

Company Registration No. 07703784 (England and Wales)

THE ST NEOTS LEARNING PARTNERSHIP

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

Draft

THE ST NEOTS LEARNING PARTNERSHIP

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 14
Governance statement	15 - 20
Statement on regularity, propriety and compliance	21
Statement of trustees' responsibilities	22
Independent auditor's report on the accounts	23 - 24
Independent reporting accountant's report on regularity	25 - 26
Statement of financial activities including income and expenditure account	27 - 28
Balance sheet	29
Statement of cash flows	30
Notes to the accounts including accounting policies	31 - 49

THE ST NEOTS LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Karl Wainwright (Chairman)
Graham Wright (Local Community Governor)
Julie Smith (Vice Chair)
Martin Critcher (Parent Governor)
Karen Kircher (Parent Governor)
Judith Burt (Parent Governor)
Helen Bryson (Parent Governor)
Rick Carroll (Executive Head and Accounting Officer)
Margaret Carpenter (Staff Governor)
Ian Dumbleton (Local Community Governor)
Roger Henthorne (Partnership Governor)
Christine Lewis (Partnership Governor)
Catherine Hutton (Community (Authority) Governor) (Resigned 9 September 2015)
Sandy Law (Community (Authority) Governor)
Graham Hughes (Parent Governor)
Michael Norton (Staff Governor) (Resigned 4 December 2015)
Andrew Truett (Staff Governor)
Martin Paine (Headteacher) (Appointed 10 September 2015)
Tracy Grinnell (Headteacher) (Appointed 1 September 2016)

Members

- Chair Karl Wainwright
- Community (Authority) Governor Graham Wright
- Vice Chair Julie Smith
- Vice Chair Julie Smith

Senior management team

- Headteacher Longsands Academy Martin Paine
- Acting Headteacher Ernulf Academy Di Beddow
(resigned 31 December 2015)
- Acting Headteacher Ernulf Academy (1 Rick Carroll
January 2016 - 31 August 2016)
- Headteacher Ernulf (appointed 1 Tracy Grinnell
September 2016)
- Deputy headteacher Karen Dodsworth
- Deputy headteacher Andrew Rowe
- Deputy headteacher Clare Greaney
- Senior assistant headteacher Rosalind Mathews
- Senior assistant headteacher Cathy Chilman
- Senior assistant headteacher Lisa Plowman
- Assistant headteacher Alison Blacow
- Assistant headteacher Lindsay Townley
- Assistant headteacher Daniel Berry
- Chief Executive Office Rick Carroll

Company secretary Ann Christie

Company registration number 07703784 (England and Wales)

THE ST NEOTS LEARNING PARTNERSHIP

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Longsands Road
St Neots
Huntingdon
Cambridgeshire
PE19 1LQ

Academies operated

Longsands Academy
Ernulf Academy

Location

St Neots, Cambridgeshire
St Neots, Cambridgeshire

Principal

Martin Paine
Tracy Grinnell

Independent auditor

Rawlinsons Chartered Accountants
Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Bankers

Lloyds plc
99 High Street
Huntingdon
Cambridgeshire
PE29 3DU

Solicitors

Leeds Day
1a South Street
St Neots
PE19 2BW

Stone King Solicitors
Cambridge Office
30 Station Road
Cambridge
CB1 2RE

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates 2 secondary schools in St Neots, Cambridgeshire. Its academies have a combined pupil capacity of 3,188 (Ernulf 1,331 students and Longsands 1,857 students) and had a roll of 2,449 (Ernulf 566 students and Longsands 1,883 students) in the school census in May 2016.

Structure, governance and management

Constitution

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

The charitable company is known as St Neots Learning Partnership and comprises Longsands Academy and Ernulf Academy.

The trustees of The St Neots Learning Partnership 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

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

The Governors, who were in office at 31 August 2015 and served throughout the period, except where shown, are listed on page 1. Parent Governors are elected by the parents of registered pupils at the relevant Academies. Staff Governors are elected by a secret ballot of all staff employed under a contract of employment or a contract for services at the relevant Academy. If a Staff Governor ceases to work for the Company then they shall be deemed to have resigned and shall cease to be a Governor automatically on termination of employment. The Governors may appoint up to 3 co-opted Governors.

Method of recruitment and appointment or election of trustees

The training and induction provided for new Governors will depend on their existing experience. All new Governors are invited to attend an introductory meeting and/or a tour of each Academy. As there are normally only two or three new Governors a year, induction tends to be tailored specifically to the individual. There is a checklist of activities and information to be provided to help ensure that induction is effective.

All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors. In addition, the Governing Body may each year decide to organise training collectively or for individual Governors.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Organisational structure

The Trust is led by a Chief Executive Officer who is also the Accounting Officer. Each individual school in the Trust has its own Headteacher. There is also a Partnership Chief Operating Officer who acts as Chief Finance Officer. For the period September 2015 – August 2016, the post of Headteacher at Ernulf Academy was held by Di Beddow on a temporary basis until 31st December 2015, and then by the CEO in a joint role until 31st August. A new Headteacher has been appointed from 1st September 2016. There has also been a process of restructuring during this period which will see the reduction of the number of deputy heads across the Trust.

In addition to the CEO and the Headteachers the SLT will consist of one lead deputy in each Academy, one Operations Director across the MAT who will also act as Chief Finance Officer, and five assistant Headteachers

The role of Accounting Officer is currently held by the CEO of the Multi Academy Trust.

The Board of Trustees has overall responsibility for the administration of the Academy's finances. The main responsibilities of the Governing Body are prescribed in the Funding Agreement between the Academy and the Secretary of State.

There is a Partnership Improvement and Leadership Team (PILT), which controls the Partnership at an executive level. The PILT and the Senior Leadership Team in each Academy implement the policies laid down by the Governors and report back to them.

Headteachers, members of the Senior Leadership Team and Partnership CFO are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders, which is also authorised in line with the authorised Scheme of Delegation.

Related parties and other connected charities and organisations

Huntingdonshire District Council (HDC), through its leisure service One Leisure, historically managed the leisure facilities located on the site of Ernulf Academy. There was a Dual Use Agreement in place. When the school converted to foundation status, ownership of all of the land and buildings was transferred to the Governing Body of the Longsands Learning Partnership, and subsequently was transferred to The St Neots Learning Partnership. In July 2013, the Department for Education agreed Heads of Terms for the SNLP to draw up a lease agreement, for 60 years, with HDC, which will replace the Dual Use agreement. In April 2014 Ernulf Academy entered into a 5 year agreement with HDC to ensure continued use of the facility by Ernulf Academy. Having received the approval of the EFA to enter into a new agreement, the Trust is still continuing to work with professional advisers to ensure that the best interests of the Trust are secured.

The Partnership provides a pre-school setting on the Ernulf site (Little Acorns), and an external company, Sunhill Daycare independently operates a day nursery on the Longsands Academy site. Adult and Community Learning was provided on both sites until 31st August 2015. Unfortunately due to uncertainties regarding future funding for Adult and Community Education it has been decided by the Board of Trustees to cease this provision.

