

Education South West
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year Ended 31 August 2017

Company Registration Number 7451553

Education South West

Financial Statements

Year Ended 31 August 2017

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Education South West

Reference and Administrative Details

Year Ended 31 August 2017

Members

D Arnold (resigned 20.6.17)
S Clarke (appointed 1.1.17)
L Chell (appointed 1.1.17)
J Fothergill (resigned 12.12.17)
S Gotch (resigned 1.1.17)
N Grodhunce (appointed 8.6.17)
J Pike (appointed 1.1.17)
S Tucker (resigned 12.12.17)
J Turner (resigned 12.12.17)
L Winston (appointed 1.1.17)

Trustees

P Di Giuseppe (Chairman, appointed 1.1.17)
J Clark (appointed 1.1.17)
L Evans (resigned 31.12.16)
J Fothergill
S Gotch
L Matthews (resigned 31.12.16)
R Pope (CEO and Accounting Officer)
D Potter (appointed 1.1.17)
M Shanks (appointed 1.1.17)
H Smith (appointed 4.10.17)
B Taylor
S Tucker
L Yelland (appointed 1.1.17)

Senior Management Team:

. Trust CEO and Executive Principal
. Director of Education and Executive Principal
. Director of Finance and Operations

R Pope
M Shanks
S White

. Executive Head Rydon and Christow Primary
. Principal Kingsbridge Community College
. Head Stoke Fleming Primary
. Principal Dartmouth Academy
. Principal Coombeshead Academy
. Principal Teign School

N Banwell
K Duncan
P Girardot
T Graham
A Hulbert
M Woodlock

Principal and Registered Office

Balkwill Road
Kingsbridge
Devon
TQ7 1PL

Company Registration Number

7451553(England and Wales)

Independent Auditor

PKF Francis Clark
Sutton Harbour
Plymouth,
Devon, PL4 0RA

Bankers

Lloyds TSB
Kingsbridge
Devon

Solicitors

Browne Jacobson
Manor Court
1 Dix's Field Exeter EX1 1UP

Education South West

Trustees' Report

Year Ended 31 August 2017

The trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The company changed its name from Academies South West to Education South West on 17th December 2016. On the 1 January 2017 the academies of Templer Academy Schools Trust (Coombeshead Academy, Teign School, Rydon Primary School and Christow Primary School) transferred to Education South West

The trust operates ten academies, comprising three secondaries with sixth form (Kingsbridge Community College, Coombeshead Academy and Teign School), an all-through academy comprising primary and secondary (Dartmouth Academy), and 6 primary academies (Blackawton Primary School, Christow Primary School, Rydon Primary School, Stoke Fleming Primary School, East Allington Primary School and Kingswear Primary School) serving a catchment area in the South Devon. It has a pupil capacity of 6,083 and had a roll of 4,915 in the school census in May 2017.

Structure, Governance and Management

Constitution

The Multi-Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust.

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

Members' Liability

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

Trustees' Indemnities

Every trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Principal Activities

The Trust's object is specifically restricted to the advancement of education for the public benefit in the United Kingdom, in particular, but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of Recruitment and Appointment or Election of Trustees

It is accepted that a well-informed, supportive and challenging Trust Board is an essential prerequisite for a successful Multi Academy Trust. There are five Members who represent the geographical spread of the Trust. The Directors are appointed by Members who appoint in accordance with the Terms of Reference and Scheme of Delegation. They must ensure a balance of skills and geographical

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Trustees' Report

Year Ended 31 August 2017

representation. The Directors in turn approve appointments to Local Governing Bodies. In addition, the Chief Executive Officer is a Director.

The chairman and vice chairman of the Board are elected annually according to the process outlined in the Board's Terms of Reference.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new trustees are assigned an experienced trustee mentor to assist them in taking on new responsibilities. They are booked on to essential training courses (e.g. interpreting RAISEonline). We subscribe to the national training and information organisation, the National Governors' Association, in order to give trustees access to updates in national policy and access to essential documents and policy changes. We organise a programme of Governor Training and Forum sessions as a Trust.

Organisational Structure

The structure consists of three levels: The Members, the Trustees and the Local Governing Bodies ('LGBs').

The Members of the Trust comprise the signatories of the Memorandum. The Members meet annually to determine the strategic direction of the Trust and review progress against the strategic objectives of the Board.

The Board operates in accordance with documented terms of reference and its role is to effectively scrutinise operations and standards in all schools, with the aim of delegating as much of the day-to-day operation of each Academy to LGBs within the framework of delegation. A minimum of 3 Board meetings are scheduled annually to oversee finance, educational standards, safeguarding and other matters.

Individual local governing bodies (LGBs) take responsibility for all matters delegated by the Board including proposing the budget to the Board for approval and to be informed of higher level scrutiny of management accounts and identification of risks. Individual LGBs focus on safeguarding, achievement and school improvement with how these focus areas are administered and/or delegated to each LGB.

The Chief Executive Officer has the executive responsibility for implementing the Trust Board policies and delivering on the Objects of the Articles of Association. The Director of Finance and Operations leads Finance, Information Technology, Human Resources, Facilities Management, Catering, Procurement, Marketing, Data and Administration. In accordance with the Academy Financial Handbook, the Directors appointed the CEO as the Accounting Officer and the Trust Business Manager as the Principal Finance Officer.

Arrangements for setting pay and remuneration of key management personnel

All senior managers follow an annual appraisal process as set out in the Performance Management Policy. This involves setting targets for the year and then a review process to assess achievement. This then leads to a pay recommendation which is put for scrutiny and approval to a Remuneration Committee, made up of Directors from the Board.

The Trust does not operate a bonus scheme. Performance Management is carried out by that person's line manager; in the case of the Principal, Governors are also involved; in the case of the CEO, this is carried out by the Chair of the Board and other Directors.

Connected Organisations, including Related Party Relationships

Kingsbridge Academy is a designated National Teaching School entitling it to lead the training and professional development for staff. As a National Teaching School, Kingsbridge Academy works with

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Trustees' Report

Year Ended 31 August 2017

Ivybridge Community College and the University of Exeter to lead an alliance of secondary, primary and special schools in the South West in order to raise standards for all students. Teaching Schools will help to develop new approaches to initial teacher training, promote professional development for staff, nurture future school leaders and help support schools that are in challenging circumstances.

