b>	<b>31/8/17</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	(7,207,000)	(2,058,000)
Fair value of plan assets	3,654,000	764,000
	<u>(3,553,000)</u>	<u>(1,294,000)</u>
Deficit	<u>(3,553,000)</u>	<u>(1,294,000)</u>
Liability	<u><u>(3,553,000)</u></u>	<u><u>(1,294,000)</u></u>

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

	<b>Defined benefit pension plans</b>	
	<b>31/8/18</b>	<b>31/8/17</b>
	<b>£</b>	<b>£</b>
Current service cost	881,000	142,000
Net interest from net defined benefit asset/liability	175,000	28,000
	<u>1,056,000</u>	<u>170,000</u>
Actual return on plan assets	<u><u>135,000</u></u>	<u><u>37,000</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

21. Pension and similar obligations  
- continued

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

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Defined benefit obligation	2,058,000	-
Current service cost	881,000	142,000
Contributions by scheme participants	131,000	21,000
Interest cost	175,000	28,000
Benefits paid	(7,000)	(9,000)
Business combinations	4,653,000	1,851,000
Actuarial (gains)/losses from changes in financial assumptions	(684,000)	25,000
	<u>7,207,000</u>	<u>2,058,000</u>

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

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Fair value of scheme assets	764,000	-
Contributions by employer	509,000	78,000
Contributions by scheme participants	131,000	21,000
Interest income on plan assets	76,000	9,000
Benefits paid	(7,000)	(9,000)
Business combinations	2,046,000	628,000
Return on plan assets (excluding interest income)	135,000	37,000
	<u>3,654,000</u>	<u>764,000</u>

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

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Actuarial (gains)/losses from changes in financial assumptions	684,000	(25,000)
Return on plan assets (excluding interest income)	135,000	37,000
	<u>819,000</u>	<u>12,000</u>

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

	Defined benefit pension plans	
	31/8/18	31/8/17
	£	£
Equities	2,558,000	580,640
Bonds	694,000	91,680
Property	292,000	61,120
Cash	110,000	30,560
	<u>3,654,000</u>	<u>764,000</u>

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

21. Pension and similar obligations  
- continued

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

	31/8/18	31/8/17
Discount rate	2.8%	2.5%
Future salary increases	2.7%	2.8%
Future pension increases	2.3%	2.4%
Inflation assumption CPI	2.5%	2.5%
Commutation of pensions to lump sums	50%	50%

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

	At 31/8/18	At 31/8/17
Retiring today		
Males	22.1	22.1
Females	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

Sensitivity Analysis

	Approx monetary amount	
Change in assumption as at :	31/08/18	31/08/17
0.5% decrease in Real Discount Rate	£994,000	285,000
0.5% increase in Salary Increase Rate	£188,000	69,000
0.5% increase in Pension Increase Rate	£792,000	209,000

22. 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 during the year:

Sutherland Primary Academy is a trust in which Mrs K Niblett (a trustee of The Societas Trust 1st September 2017 to 29th September 2017) is also a member and trustee.

The two trusts worked closely together after the incorporation of The Societas Trust, with the intention of Sutherland Primary Academy officially joining the trust. However, a decision was taken in September 2017 that this would not happen. Therefore, final recharges, in connection with services provided, were agreed between the two trusts with £1,025 of the recharge by The Societas Trust to Sutherland Primary Academy, relating to the period that Mrs Niblett was a Trustee (Total recharges in 2017: £19,363). There were no outstanding balances at the year-end (2017: £7,957). Mrs Niblett subsequently resigned as Trustee of The Societas Trust on 29th September 2017.

In entering into the above transactions, the trust has complied with the requirements of the Academies Financial Handbook 2017.



Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

23. Conversion to an academy

During the year, three primary schools converted to academy status as under the Academies Act 2010 and all operations and assets and liabilities were transferred to The Societas Trust for £Nil consideration from Stoke-on-Trent City Council as follows:

Predecessor School	Academy Name	Date of Conversion
Gladstone Primary School	Gladstone Primary Academy	1st September 2017
Summerbank Primary School	Summerbank Primary Academy	1st September 2017
Ash Green Primary School	Ash Green Primary Academy	1st December 2017

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.

Following a review of the 125 year lease of the land and buildings for each of the three academies, 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 was conducted during the period.

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

**Gladstone Primary Academy**

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
- leasehold land and buildings	-	-	7,805,000	7,805,000
- other tangible fixed assets	-	-	137,564	137,564
Budget deficit on LA funds	-	(2,761)	-	(2,761)
LGPS pension deficit	-	(1,128,000)	-	(1,128,000)
Total	-	(1,130,761)	7,942,564	6,811,803

**Summerbank Primary Academy**

Tangible fixed assets				
- leasehold land and buildings	-	-	7,055,000	7,055,000
- other tangible fixed assets	-	-	130,025	130,025
Budget surplus on LA funds	146,384	-	-	146,384
LGPS pension deficit	-	(903,000)	-	(903,000)
Total	146,384	(903,000)	7,185,025	6,428,409

Notes to the Financial Statements - continued  
for the Year Ended 31st August 2018

**Ash Green Primary Academy**

Tangible fixed assets				
- leasehold land and buildings	-	-	7,445,000	7,445,000
- other tangible fixed assets	-	-	46,943	46,943
Budget deficit on LA funds	-	(413,773)	-	(413,773)
LGPS pension deficit	-	(576,000)	-	(576,000)
Total	-	(989,773)	7,491,943	6,502,170
Totals for the Trust	146,384	(3,023,534)	22,619,532	19,742,382

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

	31/8/18 £	31/8/17 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	19,090,422	6,538,319
Adjustments for:		
Depreciation	257,339	21,593
Capital grants from DfE/ESFA	(54,606)	(18,284)
Transfer from Local Authority on conversion	(19,742,382)	(6,774,541)
Interest received	(443)	(118)
Cash transferred on conversion	146,384	88,624
Budget deficit on conversion	(416,534)	-
Increase in debtors	(234,576)	(92,607)
Increase in creditors	984,502	237,014
Difference between pension charge and cash contributions	471,000	83,000
Net cash provided by (used in) operating activities	501,106	83,000