The Trust also operates a facility for students educated other than at school (EOTAS), which is known as Prospect House and is located at Bargroves, Cromwell Road, St Neots. From September 2015, Ernulf Academy has been funded by the Local Authority to run a specialist unit for students on the autistic spectrum, this unit is known as the Cabin. Ernulf Academy also has an active Parent Teacher Group.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Trust has strong collaborative links with all of the primary schools and the special school, which along with Ernulf and Longsands form the St Neots Schools Forum.

SNLP has entered into a sub-contracting arrangement with Stageworks Performing Arts and St Neots Town Football Club for the delivery of specialist classes for post 16 students. This has enhanced the curriculum offering to sixth form students and has increased student numbers with some students travelling from outside the catchment area. Stageworks rent facilities at Longsands Academy to enable this delivery to take place while the Football club has specialist teaching space on its own site to provide these lessons.

There are no related parties which either control or significantly influence the decisions and operations of The St Neots Learning Partnership.

Objectives and activities

Objects and aims

The core purpose of the Learning Partnership is to secure the best possible experience, learning and outcomes for each young person for whom we have responsibility.

The Partnership's Statement of Purpose, Values and Outcomes identifies values which will be promoted and outcomes which will be pursued. These are shown below:

Core values

- care and respect for self and others; honesty; creativity;
- clear and open communication;
- high aspirations and the determination to fulfil them;
- strong relationships and shared goals achieved through teamwork.

Desired outcomes

Each young person should:

- be safe; be healthy; give and receive respect as an individual; enjoy and achieve in school and beyond;
- develop the confidence, skills and attitudes necessary for economic well-being;
- understand their rights and responsibilities as citizens and the importance of making a positive contribution to society;
- develop moral awareness, cultural understanding and appreciation of diversity.

The Trust seeks to comply with all appropriate statutory and curriculum requirements. It conducts all business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

Key priorities for the year were contained in our Partnership Improvement Plan, which is available in its latest form from the PA to the Executive Principal, or on the Partnership's website. Improvement focuses identified for this year were expressed as a small number of Strategic Intents with associated planned actions. These are summarised below:

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Strategic intent 1: Learning and outcomes

We intend to continue to raise standards at Ernulf and Longsands by:

- increasing the range and impact of actions aimed at overcoming educational disadvantage;
- further enhancing the ways in which the best possible progress and outcomes are secured for all students;
- further strengthening the information, advice and guidance provided for students.

Action that is focused on overcoming actual or potential disadvantage:

- ensure that all teachers and TAs are enabled and determined to narrow the gap through appropriate focus on the progress and outcomes of disadvantaged students;
- evaluate and develop the use of the Pupil Premium and Year 7 Catch Up funds and their impact on learning;
- evaluate levels of participation in trips, visits and extra-curricular activities by disadvantaged and other groups of students, and develop impact assessment, e.g. on attitudes to learning;
- improve attendance overall and reduce levels of persistent absence, e.g. by further tracking and intervention;
- collaborate with the local authority and others in relation to Not in Education, Employment or Training, Risk of Non-participation Index and the Together for Families initiative;
- implement leadership and co-ordination of all of the above by named senior team members.

Action focused on securing the best possible progress and outcomes for all students including the disadvantaged:

- ensure consistent use of programs (SISRA and SIMS Discover) to track students' progress and secure appropriate follow-up action;
- continue to focus on students' literacy and numeracy across the curriculum and phases (primary and secondary);
- implement Think-Plan-Communicate Mathematically;
- enhance leadership and management of literacy development within each Academy;
- evaluate Opening Minds and i2L5 in terms of students' core skills and broader development; (Longsands) extend i2L into Year 8;
- (Ernulf) implement a revised KS3 curriculum including increased time for English in Y7 and the reintroduction of Technology;
- co-ordinate Partnership provision of Modern Foreign Languages and International Education, PE, Mathematics and Science;
- further strengthen the effectiveness of learning and teaching in key areas including Mathematics at Ernulf Academy;
- maintain and enhance alternative provision for students unable to access mainstream education;
- investigate new technologies, e.g. tablet devices, to promote students' literacy and independent learning;
- plan and co-ordinate the sixth form curriculum and related activity to include:
- a Partnership response to the raising of the school leaving age;
- the development of joint pathways and plans for provision in otherwise non-viable subjects;

Action focused on further strengthening information, advice and guidance:

- analyse health and well-being survey data in order to address identified issues such as anxiety (home and school);
- supplement the recent focus on disadvantaged groups with renewed attention to gender;
- further refine the options process as appropriate in each Academy;
- further evaluate the planning for and impact of Work Experience across the Partnership;
- evaluate and refine Mentoring for All and Assertive Mentoring programmes;
- evaluate the appropriate use of Restorative Approaches and implement targeted student and staff training.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Objectives, strategies and activities

Strategic intent 2: Context for learning

We intend to enhance the context for learning by:

- continuing to improve the physical context for learning;
- continuing to uphold liP principles through improvements to the professional context for learning.

Physical context

- access opportunities, e.g. from the Academies Capital Fund and the Community Infrastructure Levy, to fund major site works;
- implement a further programme of internally managed refurbishment.

Professional context

- implement coaching programmes for staff;
- modify review and development processes (appraisal) in the context of a revised pay policy;
- investigate and, if possible, participate in the establishment of alternative routes into teaching;
- implement a revised model for the work, development and management of teaching assistants;
- implement the final phase of the Succession Plan for senior leadership.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Key performance indicators

The Governors compare costs as a percentage of income to monitor financial performance as these are commonly used and benchmarked within the sector. Benchmarking between the two schools in the Academy Trust routinely takes place as well as benchmarking costs among the Huntingdonshire Academies Secondary Partnership and Cambridge & Peterborough Academies Group (CPAG).

Staffing costs are monitored as a percentage of total income. For the period ended 31 August 2016 staffing costs, amounted to 70% of total income (68% in 2015).

General Annual Grant (GAG) per pupil is £4,900 for the period to 31 August 2016 (£4,630 in 2015). It is important to the Trust to monitor this due to the historic low funding for Cambridgeshire as a whole.

The Academy Trust also uses a number of non-financial key performance indicators to monitor its performance.

Ernulf Attendance

The pattern of attendance has shown a greater level of consistency throughout the year; apart from a slight dip to 93.8% in the Spring term (still higher than in previous years) the overall attendance has been consistently above 94%. This is higher than at any time during the past 4 years and reflects the impact of more rigorous attendance monitoring and the diligent, effective work of the new attendance officer.