During the academic year, the CEO was seconded for half his time as Chair of the National College for Teaching and Leadership. Education South West received full remuneration from the Department for Education in recompense for this time.

Kingsbridge Academy is also a founding member of Leading Schools South West, which is a not for profit organisation comprising seven schools in the South West and Southern Education Leadership Trust a charitable not for profit company specialising in school leadership. Leading Schools South West has been licensed by the National College of School Leaders to deliver modular leadership programmes. The CEO chairs the Board of Leading Schools South West.

Five registered charities (note 12) organised by parents, staff and other members of the community have as their object raising funds for particular academies within the Trust.

Objectives and Activities

Objects and Aims

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 ("the mainstream Academies") offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum Multi Academy Model Mainstream L:22370865v8 5 appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

Our aims and aspirations

Our vision: Working together so children can lead great lives

Our values

- We build trust through our moral purpose, integrity and mutual respect
- We believe in equality of opportunity and the potential of every person to make outstanding progress, whatever their situation or starting point
- We work together to build a cohesive identity which is rooted in the individual identity of each school

Our aims

- To challenge and support each school through our leadership and governance
- To provide cost-effective support services which add value for learning

In order to ensure outstanding teaching, we:

- Recruit and train the best staff
- Develop them through outstanding programmes of professional development across Education South West
- Retain them through opportunities for growing as leader

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Trustees' Report

Year Ended 31 August 2017

Our Schools are great when

- The academic achievement of each individual is excellent
- We educate the whole person to seize the opportunities life offers
- Excellence is sustainable through the years

Objectives, Strategies and Activities

By capitalising on our collective strength and resources, we:

- Raise the academic achievement and personal growth of all our students.
- Improve the quality of teaching and learning by providing better opportunities for staff to create new knowledge and develop skills.
- Provide better support services at improved value for money to increase resources for teaching and learning.
- Recruit and retain higher quality staff by offering opportunities across the group.
- Support and hold each academy to account through stronger governance.
- Build a cohesive identity rooted in the unique identity of each academy.

Public Benefit

The Trustees have ensured through review and monitoring of the activities of each Academy within its Trust that the primary objective of the Academy Trust to provide education for the public benefit has been met.

Strategic Report

Achievements and Performance

Results in all of our primary schools, at all levels were good, whilst those at KS2 in Blackawton were outstanding. All schools showed improvement on last year's performance. This was confirmed by Ofsted Inspections at Rydon, East Allington, Blackawton and Kingswear who all retained 'Good' judgements.

Results at secondary level were mixed. Dartmouth continued its strong improvement from last year to achieve its best ever KS4 results in terms of both attainment and progress. It was inspected by Ofsted in September 2017 and moved from special measures to good – a remarkable achievement in just two years. This judgement was a confirmation of the outstanding 2017 results. Kingsbridge Community College also achieved its best ever GCSE results, showing both outstanding progress and attainment. These were particularly strong achievements in view of the uncertainty surrounding the revised GCSE exams this year. At A- Level, progress was above national average and outstanding as measured by the national ALPS programme. KS4 results at Coombehead and Teign were more disappointing, both below national average in terms of overall progress. Both schools have a lot of extensive and intensive programmes to rectify this situation.

Schools within ESW are committed to the achievements of the whole pupil. All schools have embarked upon a wide range of trips, visits and extra-curricular activities that have been well documented in the individual school newsletters, and in the ESW annual review. Forest School activities continue to play an important part in the curriculum of all of our primary schools, a testament to our commitment to developing independence, team work and problem solving skills in all of our children, alongside an understanding of how to manage risk.

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Trustees' Report

Year Ended 31 August 2017

Risk Management

The Trustees use the Risk Register as defined in the Academy Financial Handbook to evaluate strategic and reputational, operational, compliance, and financial risks to which the Academy Trust is exposed and have ensured that the management structure, systems and controls are in place to manage this risks, as well as insurance to cover financial loss and legal exposure.

Going Concern

After making appropriate enquiries, the 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 Statement of Accounting Policies.

Key Financial Performance Indicators

The key financial performance indicator for the Trust is the adherence to the financial budget set at the beginning of the year. Excluding any generated funds, all income for the Academy is Government or Local Authority funded and therefore the income of the Academy is largely a given.

An expenditure budget is set at the beginning of the year, taking into consideration the level of Government funding. The Trustees have reviewed detailed capital and revenue expenditure reports compared to expenditure budgets, which confirms that the processes and procedures in place for controlling expenditure are acceptable.

Financial Review

The Trust held fund balances at 31 August 2017 of £58,222,000 comprising £57,613,000 of restricted funds and £609,000 of unrestricted funds. A pension reserve deficit on the Local Government Pension Scheme of £14,051,000 is included in the restricted funds balance.

In accordance with the Funding Agreement, the principal source of general funding with which to finance the operations of the Academy Trust, is the Department for Education. £179,000 of general funding was spent on tangible fixed assets and £69,000 on intangible fixed assets.

The Trust spent £572,000 on tangible fixed assets. £336,000 of this was spent on buildings, which included the partial completion of works at Teign School and Christow Primary School funded by the Condition Improvement programme (spend thus far £90,000 and £119,000 respectively).

During the year Trust has undertaken significant restructuring to reduce costs, maximising the economy of shared services. £432,000 redundancy costs were incurred in the period.

Principal Risks and Uncertainties

The principal risk facing the Trust is the future level of Government Funding. This risk is managed by careful control over budgeted expenditure which ensures that a deficit does not arise for the year, combined with a prudent reserves policy.

Reserves

As at 31 August 2017, excluding fixed asset funds and pension deficits, £558,000 of restricted funds and £609,000 of unrestricted funds were held.