Longsands Attendance

Longsands attendance showed a similarly consistent pattern, with levels of attendance around 95% in each term, with a peak attendance of 95.8% in the Autumn term. The pattern of attendance was maintained

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Achievements and performance

The following is a summary of some of the principal achievements of the Partnership and/or each Academy in 2015-2016:

- continued development and participation in the work of the St Neots Schools Forum including the Restorative Approaches project, "Think ~ Plan ~ Communicate" (literacy and language learning), Think, Plan Communicate (mathematically), with project funding for the latter two projects the subject of a successful bid to the local authority (Cambridgeshire County Council). Also enhanced partnership working with primary feeders especially the Diamond Learning Partnership Trust to ensure closer transition work for Year 6 students into year 7. Agreement has also been reached to provide an MFL teacher from the SNLP on a 0.4FTE for supporting the provision of languages at primary level;
- continued development of management functions across the partnership but more so at Ernulf. Student support and middle leadership has been reviewed and strengthened. Greater emphasis has been placed on progress and curriculum development;
- SLT support and leadership has been strengthened at Ernulf including the appointment of a new Headteacher;
- additional capital work upgrades at both Ernulf and Longsands Academies through successful bids for capital projects. The recent roof collapse at Longsands has left the Trust with significant shortfall in funds approximately £300,000. This has impacted on the works the Trust was hoping to implement and has affected future plans and staffing levels. Redundancies have been made;
- continued development of the of SIMS (Schools Management Information Systems) as a means of reporting in real time to parents (SIMS Learning Gateway);
- continued offer of a broad balanced curriculum to take into account national parameters and financial restrictions;
- enhanced focus on the impact of Assertive Mentoring and a shift of the learning day to a new mentoring slot on a Tuesday period 5;
- continual review of best practice, marking and feedback, use of resources and interventions against specific progress targets and outcomes;
- review of the focus of PSHE to ensure that it meets the needs of learners with regards to mental health and radicalisation;
- continued development of the Learning Moves programme to strengthen the Continual Professional Development of staff at both Academies. Also, development of cross-partnership working with use of voluntary shared best working practice through twilight sessions to look at joint planning and sharing expertise.

Ernulf Academy achievements

Despite a significantly weaker cohort, the GCSE achievement of 5A*-C including English and Maths rose by 1% compared to 2014, to 36%. Notably, there was very strong progress in English, with 31% of students achieving more than expected progress; overall 72% of students achieved at least expected progress in English, leading to an overall pass rate of 60% A*-C. There has been a sustained focus on improving Maths results this year, which has resulted in a 20% rise in the number of students achieving expected progress, from 40% to 60%. A*-C performance in Maths at 46% A*-C, though a 1% improvement on 2014, still lags behind English. 96.1% of students achieved 5 or more A*-G grades, close to the national average, with particularly good performance in English, Maths, the Sciences and Btec vocational subjects.

Longsands Academy achievements

As in Ernulf Academy, this was not an academically strong cohort. The English results were significantly affected by a coursework moderation decision, and we are still (October 2015) awaiting the outcome of an appeal, which could result in an increase to the current 57% 5A*-C including English and Maths, as 64% of students achieved at least 5 A*-C GCSE grades overall. Maths was particularly strong, achieving 74% A*-C and 100% in Further Maths.

A Level results continued the upward trend of the past two years, with 29% of all grades at A-A*, 48% at A*-B, mainly due to a surge in boys' achievement, Maths, English, Law and Btec subjects achieved particularly well.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Going concern

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

Financial review

Most of the Academy's income is obtained from the DfE in the form of recurrent grants disbursed via the Education Funding Agency (EFA), the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

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

During the period ended 31 August 2016, total expenditure of £15,920,553 (2015 - £16,048,068) was covered by recurrent grant funding from the EFA together with other incoming resources. The deficit of income over expenditure for the year (excluding restricted fixed asset funds and pension fund adjustments) was £437,439 (2015 - £736,780). The governors budgeted to spend some of the reserve brought forward and forecast a breakeven position for 2016/17.

The FRS 102 and pension scheme deficit was valued as at 31 August 2016 at £4,681,000 (2015 - £2,495,000).

At 31 August 2016 the net book value of fixed assets was £24,991,952 (2015 - £25,458,174) and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.



THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Reserves policy

Reserves are held by the Trust to ensure that it can operate effectively, specifically to:

- Meet any unforeseen emergency or unexpected needs for funds e.g. urgent repairs. In September 2015, during CIF funded roofing works, the roof above the main servery collapsed. Fortunately nobody was injured during this collapse and this event is under investigation by the HSE. The EFA were informed immediately and agreed to fund part of the remedial works, but not all. Insurers have refused to pay out due to inherent defects in the structure. Trust reserves were required to the tune of £400,000 to fund the works. At Ernulf Academy reserves were required to fund emergency works in the science laboratories and water pumps, these works totalled £90,000. Provide time to take action should funding levels fall e.g. to enable the Trust the option to respond through natural wastage rather than through staff redundancy. However, a drop in student numbers at Ernulf Academy meant that some of the reserves held were required to meet redundancy costs in 2015/16. This fall in numbers is a demographic issue in the local area.
- Meet planned commitments that cannot be met through future income alone e.g. major asset purchase, renovation, refurbishment or extension. Longsands Academy holds reserves specifically for this purpose and in the 2015/16 Academic year saw the completion of the planned refurbishment of the outdated science classrooms, budgeted to cost £55,000 which cannot be met fully from recurrent funding. Governors have therefore agreed to release some of the reserves for this purpose.
- To enable the Academies to meet future needs in terms of expansion due to the addition of 5,000 new homes in the catchment areas. Although any expansion will be funded via C.I.L, historic experience has shown that significant investment is required to enable the effective furnishing, provision of ICT, and additional educational supplies which expansion inevitably brings. Longsands Academy has historically built up some reserves for this purpose, but governors are now seeking to address some of this surplus with the expenditure mentioned earlier.

The Governors review the level of reserves regularly.

The Academy is confident that it will meet the required pension contributions from its projected income without significantly impacting on its planned level of charitable activity. It continues to calculate its 'free' or general unrestricted reserves without setting aside designated reserves to cover the pension liability.

Investment policy and powers

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Academies have considerable reliance on continued Government funding through the EFA. In the last period 97% of the Trust's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The proposed introduction of a national funding formula in 2017 has been delayed due to recent changes in the UK government.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

Safeguarding and Child Protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academies is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Reputational - the continuing success of the Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.

The Academy's risk management procedures are outlined above. The Trustees believe that its risk management procedures mitigate as far as reasonably possible the principal risks and uncertainties facing the Academy Trust.

The Academy Trust does not have significant trade debtors as invoiced income is a minor ancillary activity.

Cash flow is monitored by the Academy Trust. The Academy has limited cash reserves which enable it to plan for future small capital projects.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Plans for future periods

St Neots Learning Partnership (SNLP) Partnership Improvement Plan (PIP) 2014-2017: THE 'ROAD MAP'

Core Purpose of the SNLP: To secure the best possible outcome for every child.