Restricted funds carried forward comprise Other DfE/ESFA grants (£221,000) and Other Grants (£337,000). The Other DfE/ESFA balance carried forward is held as a reserve to protect against financial risk. The Other Grants balance carried forward are specific funds, which includes Teaching

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Trustees' Report

Year Ended 31 August 2017

School grants £42,000, a performing arts grant £19,000, £55,000 relating to collaborative work with other schools, and £40,000 primary schools partnership fund.

Unrestricted funds are held to provide funds for essential capital replacement and to support the future stability of the trust in the face of falling education funding and challenges with respect to maintaining the roll.

Plans for Future Periods

ESW was born of an ambitious merger between Templar Academies School Trust and Academies South West on 1st January 2017. A great deal has been achieved in merging previous separate bodies, for example, forming single, cohesive bodies at member and director level. Much of the first two terms were taken up with restructuring of shared service staff, and a programme of redundancy and retraction necessitated by the national budget situation. The Trust is now moving forward with ambitious plans for collaboration to improve standards of teaching and learning across all its schools and for joint activities involving pupils from all schools

Auditor

In so far as the trustees are aware:

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

The Trustees' Report, incorporating a Strategic Report was approved by order of the Board on 6th December 2016 and signed on its behalf by:


.....
Peter Di Giuseppe
Chair

Education South West

Governance Statement

Year Ended 31 August 2017

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Education South West 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 with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Education South West and Secretary of State for Education. He is also responsible for reporting to the trustees any material weaknesses or breakdown in internal control.

For the first four months of this reporting period, before the transfer into the trust of the academies which formed Templer Academy Schools Trust, all governance was conducted through the board. After the transfer in of the Templer Academy Schools Trust academies on 1 January 2017, the board decided to create a Finance Committee to which it delegated the detailed scrutiny of financial information.

Governance

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

The full Trust Board has formally met six times during the year. Attendance during the year at meetings of the board was as follows:

Trustee	Meetings attended	Out of a possible
P Di Giuseppe (Chair)	4	4
J Clark	3	4
L Evans	1	2
J Fothergill	6	6
S Gotch	4	6
L Matthews	2	2
D Potter	2	4
R Pope	6	6
M Shanks	4	4
B Taylor	5	6
S Tucker	2	2
L Yelland	3	4

The Finance Committee formally met twice during the period after 1 January 2017. Attendance during the year at meetings of the finance committee was as follows:

Governor/Trustee	Meetings attended	Out of a possible
J Fothergill (Chair)	2	2
G Austin	1	1
P Di Giuseppe	2	2
M Jones	2	2
R Pope	2	2
D Potter	1	2
M Shanks	1	2
M Wheatley	2	2

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Governance Statement

Year Ended 31 August 2017

Review of Value for Money

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

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved.

Improving Educational Results and maximising economies of scale

GCSE results at Kingsbridge Community College were the best ever achieved, and A-Level results shown significant improvement on the previous year. Dartmouth Academy succeeded in moving from special measures to good in two years as a result of a strongly rising trend of results over two years during which time they moved from significantly below to above national average for progress. Teign schools results were disappointing. New leadership is now in place following the departure of the Head and three members of the Senior Leadership Team in August 2017. Coombeshead results were disappointing. This was largely because they were significantly below what the school had been predicting and therefore, requisite improvement strategies had not been put in place. This has now been rectified. Results in the primary schools were all at least good, and in Blackawton outstanding.

The Trust has engaged in a programme of moderation between schools in the primary sector and is running courses for improving the schools of new heads of school. Coaching by executive leaders is also helping to improve the skills of leaders in these small schools.

Secondary level collaboration between Kingsbridge and Dartmouth helped to improve the results of both. These programmes are now being extended across all four schools. There has been joint Sixth Form working across Teign and Coombeshead and ambitious plans are in place to develop this further.

A major programme of restructuring of shared service staff has resulted in savings of £400k, all of which has now enabled targeting of resources at teaching and learning. In addition senior management teams have been restructured, and some leadership posts are shared across more than one school. Steps have already been taken with respect to consolidating procurement across the large trust.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The trustees have reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the

Education South West

Governance Statement

Year Ended 31 August 2017

Trust's significant risks that has been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

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 segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees;
- regular reviews by the Director assigned to Finance and the Finance Committee (post 1 January 2017), and the wider Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.
- the work undertaken by the internal controls reviewer on behalf of the finance committee

Review of Effectiveness

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

- regular update meetings with the Director of Finance & Operations, setting of budgets, and detailed review of management information;
- the requirement of the Director of Finance & Operations to provide detailed financial reports to the Board and the Finance Committee
- review of the reports of the internal controls reviewer which have not given rise to any internal control weaknesses.

Approved by order of the Board on 6th December 2016 and signed on its behalf by:



Peter Di Giuseppe
Chair



Roger Pope
Accounting Officer

Educations South West

Statement on Regularity, Propriety and Compliance

Year Ended 31 August 2017

As accounting officer of Education South West I have considered my responsibility to notify the trust Board and the Education and Skills Funding Agency of material irregularity, impropriety and noncompliance with ESFA terms and conditions of funding, under the funding agreement in place between the trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust governing body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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



Roger Pope
Accounting Officer

Education South West

Statement of Trustees' Responsibilities

Year Ended 31 August 2017

The trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the Academies Accounts Direction 2016 to 2017 issued by the Education 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 Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016-17;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform 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 the Board on 6th December 2016 and signed on its behalf by:



Peter Di Giuseppe
Chair

Education South West

Independent Auditor's Report on the Financial Statements to the Members of Academies South West

Year Ended 31 August 2017

Opinion

We have audited the financial statements of Education South West (the 'Academy') for the year ended 31 August 2017, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, 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 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy 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.

Use of our report

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

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'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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If

Education South West

Independent Auditor's Report on the Financial Statements to the Members of Academies South West

Year Ended 31 August 2017

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

Matters on which we are required to report by exception

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

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 Governors

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 12], the Trustees 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'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 or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

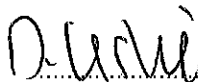
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

Education South West

Independent Auditor's Report on the Financial Statements to the Members of
Academies South West

Year Ended 31 August 2017



.....
Duncan Leslie (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

North Quay House
Sutton Harbour
Plymouth
Devon
PL4 0RA

Date:.....11/12/17.....