Core Strategies

The SNLP seek to:

- maximise students' academic outcomes by establishing minimum expected and aspirational levels of progress;
- overcome disadvantage, identify potential, implement agreed interventions and offer stretch and challenge to all;
- embed Quality First teaching and tutoring;
- ensure teacher input establishes vibrant learning environments with high expectations;
- strengthen all partnerships with stakeholders who value mutual respect;
- further develop learning and teaching teams - create a Thinking School to ensure all staff play a full role in the leadership and management of students across the Partnership.

Student Outcomes and Progress

- For students from vulnerable groups, including Pupil Premium, the percentages making expected and above expected progress are similar to those for other students from both Academies and show accelerated progress.
- Students in the SNLP make rapid and sustained progress throughout the Year Groups across all subjects.
- There are high standards of literacy and numeracy for all students; students develop the ability to Think Plan and Communicate (TPC) via reading, writing, communication and mathematics.
- Students maximise their achievement at GCSE and A Level so as to unlock the door to the next exciting stage of their educational provision.
- Standards of attainment and progress of all groups of students are at least in line with national averages and many students' attainment is above this.

Quality of Teaching

- Teaching across all Key Stages and all subjects in the Partnership is usually at least Good, with examples of Outstanding teaching.
- Vibrant learning environments have been created which are conducive to positive attitudes to learning.
- Teachers set consistently high expectations of all students.
- Teachers plan lessons with consistently high quality marking and constructive feedback which ensures student engagement; students are not passive receivers of information but active learners who take shared responsibility for their progress.

Teaching has at its core 'stretch and challenge' with appropriate differentiation. This will include effective teaching strategies including setting of appropriate homework and effectively targeted support and intervention to identify students who are not making sustained and accelerated progress. The outcome is students who develop a range of skills across the curriculum.

Personal development, behaviour and well-being

- Students display a positive attitude to learning, whether working as individuals, groups or as whole classes. They show pride in achievement and commitment to learning.
- All stakeholders (students, staff, parents and the wider local community) are positive about behaviour and safety. Students are proud of their school and value partnership opportunities.
- Staff and students value mutual respect. Incidents of bullying and exclusions are few and excellent conduct, manners and punctuality are the norm.
- Teaching and learning is supported by consistent use of behaviour management strategies centred on restorative approaches. Students understand how to keep themselves safe.
- Students are punctual in arriving at school and at lessons; attendance at school is very high.
- Students receive high quality, impartial careers guidance to ensure they are prepared for the next stage of their education, employment, self-employment and training.
- Students progress well from their different starting points and achieve or exceed standards expected for their age in all subjects.

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Effective Leadership and Management

- Leadership and management at all levels is focused on our desire to achieve the best possible outcome for all learners in St Neots.
- All leaders and managers '*walk the talk*' and lead by example. Leadership and management decisions are evidence based and actions are taken to ensure students maximise their achievement.
- Governor scrutiny holds senior leaders to account.
- Partnership policies are clear, understood and consistently employed by all staff in the Partnership. The curriculum is broad and balanced and meets learners' needs, and with the support of independent advice and guidance ensures clear progression routes.
- Students engage in the curriculum to ensure academic success. Support is in place to ensure students' well-being and their spiritual, moral, social and cultural development.
- Parents are valued as important stakeholders in the SNLP and every opportunity is taken to engage with parents. Clear timelines, centred around Plan-Do-Review, ensure a continuous cycle of Partnership improvement.

Funds held as custodian trustee on behalf of others



St Neots Schools Forum is a voluntary group of schools working together to improve the opportunities and outcomes for children in St Neots. The group is managed by committee and employs a part time member of staff to coordinate agreed projects across the member schools. Membership of the forum is open to all schools in the St Neots locality and is funded by subscription, with responsibility for holding and managing the finance, and leadership of the forum, being decided by majority vote each September. Bushmead School had been the banker school since September 2009 and resigned from this role at the forum meeting on 16th September 2014 anticipating a change of leadership in September 2015. SNLP volunteered to take over as the banker school and this was passed unanimously by Heads - see extract of the minutes below.

- i) Identify new banker school

Thanks to Bushmead for acting as the banker school for the past five years. SNLP volunteered to take it on from April with Longsands as the banker, Ann Christie as administrator.

DECISION: Unanimous agreement by all present

From September 2016, administration of the account will become the responsibility of the Partnership Finance Manager.

For the period September 2015 – August 2016 the movement on the account is as below:

Opening balance	£49,153.43
Income	
Subscriptions	£19,848.00
Other income	<u>£895.46</u>
	£20,743.46
Expenditure	
L Hilton salary	£13,818.85
Membership costs	<u>£2,497.28</u>
	£16,316.13
Carry forward	£53,580.76

THE ST NEOTS LEARNING PARTNERSHIP

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 trustees 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.

A resolution proposing that Rawlinsons Chartered Accountants be reappointed as auditor of the charitable company will be put to the members.

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

.....
Karl Wainwright
Chairman

Draft

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The St Neots Learning Partnership and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Karl Wainwright (Chairman)	12	13
Graham Wright (Local Community Governor)	12	12
Julie Smith (Vice Chair)	8	12
Martin Critcher (Parent Governor)	9	9
Karen Kircher (Parent Governor)	4	7
Judith Burt (Parent Governor)	3	7
Helen Bryson (Parent Governor)	12	15
Rick Carroll (Executive Head and Accounting Officer)	16	17
Margaret Carpenter (Staff Governor)	7	7
Ian Dumbleton (Local Community Governor)	6	7
Roger Henthorne (Partnership Governor)	6	7
Christine Lewis (Partnership Governor)	10	10
Catherine Hutton (Community (Authority) Governor) (Resigned 9 September 2015)	0	0
Sandy Law (Community (Authority) Governor)	9	9
Graham Hughes (Parent Governor)	8	12
Michael Norton (Staff Governor) (Resigned 4 December 2015)	1	3
Andrew Truett (Staff Governor)	7	7
Martin Paine (Headteacher) (Appointed 10 September 2015)	7	10
Tracy Grinnell (Headteacher) (Appointed 1 September 2016)	0	0

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The **finance and resources committee** is a sub-committee that came into effect in the spring term of 2014-15.

The Committee's key functions are to:

- support purpose and values of the Partnership by ensuring the best possible use of available financial resources;
- within an overall aim of promoting the well-being of students and staff, consider health and safety policy and associated practice.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
G Wright	5	5
K Wainwright	3	5
G Hughes	3	5
H Bryson	3	5
R Carroll	4	5
M Paine	1	4

The **standards and curriculum committee** is a sub-committee of the main governing body and became effective during the spring term of 2014-15.

The Committee's key functions are to:

- monitor and evaluate standards of student attainment and achievement;
- monitor and evaluate the quality of teaching;
- monitor the development of curricular and extra-curricular provision for all students;
- monitor the Partnership's internal self-evaluation processes.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
K Wainwright	3	3
M Critcher	3	3
K Kircher	2	3
J Burt	1	3
H Bryson	3	3
G Hughes	2	3
I Dumbelton	3	3
J Smith	3	3
R Henthorne	2	3
C Lewis	3	3
S Law	3	3
M Carpenter	3	3
R Carroll	3	3
M Norton	0	1
A Truett	3	3

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The **strategy committee** is a sub-committee of the main governing body and became effective during the spring term of 2014-15.

The Committee's key functions are to:

- lead and co-ordinate the work of the Governing Body;
- lead and/or organise Governing Body representation in matters of strategic importance;
- promote effective staff development and good employment practice.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
H Bryson	2	3
K Wainwright	3	3
R Carroll	3	3
J Smith	3	3
G Wright	3	3
C Lewis	3	3

The **audit committee** is a sub-committee of the main board of trustees.

The Committee's key functions are to:

- review the school's internal and external financial statements and reports to ensure that they reflect best practice;
- discuss with the external auditor the nature and scope of each forthcoming audit and the findings of the audit once completed;
- consider all relevant reports by the Responsible Officer or the appointed external auditor, including reports on the school's accounts, achievement of value for money and the response to any management letters;
- monitor the implementation of action to address adverse control findings by the Responsible Officer or the appointed external auditor;
- review the effectiveness of the school's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
- consider and advise the Governing Body on the school's annual and long-term audit programme, ensuring that the school's internal controls are subject to appropriate independent scrutiny at least in accordance with Government standards;
- review the operation of the school's code of practice for Governors and code of conduct for staff;
- consider any other matters where requested to do so by the Governing Body; and
- report at least once a year to the Governing Body on the discharge of the above duties.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
J Smith	1	2
M Critcher	2	2
R Carroll	2	2
S Law	2	2

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Review of value for money

The accounting officer 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 academy 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, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by robust governance and oversight of Academy Trust finances.

The Trust benefits from the provision by CEFM Limited to provide the internal audit function which is required by the Governing Body Audit Committee.

The checks include a review of key financial policies, systems and procedures, including the use of tenders and presents reports on compliance to the Audit Committee.

The external audit function is carried out by Rawlinsons who complete the paperwork required to produce the final accounts, as well as the Annual Accounts return.

The Finance and Resources Committee receive termly budget monitoring reports and reports detailing compliance with Academy Trusts tender policy, if required. The full Governing Body approves the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Governing Body also receives and approves the Annual Accounts and the External Auditors Management Letter.

To ensure the operation of the Trust demonstrates good value for money and efficient and effective use of resources the Partnership benchmarks financial performance against other academy trusts, including our partner schools in the Huntingdonshire Academies Secondary Partnership, to demonstrate that the Trust provides good value for money.

Exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

For purchases above £5,000 but below the tender limit 3 quotes are generally required. The Partnership also operates a preferred supplier list.

Maximising income generation

The Partnership explores every opportunity to generate income through hire of Academy facilities and provision of Adult Education.

Reviewing controls and managing risks.

Monthly budget monitoring reports are produced and reviewed by the Governors, Deputy Heads and the Headteachers and any necessary remedial action taken to address any significant variances that may have an impact on the budget out-turn.

The Chair of the Finance and Resources committee also meet with the Governors each term, to scrutinize budget statements. The Audit Committee meets twice each year to also review the audit and consider the RO reports.

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The Academy Trust ensures that all surplus cash balances are invested to maximise interest earning potential. Currently, due to low interest rates the balances are being held in the current accounts which historically earned a rate of 0.25% above the Bank base rate. In 2014 a comparison was made against Government Bond rates but governors agreed to hold the surplus balances in the main bank accounts as it was felt that the investment return on Government Bonds would not be any more favourable in the medium term. In 2016, the rate of interest paid by the bank on the current accounts was reduced to 0.5% in April and reduced further to 0.25% in September.

The Academy Trust maintains a risk register which is reviewed annually. The register is also reviewed by the Responsible Officer and External Auditor. There are currently no major risks which have not had adequate control measures applied.

Reviewing operation to maximize use of resources.

The Academy Leadership Teams review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Partnership Improvement Plan.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The St Neots Learning Partnership for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and personnel committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed CEFM to carry out the role of Responsible Officer and report back to the audit committee.

THE ST NEOTS LEARNING PARTNERSHIP

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The RO has appointed the Centre for Education and Finance Management to perform a range of checks on the Academies' financial systems on a termly basis, as well as giving advice on financial matters the RO reports to the board of trustees, through the Audit Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. No material control issues were reported in this period.

Review of effectiveness

As accounting officer the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the responsible officer;
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the board of trustees on and signed on its behalf by:

Karl Wainwright
Chairman

Rick Carroll
Executive Head and Accounting Officer

THE ST NEOTS LEARNING PARTNERSHIP

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The St Neots Learning Partnership I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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 EFA.

Rick Carroll
Accounting Officer

.....

Draft

THE ST NEOTS LEARNING PARTNERSHIP

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for The St Neots Learning Partnership and are also the directors of The St Neots Learning Partnership for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction 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 accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, 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 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from EFA/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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on and signed on its behalf by:

Karl Wainwright
Chairman

THE ST NEOTS LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE ST NEOTS LEARNING PARTNERSHIP

We have audited the accounts of The St Neots Learning Partnership for the year ended 31 August 2016 set out on pages 27 to 49. 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', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 22, the trustees, who are also the directors of The St Neots Learning Partnership for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

THE ST NEOTS LEARNING PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE ST NEOTS LEARNING PARTNERSHIP (CONTINUED)

Matters on which we are required to report by exception

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

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

Mark Jackson FCA DChA (Senior Statutory Auditor)
for and on behalf of **Rawlinsons Chartered Accountants**

Chartered Accountants

Statutory Auditor

Ruthlyn House
90 Lincoln Road
Peterborough
Cambridgeshire
PE1 2SP

Dated:

Draft

THE ST NEOTS LEARNING PARTNERSHIP

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE ST NEOTS LEARNING PARTNERSHIP AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 12 March 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The St Neots Learning Partnership during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The St Neots Learning Partnership and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The St Neots Learning Partnership and EFA 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 St Neots Learning Partnership and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The St Neots Learning Partnership's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The St Neots Learning Partnership's funding agreement with the Secretary of State for Education dated 29 July 2011 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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:

- a review of the activities of the academy, by reference to sources of income and other information available to us;
- sample testing of expenditure, including payroll;
- a review of minutes of Governors' meetings.