Education South West

Independent Reporting Accountant's Assurance Report on Regularity to Academies South West and the Education and Skills Funding Agency

Year Ended 31 August 2017

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Academies South West during the year to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Education and Skills South West and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to the Education South West 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 Education South West and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Academy Trusts funding agreement with the Secretary of State for Education 20th December 2010 and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Annual Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency. We performed a limited assurance engagement as defined in our engagement letter. The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion. Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- inspection and review of documentation providing evidence of governance procedures
- evaluation of the system of internal controls for authorisation and approval
- performing substantive tests on relevant transactions

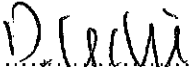
Education South West

Independent Reporting Accountant's Assurance Report on Regularity to Academies
South West and the Education and Skills Funding Agency

Year Ended 31 August 2017

Conclusion

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

 Date : 11/12/17

D Leslie

For and on behalf of PKF Francis Clark, Chartered Accountants
North Quay House, Sutton Harbour, PLYMOUTH, Devon, PL4 0RA

Education South West

Statement of Financial Activities for the year ended 31 August 2017

(Including Income and Expenditure Account)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2017 £000	Total 2016 £000
Income & endowments from:						
Donations and capital grants	2	20	20	523	563	159
Transfer from academy trust	2	110	(9,746)	38,761	29,125	-
Charitable Activities						
Funding for the Academy's educational operations	5	1,180	20,629	-	21,809	13,677
Teaching schools		-	84	-	84	-
Other Trading Activities	3	396	222	-	618	417
Investments	4	5	-	-	5	7
Total		1,711	11,209	39,284	52,204	14,260
Expenditure on:						
Raising funds	6	40	-	-	40	21
Charitable activities:						
Academy's educational operations	7	1,041	23,317	1,912	26,270	15,217
Teaching Schools		-	97	-	97	-
Total	6	1,081	23,414	1,912	26,407	15,238
Net income/(expenditure) before transfers		630	(12,205)	37,372	25,797	(978)
Gross transfers between funds	19	(1,231)	956	275	-	-
Net income/(expenditure) for the year		(601)	(11,249)	37,647	25,797	(978)
Other recognised gains and losses						
Actuarial gains on defined benefit pension schemes	19,28	-	3,433	-	3,433	2,401
Net movement in funds		(601)	(7,816)	37,647	29,230	(3,379)
Reconciliation of funds						
Funds brought forward at 1 September 2016		1,210	(5,677)	33,459	28,992	32,371
Funds carried forward at 31 August 2017		609	(13,493)	71,106	58,222	28,992

Education South West

Statement of Financial Activities for the year ended 31 August 2016

(Including Income and Expenditure Account)

The statement on this page provides the detailed comparatives for the year ended 31 August 2016.

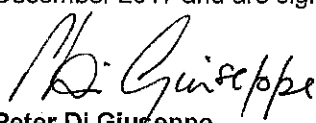
	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2016 £000
Income & endowments from:				
Donations and capital grants	52	-	107	159
Charitable activities				
Funding for the Academy's educational operations	756	12,921	-	13,677
Other trading activities	267	150	-	417
Investments	7	-	-	7
Total	1,082	13,071	107	14,260
Expenditure on:				
Raising funds	21	-	-	21
Charitable activities:				
Academy's educational operations	675	13,184	1,358	15,217
Total	696	13,184	1,358	15,238
Net income/(expenditure) before transfers	386	(113)	(1,251)	(978)
Gross transfers between funds	(46)	(255)	301	-
Net income/(expenditure) for the year	340	(368)	(950)	(978)
Other recognised gains and losses				
Actuarial gains on defined benefit pension schemes	-	(2,401)	-	(2,401)
Net movement in funds	340	(2,769)	(950)	(3,379)
Reconciliation of funds				
Funds brought forward at 1 September 2015	870	(2,908)	34,409	32,371
Funds carried forward at 31 August 2016	1,210	(5,677)	33,459	28,992

Education South West

Balance Sheet as at 31 August 2017
Registration number 7451553

	Notes	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Intangible assets	13		84		27
Tangible assets	14		70,839		33,432
Current assets					
Stock	15	79		84	
Debtors	16	1,070		560	
Cash at bank and in hand		2,708		2,343	
		<u>3,857</u>		<u>2,987</u>	
Creditors: Amounts falling due within one year	17	<u>(2,429)</u>		<u>(942)</u>	
Net current assets			1,428		2,045
Totals assets less current liabilities			<u>72,351</u>		<u>35,504</u>
Creditors: Amounts falling due after more than one year	18		(78)		(79)
Net assets excluding pension liability			<u>72,273</u>		<u>35,426</u>
Pension scheme liability			<u>(14,051)</u>		<u>(6,433)</u>
Total net assets			<u>58,222</u>		<u>28,992</u>
Funds of the academy trust:					
Restricted funds					
Fixed asset funds	19		71,106		33,459
General funds	19		558		756
Pension reserve	19		<u>(14,051)</u>		<u>(6,433)</u>
Total restricted funds			<u>57,613</u>		<u>27,782</u>
Unrestricted funds	19		<u>609</u>		<u>1,210</u>
			<u>609</u>		<u>1,210</u>
Total funds			<u>58,222</u>		<u>28,992</u>

The financial statements on pages 18-43 were approved by the Trustees, and authorised for issue on 6 December 2017 and are signed on their behalf by:


Peter Di Giuseppe
Chair

Education South West

Statement of Cash Flows for the year ended 31 August 2017

	Notes	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by (used in) operating activities	22	452	230
Cash flows from investing activities	24	(87)	(296)
Cash flows from financing activities	23	-	-
Change in cash and cash equivalents in the reporting period		365	(66)
 Cash and cash equivalents as 1 September 2016		2,343	2,409
Cash and cash equivalents as 31 August 2017	25	2,708	2,343

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

1. Statement of Accounting Policies

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

Education South West meets the definition of a public benefit entity under FRS102. These financial statements are the first financial statements of Education South West prepared in accordance with FRS102.