THE ST NEOTS LEARNING PARTNERSHIP

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Mark Jackson FCA DChA

Reporting Accountant

Rawlinsons Chartered Accountants

Ruthlyn House

90 Lincoln Road

Peterborough

Cambridgeshire

PE1 2SP

Dated:

Draft

THE ST NEOTS LEARNING PARTNERSHIP

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	-	-	452,555	452,555	1,144,137
Charitable activities:						
- Funding for educational operations	3	346,378	13,656,802	-	14,003,180	13,187,369
Other trading activities	4	431,511	15,465	-	446,976	467,535
Investments	5	10,357	-	-	10,357	15,328
Total income and endowments		788,246	13,672,267	452,555	14,913,068	14,814,369
Expenditure on:						
Raising funds	6	336,412	47,218	-	383,630	412,798
Charitable activities:						
- Educational operations	7	715,283	13,725,532	1,096,108	15,536,923	15,635,270
Total expenditure	6	1,051,695	13,772,750	1,096,108	15,920,553	16,048,068
Net income/(expenditure)		(263,449)	(100,483)	(643,553)	(1,007,485)	(1,233,699)
Transfers between funds		(73,507)	-	73,507	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(1,944,000)	-	(1,944,000)	(163,000)
Net movement in funds		(336,956)	(2,044,483)	(570,046)	(2,951,485)	(1,396,699)
Reconciliation of funds						
Total funds brought forward		851,626	(2,472,300)	25,636,272	24,015,598	25,412,297
Total funds carried forward		514,670	(4,516,783)	25,066,226	21,064,113	24,015,598

THE ST NEOTS LEARNING PARTNERSHIP

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

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information Year ended 31 August 2015	Unrestricted Funds	Restricted funds:		Total 2015	
Notes	£	General	Fixed asset	£	
Income and endowments from:					
Donations and capital grants	2	1,852	-	1,142,285	1,144,137
Charitable activities:					
- Funding for educational operations	3	245,216	12,942,153	-	13,187,369
Other trading activities	4	446,865	20,670	-	467,535
Investments	5	15,328	-	-	15,328
Total income and endowments		709,261	12,962,823	1,142,285	14,814,369
Expenditure on:					
Raising funds	6	402,598	10,200	-	412,798
Charitable activities:					
- Educational operations	7	567,202	14,497,004	571,064	15,635,270
Total expenditure	6	969,800	14,507,204	571,064	16,048,068
Net income/(expenditure)		(260,539)	(1,544,381)	571,221	(1,233,699)
Transfers between funds		(14,047)	964,187	(950,140)	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	19	-	(163,000)	-	(163,000)
Net movement in funds		(274,586)	(743,194)	(378,919)	(1,396,699)
Reconciliation of funds					
Total funds brought forward		1,126,212	(1,729,106)	26,015,191	25,412,297
Total funds carried forward		851,626	(2,472,300)	25,636,272	24,015,598

THE ST NEOTS LEARNING PARTNERSHIP

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Fixed assets					
Tangible assets	12		24,991,952		25,458,174
Current assets					
Debtors	13	541,593		510,053	
Cash at bank and in hand		1,432,659		1,910,872	
		<u>1,974,252</u>		<u>2,420,925</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(1,196,216)		(1,368,501)	
Net current assets			<u>778,036</u>		<u>1,052,424</u>
Total assets less current liabilities			<u>25,769,988</u>		<u>26,510,598</u>
Creditors: amounts falling due after more than one year	15		(24,875)		-
Net assets excluding pension liability			<u>25,745,113</u>		<u>26,510,598</u>
Defined benefit pension liability	19	(4,681,000)		(2,495,000)	
Net assets			<u>21,064,113</u>		<u>24,015,598</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			25,066,226		25,636,272
- Restricted income funds			164,217		22,700
- Pension reserve			(4,681,000)		(2,495,000)
Total restricted funds			<u>20,549,443</u>		<u>23,163,972</u>
Unrestricted income funds	17		<u>514,670</u>		<u>851,626</u>
Total funds			<u>21,064,113</u>		<u>24,015,598</u>

The accounts set out on pages 27 to 49 were approved by the board of trustees and authorised for issue on and are signed on its behalf by:

.....
Karl Wainwright
Chairman
Company Number 07703784

THE ST NEOTS LEARNING PARTNERSHIP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
Cash flows from operating activities					
Net cash used in operating activities	20		(887,897)		(1,471,149)
Cash flows from investing activities					
Dividends, interest and rents from investments		10,357		15,328	
Capital grants from DfE and EFA		452,555		1,142,285	
Payments to acquire tangible fixed assets		(73,507)		(14,047)	
			389,405		1,143,566
Cash flows from financing activities					
New long term government loan		27,000		-	
Financing costs		(6,721)		(9,940)	
			20,279		(9,940)
Change in cash and cash equivalents in the reporting period					
			(478,213)		(337,523)
Cash and cash equivalents at 1 September 2015			1,910,872		2,248,395
Cash and cash equivalents at 31 August 2016			<u>1,432,659</u>		<u>1,910,872</u>

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

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

1.1 Basis of preparation

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

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

These accounts for the year ended 31 August 2016 are the first accounts of The St Neots Learning Partnership prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made the assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations

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

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold buildings	2% on cost
Computer equipment	33.3% on cost
Fixtures, fittings & equipment	20% on cost
Motor vehicles	20% on cost

Property introduced into the academy trust from the previous local authority school has been transferred in at depreciated replacement cost as determined by the valuation at 31 August 2012 performed by a professional valuer, commissioned by the EFA.

Furniture and equipment transferred into the academy trust from the previous local authority school has not been valued and introduced into these accounts.

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

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

1.8 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.

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.9 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 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.10 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 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 Funding Agency and other funders.

1.11 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Capital grants	-	452,555	452,555	1,142,285
Other donations	-	-	-	1,852
	-	452,555	452,555	1,144,137

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	12,197,594	12,197,594	11,403,391
Other DfE / EFA grants	-	517,598	517,598	532,918
	-	12,715,192	12,715,192	11,936,309
Other government grants				
Local authority grants	-	888,510	888,510	932,343
Other funds				
Other incoming resources	346,378	53,100	399,478	318,717
Total funding	346,378	13,656,802	14,003,180	13,187,369

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Lettings	43,903	-	43,903	44,736
Catering income	301,649	-	301,649	318,822
Other income	85,959	15,465	101,424	103,977
	<u>431,511</u>	<u>15,465</u>	<u>446,976</u>	<u>467,535</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Short term deposits	10,357	-	10,357	15,328
	<u>10,357</u>	<u>-</u>	<u>10,357</u>	<u>15,328</u>

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	9,139,707	-	1,505,130	10,644,837	10,368,392
- Allocated support costs	2,078,910	1,836,957	976,219	4,892,086	5,266,878
	<u>11,218,617</u>	<u>1,836,957</u>	<u>2,481,349</u>	<u>15,536,923</u>	<u>15,635,270</u>
Other expenditure					
Raising funds	-	-	383,630	383,630	412,798
	<u>-</u>	<u>-</u>	<u>383,630</u>	<u>383,630</u>	<u>412,798</u>
Total expenditure	<u>11,218,617</u>	<u>1,836,957</u>	<u>2,864,979</u>	<u>15,920,553</u>	<u>16,048,068</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	12,300	12,000
- Other services	4,302	1,500
- Previous auditor	-	5,144
Operating lease rentals	33,210	32,341
Depreciation of tangible fixed assets	539,729	571,064
	<u>589,541</u>	<u>622,049</u>

Central services

No central services were provided by the academy trust to its academies during the year and no central charges arose.