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 one year from the date of approval 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 incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grants are reflected in the balance in the restricted fixed asset fund.

- **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 the receipt is probable and the amount can be reliably measured.

- **Donations**

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

- **Other income**

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

Expenditure

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

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

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

- **Expenditure on Raising Funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost, and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life. The only intangible assets owned by the Trust are computer software for which the expected useful life coincides with the terms of the license.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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

Computer equipment	20%
Plant and equipment	33%
Fixtures and fittings	25%
Motor Vehicles	33%

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

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

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

Liabilities

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

Stock

Stocks of catering provisions, cleaning consumables, and stationary are valued at cost.

Financial Instruments

The Academy Trust only holds basic financial instruments as defined in FRS102. 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 16. 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 note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

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.

Pensions Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 28, 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 and the contributions recognised as they are paid each year.

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 gains and losses on settlements and curtailments. They are included as part of staff costs. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

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 on other recognised gains and losses.

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

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 the Education and Skills Funding Agency and other funders where the asset acquired or created is held for a specific purpose.

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

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.

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 28 will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Agency Arrangements

The academy trust acts as agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 30.

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

2 Donations and capital grants

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2017	Total 2016
	£000	£000	£000	£000	£000
Donated Capital funds	-	-	43	43	45
Devolved Formula Capital allocations	-	-	86	86	62
Other donations	20	20	-	40	52
Condition Improvement Fund	-	-	375	375	-
Other ESFA Capital Funds	-	-	19	19	-
Transfer from academy trust	110	(9,746)	38,761	29,125	-
	<u>130</u>	<u>(9,726)</u>	<u>39,284</u>	<u>29,688</u>	<u>159</u>

3 Other Trading Activities

	Unrestricted Funds	Restricted General Funds	Total 2017	Total 2016
	£000	£000	£000	£000
Educational lecturing/consultancy	220	-	220	164
Community & Letting income	111	-	111	48
Miscellaneous income	65	-	65	55
Student Transport Income	-	53	53	36
Preschool Income	-	122	122	71
Student contributions	-	47	47	43
	<u>396</u>	<u>222</u>	<u>618</u>	<u>417</u>

4 Investment Income

	Unrestricted Funds	Restricted General Funds	Total 2017	Total 2016
	£000	£000	£000	£000
Interest on short term deposits	5	-	5	7
	<u>5</u>	<u>-</u>	<u>5</u>	<u>7</u>

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

5 Funding for Academy's educational operations

	Unrestricted Funds	Restricted General Funds	Total 2017	Total 2016
	£000	£000	£000	£000
DfE / ESFA revenue grants				
General Annual Grant (GAG)	-	18,184	18,184	11,226
Start Up Grants	-	26	26	142
Other DfE / ESFA grants	-	1,043	1,043	541
	-	19,253	19,253	11,909
Other Government grants				
SEN from LA	-	292	292	139
Other Funds from LA	-	376	376	380
Other Income	-	165	165	171
	-	833	833	690
Other Income				
Catering Income	1,180	-	1,180	756
Other Income	-	542	542	322
	1,180	542	1,722	1,078
	1,180	20,629	21,809	13,677

6 Expenditure

	Staff Costs	Non Pay Expenditure		Total 2017	Total 2016
		Premises	Other Costs		
	£000	£000	£000	£000	£000
Expenditure on raising funds	-	-	40	40	21
Academy's educational operations					
Direct costs	15,269	-	2,025	17,294	10,047
Allocated support costs	3,636	2,904	2,004	8,544	5,089
Redundancy costs	432	-	-	432	81
Teaching Schools	36	-	61	97	-
	19,373	2,904	4,130	26,407	15,238

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

Net Income/(expenditure) for the year includes:

	2017	2016
	£000	£000
Fees payable to auditor - audit	18	10
Fees payable to auditor - other services	2	3
Depreciation	1,881	1,315
(Gain)/Loss on disposal of fixed assets	-	1
Amortisation of intangible fixed assets	31	45
Operating Leases – plant and machinery	67	50

7 Charitable Activities

	Total	Total
	2017	2016
	£000	£000
Direct Costs – educational operations	17,680	10,105
Support Costs – educational operations	8,590	5,112
	26,270	15,217

Redundancy costs of £386,000 and £46,000 are included in direct costs and support costs, respectively.

Analysis of support costs

	Educational Operations	Total	Total
	£000	2017	2016
		£000	£000
Support Staff Costs	3,682	3,682	1,796
Depreciation	1,881	1,881	1,315
Technology Costs	211	211	114
Premises Costs	1,016	1,016	698
Other Support Costs	1,751	1,751	1,162
Governance Costs	49	49	27
Total Support Costs	8,590	8,590	5,112

Redundancy costs of £46,000 are included in support staff costs.

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

8 Staff costs

Staff costs during the period were:

	2017 £000	2016 £000
Wages and salaries	14,326	8,176
Social security costs	1,270	623
Pension costs	3,119	1,412
Apprenticeship Levy	30	-
	<u>18,745</u>	<u>10,211</u>
Supply teacher costs	196	284
Redundancy costs	432	81
	<u>19,373</u>	<u>10,576</u>

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

	2017 No.	2016 No.
Teachers	337	153
Education support	216	129
Administration and support	190	101
Management	28	15
	<u>771</u>	<u>398</u>

Higher Paid Staff

The number of employees whose emoluments exceed £60,000 was :

	2017 No.	2016 No.
£60,001 - £70,000	3	5
£70,001 - £80,000	2	1
£80,001 - £90,000	2	-
£90,001 - £100,000	-	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	-
£140,000 - £150,000	-	-
£150,000 - £160,000	1	1

Of the above employees, 5 (5, 2016) participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these employees amounted to £76,222 (£69,724, 2016)

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

Key management personnel

The key management personnel of the academy trust comprise the trustees, the senior management team listed on page 1, and the leadership teams of each academy in the Trust. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,776,997 (2016 £1,091,751).