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	445,686	10,199,151	10,644,837	10,368,392
Support costs - educational operations	269,597	4,622,489	4,892,086	5,266,878
	<u>715,283</u>	<u>14,821,640</u>	<u>15,536,923</u>	<u>15,635,270</u>

Analysis of costs

	2016 £	2015 £
Direct costs		
Teaching and educational support staff costs	9,087,182	9,109,589
Staff development	52,525	75,507
Technology costs	135,829	177,170
Educational supplies and services	387,092	438,790
Examination fees	232,578	258,093
Bought in services	348,011	-
Other direct costs	401,620	309,243
	<u>10,644,837</u>	<u>10,368,392</u>
Support costs		
Support staff costs	2,078,910	1,997,367
Depreciation and amortisation	539,729	571,064
Recruitment and support	24,899	45,418
Maintenance of premises and equipment	1,297,228	1,741,699
Cleaning	25,687	33,420
Energy costs	194,414	242,866
Rent and rates	123,530	154,110
Insurance	187,383	156,803
Security and transport	17,851	26,014
Interest and finance costs	103,721	(1,060)
Other support costs	222,217	266,910
Governance costs	76,517	32,267
	<u>4,892,086</u>	<u>5,266,878</u>

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Governance costs

All from restricted funds:	Total 2016 £	Total 2015 £
Amounts included in support costs		
Legal and professional fees	58,773	13,623
Auditor's remuneration		
- Audit of financial statements	12,300	17,144
- Other audit costs	4,098	1,500
Other governance costs	1,346	-
	76,517	32,267
	76,517	32,267

9 Staff costs

	2016 £	2015 £
Wages and salaries	8,707,539	8,767,267
Social security costs	706,237	643,284
Operating costs of defined benefit pension schemes	1,578,952	1,400,392
	10,992,728	10,810,943
Staff costs		
Supply staff costs	136,825	208,462
Staff restructuring costs	34,949	81,604
Staff development and other staff costs	54,115	81,454
	11,218,617	11,182,463
	11,218,617	11,182,463

Staff numbers

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

	2016 Number	2015 Number
Teachers	199	202
Administration and support	169	172
Management	20	20
	388	394
	388	394

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

(Continued)

Higher paid staff

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

	2016 Number	2015 Number
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	4	4
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	1
	<u> </u>	<u> </u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2015 - £81,604).

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,306,587 (2015 - £1,478,992).

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

10 Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits for the period they were trustees was as follows:

Rick Carroll (principal and trustee)

Remuneration £110,000 - £115,000 (2015 - £110,000 - £115,000)

Employer's pension contributions £15,000 - £20,000 (2015 - £15,000 - £20,000)

Margaret Carpenter (staff trustee)

Remuneration £40,000 - £45,000 (2015 - £40,000 - £45,000)

Employer's pension contributions £5,000 - £10,000 (2015 - £5,000 - £10,000)

Christine Lewis (staff trustee)

Remuneration £0 - £5,000 (2015 - £0 - £5,000)

Employer's pension contributions £nil (2015 - £nil)

Andrew Hynes (staff trustee)

Remuneration £nil (2015 - £30,000 - £35,000)

Employer's pension contributions £nil (2015 - £5,000 - £10,000)

David Truett (staff trustee)

Remuneration £40,000 - £45,000 (2015 - £15,000 - £20,000)

Employer's pension contributions £5,000 - £10,000 (2015 - £0 - £5,000)

Michael Norton (staff trustee)

Remuneration £10,000 - £15,000 (2015 - £25,000 - £30,000)

Employer's pension contributions £0 - £5,000 (2015 - £0 - £5,000)

Scott Preston (staff trustee)

Remuneration £nil (2015 - £65,000 - £70,000)

Employer's pension contributions £nil (2015 - £5,000 - £10,000)

11 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was included within insurance costs.

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

12 Tangible fixed assets

	Freehold buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2015	27,224,251	464,391	162,116	47,911	27,898,669
Additions	-	40,116	33,391	-	73,507
At 31 August 2016	27,224,251	504,507	195,507	47,911	27,972,176
Depreciation					
At 1 September 2015	1,861,134	443,230	108,959	27,172	2,440,495
Charge for the year	470,200	22,308	37,817	9,404	539,729
At 31 August 2016	2,331,334	465,538	146,776	36,576	2,980,224
Net book value					
At 31 August 2016	24,892,917	38,969	48,731	11,335	24,991,952
At 31 August 2015	25,363,117	21,161	53,157	20,739	25,458,174

13 Debtors

	2016 £	2015 £
Trade debtors	5,765	76,139
VAT recoverable	48,932	71,055
Other debtors	266,433	160,000
Prepayments and accrued income	220,463	202,859
	541,593	510,053

Amounts included above which fall due after more than one year:

	2016 £	2015 £
Other debtors	229,033	144,000

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

14 Creditors: amounts falling due within one year	2016 £	2015 £
Government loans	2,125	-
Trade creditors	218,768	573,102
Other taxation and social security	207,148	190,841
Other creditors	231,153	215,741
Accruals and deferred income	537,022	388,817
	<u>1,196,216</u>	<u>1,368,501</u>
15 Creditors: amounts falling due after more than one year	2016 £	2015 £
Government loans	24,875	-
	<u>24,875</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	27,000	-
Less: included in current liabilities	(2,125)	-
	<u>24,875</u>	<u>-</u>
Amounts included above	24,875	-
	<u>24,875</u>	<u>-</u>
Loan maturity		
Due in more than one year but not more than two years	27,000	-
	<u>27,000</u>	<u>-</u>
16 Deferred income	2016 £	2015 £
Deferred income is included within:		
Creditors due within one year	250,115	163,492
	<u>250,115</u>	<u>163,492</u>
Deferred income at 1 September 2015	163,492	82,939
Released from previous years	(163,492)	(82,939)
Amounts deferred in the year	250,115	163,492
	<u>250,115</u>	<u>163,492</u>
Deferred income at 31 August 2016	<u>250,115</u>	<u>163,492</u>