9 Central Services

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

- human resources
- financial, accounting and procurement services
- legal services
- management of the catering operation
- facilities management
- IT services
- communications and marketing
- educational support services

The staff and related costs with respect to the provision of these services is allocated to the individual academies in the trust according to affordability, shared based on core pupil funding as a proportion of the total core pupil funding for the trust.

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Kingsbridge Academy	390	391
Dartmouth Academy	242	183
Blackawton Primary School	35	26
Stoke Fleming Primary School	30	30
East Allington Primary School	25	15
Kingswear Primary School	22	13
Coombeshead Academy	251	-
Teign School	275	-
Rydon Primary School	66	-
Christow Primary School	16	-
	<u>1,352</u>	<u>658</u>

10 Related Parties Transactions - Trustees' remuneration and expenses

Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO, Executive Principals and Director of Education and not in respect of their services as trustees. Local governors did not receive any payments from the Trust in respect of their role as governors. The value of the trustees' remuneration and other benefits was as follows:

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

R Pope (CEO and Executive Principal):

Remuneration £150,000-£160,000 (2016: £150,000-£160,000)
Employers pension contributions £25,000-£30,000 (2016: 25,000-£30,000)

During the year R Pope was seconded to the National College for Teaching & Leadership for which the Trust received fifty percent of his remuneration and pension costs as compensation. In addition he earned for the Trust £16,500 from system leader roles as a National Leader of Education and as Chair of Leading Schools South West.

M Shanks (Director of Education and Executive Principal):

Remuneration £70,000-£80,000 (2016 NIL)
Employers pension contributions £10,000-£15,000 (2016: NIL)
(The remuneration is for the eight month period from 1.1.17)

During the year M Shanks earned for the Trust £36,500 from roles as Chair of the Devon Association of Secondary Heads, as an Ofsted inspector and system leader.

M Rolls (Principal)

Remuneration £NIL (2016, £65,000-£70,000)
Employers pension contributions £NIL (2016, £10,000-£15,000)

11 Governors' and Officers' Insurance

The Trust has registered all of the academies in the trust with the Risk Protection Arrangement programme administered by the Department of Education; the cost is not separately identifiable under the Risk Protection Arrangement. The cost of this insurance is included in the total insurance cost.

12 Connected Charities

Parents and friends of some of the academies in the trust have five registered charitable operations with the purpose of raising funds for the academy trust. The results of four of them are as follows. The results for the Rydon association have not been disclosed as it does not consider itself to be connected to the trust under the definition in paragraph 28(1) of schedule 3 of the Charities Act 2011.

Name of registered charity	Friends of Stoke Fleming £000	Friends of Blackawton Primary School £000	Kingsbridge Community College PTFA £000	Christow County Primary School PTFA £000
Cash	4	9	28	1
Income for the year to 31.8.17	6	6	13	6
Expenditure for the year to 31.8.17	6	3	12	7
Annual surplus	-	3	1	(1)

The income and expenditure for Christow County Primary School PTFA related to the period from 1 January 2017, coinciding with the transfer of the Templer Academy Schools Trust academies to the trust.

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Notes to the Financial Statements for the year ended 31 August 2017

13 Intangible Fixed Assets

	Computer Software £000	Total £000
Cost		
At 1 September 2016	72	72
Additions	69	69
Transfers from academy trust	19	19
At 31 August 2016	160	160
Depreciation		
At 1 September 2016	45	45
Charged in year	31	31
At 31 August 2017	76	76
Net book values		
At 31 August 2017	84	84
At 31 August 2016	27	27

14 Tangible Fixed Assets

	Land and Buildings £000	Computer Equipment £000	Plant & Equipment £000	Fixtures & Fittings £000	Motor Vehicles £000	Total £000
Cost						
At 1 September 2016	38,343	1,405	533	264	27	40,572
Additions	337	81	104	32	18	572
Transfers from academy trust	38,316	114	13	231	42	38,716
At 31 August 2017	76,996	1,600	650	527	87	79,860
Depreciation						
At 1 September 2016	5,665	856	449	152	18	7,140
Charged in year	1,298	321	74	157	31	1,881
At 31 August 2017	6,963	1,177	523	309	49	9,021
Net book values						
At 31 August 2017	70,033	423	127	218	38	70,839
At 31 August 2016	32,678	549	84	112	9	33,432

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Notes to the Financial Statements for the year ended 31 August 2017

15 Stock

	2017	2016
	£000	£000
Stationery Supplies	37	45
Cleaning Supplies	8	6
Catering Supplies	29	29
Other	5	4
Total Stock	79	84

16 Debtors

	2017	2016
	£000	£000
Trade debtors	228	89
Prepayments	544	233
Other debtors	41	39
Grant and other income	83	92
VAT recoverable	174	107
	1,070	560

17 Creditors: amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	773	315
Other taxation and social security	405	186
Other creditors	651	192
Accruals and deferred income	600	249
	2,429	942

Deferred income

	2017	2016
	£000	£000
Brought forward	138	161
Resources deferred in the year	406	138
Amounts released from previous years	(138)	(161)
Deferred Income at 31 August 2017	406	138

Deferred Income includes rates reimbursements from ESFA (£101,000), devolved formula capital (£69,000), Universal Infant Free School Meal funding (£86,000), Local Area Partnership (£26,000), funds received from parents for future trips (£64,000) and Teaching School Funding for 2018-19 (£43,000).