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds

	Balance at 1 September 2015	Incoming resources	Resources expended	Gains, losses & transfers	Balance at 31 August 2016
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	12,197,594	(12,033,377)	-	164,217
Other DfE / EFA grants	-	517,598	(517,598)	-	-
Other government grants	22,700	888,510	(911,210)	-	-
Other restricted funds	-	68,565	(68,565)	-	-
	<u>22,700</u>	<u>13,672,267</u>	<u>(13,530,750)</u>	<u>-</u>	<u>164,217</u>
Funds excluding pensions	22,700	13,672,267	(13,530,750)	-	164,217
Pension reserve	(2,495,000)	-	(242,000)	(1,944,000)	(4,681,000)
	<u>(2,472,300)</u>	<u>13,672,267</u>	<u>(13,772,750)</u>	<u>(1,944,000)</u>	<u>(4,516,783)</u>
Restricted fixed asset funds					
DfE / EFA capital grants	178,098	452,555	(556,379)	-	74,274
Net book value of assets	25,458,174	-	(539,729)	73,507	24,991,952
	<u>25,636,272</u>	<u>452,555</u>	<u>(1,096,108)</u>	<u>73,507</u>	<u>25,066,226</u>
Total restricted funds	<u>23,163,972</u>	<u>14,124,822</u>	<u>(14,868,858)</u>	<u>(1,870,493)</u>	<u>20,549,443</u>
Unrestricted funds					
General funds	851,626	788,246	(1,051,695)	(73,507)	514,670
	<u>851,626</u>	<u>788,246</u>	<u>(1,051,695)</u>	<u>(73,507)</u>	<u>514,670</u>
Total funds	<u>24,015,598</u>	<u>14,913,068</u>	<u>(15,920,553)</u>	<u>(1,944,000)</u>	<u>21,064,113</u>
General unrestricted funds include the following designated funds:					
Longsands school fund	258,142	291,837	(402,733)	-	147,246
Ernulf school fund	19,480	54,541	(49,652)	-	24,369
Balance of general funds	574,004	441,868	(599,310)	(73,507)	343,055
	<u>851,626</u>	<u>788,246</u>	<u>(1,051,695)</u>	<u>(73,507)</u>	<u>514,670</u>

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17 Funds

(Continued)

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy. Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016, following a deed of variation to the original funding agreement.

The other restricted funds relate to various school and educational activities which are not funded by the GAG.

The pension reserve fund relates to the pension deficit on the LGPS pension scheme.

Parliament has agreed, at the request of the Secretary of State for Education, to 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.

Total funds analysis by academy

	Total £
Fund balances at 31 August 2016 were allocated as follows:	
Longsands Academy	409,344
Ernulf Academy	269,543
Total before fixed assets fund and pension reserve	678,887
Restricted fixed asset fund	25,066,226
Pension reserve	(4,681,000)
Total funds	<u>21,064,113</u>

Total cost analysis by academy

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 £
Longsands Academy	6,290,158	1,456,428	265,795	2,793,706	10,806,087
Ernulf Academy	2,759,553	659,953	121,297	1,033,934	4,574,737
	<u>9,049,711</u>	<u>2,116,381</u>	<u>387,092</u>	<u>3,827,640</u>	<u>15,380,824</u>

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	24,991,952	24,991,952
Current assets	1,735,761	164,217	74,274	1,974,252
Creditors falling due within one year	(1,196,216)	-	-	(1,196,216)
Creditors falling due after one year	(24,875)	-	-	(24,875)
Defined benefit pension liability	-	(4,681,000)	-	(4,681,000)
	<u>514,670</u>	<u>(4,516,783)</u>	<u>25,066,226</u>	<u>21,064,113</u>

19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cambridgeshire County Council. 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 related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

Contributions amounting to £177,573 (2015: £166,588) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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 ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £995,288 (2015: £862,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5% for employers and 7.5% for employees. The estimated value of employer contributions for the forthcoming year is £456,000.

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.

Total contributions made	2016	2015
	£	£
Employer's contributions	445,000	436,000
Employees' contributions	118,000	109,000
Total contributions	<u>563,000</u>	<u>545,000</u>

Principal actuarial assumptions	2016	2015
	%	%
Rate of increases in salaries	4.1	4.5
Rate of increase for pensions in payment	2.1	2.6
Discount rate	<u>2.1</u>	<u>3.7</u>

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19 Pensions and similar obligations

(Continued)

Sensitivity analysis

	At 31 August 2016	At 31 August 2015
Adjustment to discount rate	-0.5%	-0.5%
Present value of total obligation	1,493,000	996,000
Adjustment to mortality age rating assumption	+1 year	+1 year
Present value of total obligation	351,000	237,000
Adjustment to salary increase rate	+0.5%	+0.5%
Present value of total obligation	487,000	417,000
Adjustment to mortality age rating assumption	+0.5%	+0.5%
Present value of total obligation	957,000	551,000

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

	2016 Years	2015 Years
Retiring today		
- Males	22.5	22.5
- Females	24.5	24.5
Retiring in 20 years		
- Males	24.4	24.4
- Females	26.9	26.9

The academy trust's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	5,262,000	4,000,000
Bonds	1,052,400	811,000
Property	491,120	432,000
Other assets	210,480	162,000
Total market value of assets	7,016,000	5,405,000
Actual return on scheme assets - gain/(loss)	1,106,000	(71,000)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	589,000	562,000
Net interest cost	97,000	(11,000)
Plan introductions, benefit changes, curtailments and settlements	1,000	3,000
Total operating charge	687,000	554,000

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

19	Pensions and similar obligations	(Continued)	
	Changes in the present value of defined benefit obligations	2016	
		£	
	Obligations at 1 September 2015	7,900,000	
	Current service cost	589,000	
	Interest cost	309,000	
	Employee contributions	118,000	
	Actuarial loss	2,838,000	
	Benefits paid	(58,000)	
	Plan introductions, benefit changes, curtailments and settlements	1,000	
	At 31 August 2016	11,697,000	
	Changes in the fair value of the academy trust's share of scheme assets	2016	
		£	
	Assets at 1 September 2015	5,405,000	
	Interest income	212,000	
	Return on plan assets (excluding amounts included in net interest):		
	Actuarial gain	894,000	
	Employer contributions	445,000	
	Employee contributions	118,000	
	Benefits paid	(58,000)	
	At 31 August 2016	7,016,000	
20	Reconciliation of net expenditure to net cash flows from operating activities	2016	2015
		£	£
	Net expenditure for the reporting period	(1,007,485)	(1,233,699)
	Adjusted for:		
	Capital grants from DfE/EFA and other capital income	(452,555)	(1,142,285)
	Investment income	(10,357)	(15,328)
	Financing costs	6,721	9,940
	Defined benefit pension costs less contributions payable	145,000	129,000
	Defined benefit pension net finance cost/(income)	97,000	(11,000)
	Depreciation of tangible fixed assets	539,729	571,064
	(Increase)/decrease in debtors	(31,540)	7,467
	Increase/(decrease) in creditors	(174,410)	213,692
	Net cash used in operating activities	(887,897)	(1,471,149)

THE ST NEOTS LEARNING PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

21 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	23,170	18,117
Amounts due in two and five years	37,095	32,815
	<u>60,265</u>	<u>50,932</u>

22 Related party transactions

Some of the governors have children who are pupils at the academy, consequently there will be transactions between those governors and the academy in respect of their children's education. These are on the same basis as other pupils at the academy.

During the year the academy used Harlequin Decorative Solutions, of which Mr Karl Wainwright (Chair of Governors) is the proprietor, to provide decorative services amounting to £610 (2015 - £4,460). At the year end the amount owing to Harlequin Decorative Solutions was £nil (2015 - £3,140). The academy understands that the purchases are at no more than cost as prescribed in the EFA's Academies Financial Handbook for transactions taking place with related parties.

23 Members' liability

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