18 Creditors: amounts falling due after more than one year

	2017	2016
	£000	£000
ESFA Improvement Loan	78	79

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Notes to the Financial Statements for the year ended 31 August 2017

19 Funds

	Balance at 1 September 2016	Income	Expenditure	Gains, Losses and Transfers	Balance at 31 August 2017
	£000	£000	£000	£000	£000
Restricted general funds					
General Annual Grant (GAG)	137	18,227	(19,319)	955	-
Start Up Grants	115	26	(141)	-	-
Other DfE/ESFA grants	237	1,043	(1,060)	1	221
LEA and other grants	267	981	(911)	-	337
Other General Funds	-	764	(764)	-	-
Donated Funds	-	20	(20)	-	-
	756	21,061	(22,215)	956	558
Pension Fund Reserve	(6,433)	(9,852)	(1,199)	3,433	(14,051)
Restricted fixed asset funds					
Fixed Asset Fund	33,432	38,785	(1,881)	503	70,839
Intangible Fixed Asset Fund	27	19	(31)	69	84
DfE/ESFA capital grants	-	480	-	(297)	183
	33,459	39,284	(1,912)	275	71,106
Total restricted funds	27,782	50,493	(25,326)	4,664	57,613
Unrestricted funds					
Unrestricted funds	1,210	1,711	(1,081)	(1,231)	609
Total unrestricted funds	1,210	1,711	(1,081)	(1,231)	609
Total funds	28,992	52,204	(26,407)	3,433	58,222

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

Restricted General Funds

The General Annual Grant (GAG) is applied in strict accordance with the terms of the Model Fund Agreement executed on the 20th December 2010, and varied to re-state the terms to form a multi academy trust on the 29th August 2014, which prescribes that this funding is used to cover the normal running costs of the Academy. Under the Funding Agreement there are no limits on the amount of GAG which can be carried forward.

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Notes to the Financial Statements for the year ended 31 August 2017

Start-up grants received in year of £26,000 relate to transition funding to support the staffing restructuring of Dartmouth Academy.

Other DfE and ESFA Grants includes £709,000 Pupil Premium which is used by the Trust to raise attainment in pupils from low income families which has been spent during the year; also included is Universal Infant Free School Meal funding of £122,000. £141,000 was received from the ESFA to cover business rates, £35,000 to support Year 7 catch up intervention and £41,000 to support primary PE.

LEA and other grants income includes £292,000 funding to support specific provisions for pupils with special educational needs, £193,000 preschool childcare, and £93,000 to support community nursery outreach support. In addition, £46,000 of grants to support local area based learning from the local learning community is included. £64,000 was transferred from the Templer Academy Schools Trust and which included £17,000 with respect to the Christow preschool. The carried forward includes £18,000 received to hold as a redundancy reserve for nursery outreach staff and £15,000 with which to set up a primary pupil referral unit, both grants received in year.

Other General Funds represents contributions from students £47,000, preschool income from parents £122,000, student transport £53,000, and £542,000 relating to school trips, all spent during the year.

The Pension Fund Reserve deficit represents the net shortfall in funds in the Local Government Pension Scheme in relation to employees past and present. £9,852,000 deficit was transferred from the Templer Academy Schools Trust.

The DfE and ESFA capital grants represents funding specifically provided to support capital expenditures on fixed assets. The Fixed Asset Fund represents the current value of all fixed assets owned by the Trust. £38,735,000 was transferred from the Templer Academy Schools Trust.

Unrestricted Funds

Unrestricted Funds can be applied at the discretion of the Trustees. Funds were generated during the year from the catering operations £1,180,000, rental of academy premises and general community use £111,000 to community groups, fees for consultancy to other educational institutions including that related to Teaching School designation £220,000.

Transfers

The net transfer from the General Annual Grant, Other General Funds and the Unrestricted Funds to the Restricted Fixed Asset fund represents expenditure from these funds on fixed assets, and the application of unrestricted funds to cover restructuring costs and restricted fund deficits. These are offset by a transfer from the Pension Fund to cover financing and service costs included in the allocated support costs and transfers from unrestricted reserves to cover restricted fund expenditure.

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Notes to the Financial Statements for the year ended 31 August 2017

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £000
Kingsbridge Academy	1,283
Dartmouth Academy	246
Blackawton Primary Academy	159
Stoke Fleming Primary Academy	(43)
East Allington Primary Academy	(113)
Kingswear Primary Academy	61
Coombeshead Academy	(723)
Teign School	(84)
Rydon Primary School	308
Christow Primary School	57
Central Services	16
Total before fixed assets and pension reserve	<u>1,167</u>
Restricted fixed asset fund	71,106
Pension reserve	(14,051)
Total	<u>58,222</u>

Stoke Fleming Primary Academy and East Allington Primary Academy carry forward deficits. Prior to converting to academy status, the four primary schools were run by the Local Authority under a single budget. The Trust whilst recognising the individual surpluses and deficits of the component primary academies (not including the pension deficit effect) is supporting the necessary provision of primary education in these communities recognising a degree of financial offset.

Coombeshead Academy and Teign School were academies which transferred, as part of Templer Academy Schools Trust, on 1 January 2017. Coombeshead Academy transferred a deficit on that date. In order to plan for balanced budgets for the financial year commencing 1 September 2017, significant staff restructuring was required, in particular impacting Coombeshead Academy and Teign School, increasing the Coombeshead deficit and causing Teign School to move to a deficit position.

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs	Other Support Staff Costs	Educational Supplies	Other Costs (excluding depreciation)	Total
	£000	£000	£000	£000	£000
Kingsbridge Academy	5,088	646	214	1,957	7,905
Dartmouth Academy	1,937	273	78	862	3,150
Blackawton Primary Academy	493	38	9	162	702
Stoke Fleming Primary Academy	529	77	27	148	781
East Allington Primary Academy	330	32	5	96	463
Kingswear Primary Academy	232	41	5	91	369
Coombeshead Academy	2,801	231	42	987	4,061
Teign School	3,080	252	25	1,009	4,366
Rydon Primary Academy	861	90	11	184	1,146
Christow Primary Academy	173	21	2	57	253
Central Services Academy Trust	158	1,112	-	(1,170)	100
	15,682	2,813	418	4,383	23,296

20 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	70,839	70,839
Intangible assets	-	-	84	84
Current assets	609	3,065	183	3,857
Current liabilities	-	(2,429)	-	(2,429)
Noncurrent liabilities	-	(78)	-	(78)
Pension scheme liability	-	(14,051)	-	(14,051)
Total net assets	609	(13,493)	71,106	58,222

21 Operating Leases

At 31 August 2017 the total of Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	67	43
Amounts due between two and five years	120	33
	187	76

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Notes to the Financial Statements for the year ended 31 August 2017

	2017 £000	2016 £000
22 Reconciliation of net income/(expenditure) to net cash inflow from operating activities		
Net (expenditure)/income	25,797	(978)
Amortisation	31	45
Depreciation (note 14)	1,881	1,315
Capital grants from DfE and other capital income	(523)	(107)
Capital assets and capital income transferred in from academy trust	(38,761)	-
Interest receivable (note 4)	(5)	(7)
Defined benefit pension scheme obligation inherited	9,852	-
Defined benefit pension scheme cost less contributions payable (note 28)	875	177
Defined benefit pension scheme finance costs (Note 28)	324	143
Increase in stocks	5	(13)
(Increase)/Decrease in debtors	(510)	31
Increase/(Decrease) in creditors	1,486	(376)
Net cash inflow from operating activities	452	230
23 Cash flows from financing activities		
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by/(used on) financing activities	-	-
24 Cash flows from investing activities		
Dividends, interest and rents from investments	5	7
Purchase of tangible fixed assets less disposals	(572)	(346)
Purchase of intangible fixed assets	(69)	(72)
Netbook value of tangible fixed asset disposal	-	8
Capital grants from DfE/ESFA	480	79
Capital funding donated from others	43	28
Capital funding transferred in from academy trust	26	-
Net cash provided by / (used in) investing activities	(87)	(296)
25 Analysis of cash and cash equivalents		
	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand	2,708	2,343
Notice deposits (less than 3 months)	-	-
Total cash and cash equivalents	2,708	2,343

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Notes to the Financial Statements for the year ended 31 August 2017

26 Contingent Liabilities

There are no contingent liabilities.

27 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.

28 Pension and similar obligations

The Academy'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 Peninsular Pensions. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2013.

Contributions amounting to £331,000 (2016 £150,710) were payable to the schemes at 31 August 2017 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and lecturers 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

Not less than every four years 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 the future benefits) for service to the effective date of £191,500 million, and notional assets (estimated

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Notes to the Financial Statements for the year ended 31 August 2017

future contributions together with notional investments held at valuation date) of £176,600 million, giving a 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% 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 determine an employer rate of 16.4% which was payable from September 2015. The next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £1,570,000 (2016 £906,000)

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

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £726,326 (2016 £384,006), of which employer's contributions totalled £524,862 (2016 £275,566) and employees' contributions totalled £201,464 (2016 £108,440). The agreed contribution rates for future years is 14.8% per cent for employers and variable per cent for employees. Due to the scheme being in deficit lump sum amounts of £132,960 (2016 £71,026) were paid into the scheme in the year.

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

Principal Actuarial Assumptions

	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.2%	4.1%
Rate of increase for pensions in payment / inflation	2.7%	2.3%
Discount rate for scheme liabilities	2.6%	2.2%
Inflation assumption (CPI)	2.7%	2.3%

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Notes to the Financial Statements for the year ended 31 August 2017

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

	At 31 August 2017	At 31 August 2016
<i>Retiring today</i>		
Males	23.4	22.9
Females	25.5	26.2
<i>Retiring in 20 years</i>		
Males	25.7	25.2
Females	27.9	28.6
Sensitivity Analysis	At 31 August 2017	At 31 August 2016
Discount rate +0.1%	25,085	10,490
Discount rate -0.1%	26,158	10,930
Mortality assumption – 1 year increase	26,492	11,007
Mortality assumption – 1 year decrease	24,770	10,417

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
UK Equities	2,752	1,046
Overseas Equities	4,096	1,462
Gilts	354	136
Other bonds	287	422
Property	1,011	173
Infrastructure	447	606
Cash	272	73
Alternative Assets	628	244
Other assets	1,718	113
Total market value of assets	11,565	4,275

The actual return on scheme assets was £1,021,000 (2016, £269,000)

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost	10,177	533
Net interest cost	261	141
Benefit changes, losses on curtailments and settlements	-	-
Total operating charge	<u>10,438</u>	<u>674</u>

Changes in the present value of defined benefit obligations were as follows:

	2017 £000	2016 £000
At 1 September	10,708	7,233
Current service cost	1,412	533
Interest cost	447	287
Employee and other employer contributions	208	111
Liabilities assumed/(extinguished) on settlements	14,720	-
Actuarial (gain)/loss	(532)	2,759
Benefits paid	(438)	(215)
Plan introductions, benefit changes, curtailments and settlements	(909)	-
At 31 August	<u>25,616</u>	<u>10,708</u>

Changes in the fair value of academy's share of scheme assets:

	2017 £000	2016 £000
At 1 September	4,275	3,521
Interest Income	186	146
Return on plan assets (excluding net interest on the net defined pension liability)	835	356
Actuarial gain/(loss)	(147)	-
Employer contributions	619	356
Employee and other employer contributions	208	111
Benefits paid	(438)	(215)
Plan introductions, benefit changes, curtailments and settlements	6,027	-
At 31 August	<u>11,565</u>	<u>4,275</u>

29 Related Party Transactions

There are no related party transactions for the year ending 31 August 2017.

Education South West

Notes to the Financial Statements for the year ended 31 August 2017

30 Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period 31 August 2017 the trust received £50,000 and distributed £54,000 from the fund. An amount of £86,000 relating to undistributed funds repayable to ESFA are netted with other grant income receivable from ESFA, and included in debtors.

31 Acquisition of the Academy Trust

On the 1.1.2017 the net assets of all of the academies in the Templer Academy Schools Trust (TAST) transferred to Education South West. A summary of the assets and liabilities which transferred are shown below.

	Value reported by TAST	Fair value adjustments	Transfer in recognised
	£000	£000	£000
Intangible Assets			
Computer Software	19	-	19
Tangible Fixed Assets			
Freehold land and buildings	38,316	-	38,316
Computer Equipment	132	-	132
Fixture & Fittings	266	-	266
Motor Vehicles	46	-	46
Current Assets			
Stock	4	-	4
Debtors due in less than one year	413	-	413
Cash in bank and in hand	967	-	967
Liabilities			
Creditors due in less than one year	(1,138)	-	(1,138)
Creditors due in more than one year	(4)	-	(4)
Pensions			
Pension scheme liabilities	(9,852)	-	(9,852)
Net assets	29,125	-	29,125