

**MIDDLESEX LEARNING PARTNERSHIP
(formerly The Barnhill Partnership Trust)**

(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

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MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE MAT, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

| | |
|--|--|
| Members | S Williams C Lawn (resigned 16 May 2017) T Hemming T St Catherine |
| Trustees | T Hemming, Executive Head Teacher C Lawn S Williams, Vice-Chair of MAT (resigned 30 July 2017) T St Catherine, Acting Chair of MAT G Wade (appointed 1 September 2016) P Gorania R Middleton (appointed 1 October 2016) S Arnold (appointed 1 January 2017) A Sennett (appointed 1 October 2016, resigned 12 May 2017) |
| Company registered number | 07719016 |
| Company name | Middlesex Learning Partnership |
| Registered and principal office | Yeading Lane Hayes Middlesex UB4 9LE |
| Company secretary | A Noakes |
| Chief Executive Officer | T Hemming |
| Senior Leadership Team | P Bateman, Head Teacher A Fenlon, Assistant Head R Inniss, Deputy Head J Jones, Interim Deputy Head (appointed 1 January 2017) C Lamb, Assistant Head G Leonard, Assistant Head M Mayne, Head of school (appointed 1 September 2016) M Moore, Assistant Head T Noakes, Operations Director S Roberts, Acting Head Teacher |

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Independent Auditors

Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Bankers

Lloyds Bank
PO Box 1000
Andover
BX1 1LT

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the Middlesex Learning Partnership (the Trust or the Charitable Company) for the year ended 31 August 2017. The Annual Report serves the purposes of both a Trustee's Report, and a Directors' Report under company law.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a Charitable Company limited by guarantee and was set up by a Memorandum of Association on 3 December 2012, incorporated in England. The Trust includes 2 academy schools as at 31 August 2017, Barnhill Community High School and Belmore Primary (The Academies or the Schools). Barnhill became an Academy on 26 July 2011 and Belmore on the 1 December 2012. William Byrd Primary School joined the Trust on 1 September 2017 and as a result will appear in the consolidated accounts for the 2017/18 financial year. The Charitable Company's Memorandum and Articles of Association are its primary governing documents.

The Barnhill Partnership Trust changed its trading name to Middlesex Learning Partnership in August 2017. Companies House and the Department of Education have both acknowledged the change in name.

Member's 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.

Directors Indemnities

Trust combined policy insurance was in place for 2016/17. All risk complete insurance including specific Director third party insurance was in place for 2016/17 for both Academies through Zurich for Barnhill Community High and RPA through the Department for Education (DfE) for Belmore.

Methods, policies and procedures for recruitment, appointment, induction and training of new Directors.

In this Report the term Director or Trustee refers to a member of the Multi-Academy Trust (MAT). The term Governor relates to a member of a Local Governing Body (LGB).

Directors are appointed for a fixed term. Four Directors are ex-officio positions, the Chair and Vice Chair of the Barnhill LGB, the Chair of the Belmore LGB and the Executive Head Teacher (EHT). Further Directors are selected by the MGB, and may include further representation from the LGB.

New Directors are required to attend a training programme. The induction programme would involve a tour of the Schools, meetings with students and staff and provisions of policy and procedure documents that are appropriate to the role they undertake as Directors with particular emphasis on the committee work they will undertake.

The Trust has revised its Articles of Association during 2017 to reflect a growing acquisitive organisation. The latest version is currently being reviewed by the DfE and we are expecting to be able to publish the new Articles during the first quarter of 2018.

Organisational Structure

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

The Leadership Group at Barnhill consists of the Head of School, 2 Deputy Head Teachers and 2 Assistant Heads. At Belmore, it consists of a Headteacher, a Deputy Head (and Trust Director of Achievement), 2 Acting Deputy Heads, 1 Assistant Head and 2 Associate Assistant Heads. The teams control each Academy at an executive level implementing policies and reporting to the LGBs. The heads report to and are monitored by the EHT who is on the Board. The Leadership Group is responsible for the day to day operation of each Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment process.

MIDDLESEX LEARNING PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

There are two Trust Senior Leadership roles, the Executive Head Teacher who leads the Trust and the Operations Director who also currently fulfils the Chief Finance Officer role for the Trust. The EHT is the Principal Accounting Officer.

Related Parties

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private organisations, it is inevitable that from time to time transactions will take place with organisations in which a member of the Board of Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any resulting commercial transactions are reported separately in the financial statements.

There were no related party transactions during the reporting period.

OBJECTIVES AND ACTIVITIES

Objects and aims

As set out in the Articles of Association, the Trust's objective is to advance for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing Schools offering a broad and balanced curriculum and to promote for the benefit of the inhabitants of the London Borough of Hillingdon and the surrounding area; the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason for their youth, age, infirmity or disablement, financial hardship or social and economic circumstances; or for the public at large in the interests of social welfare and with the objective of improving the condition of life of the said inhabitants.

The Directors confirm they have referred to the guidance in the Charity Commission's guidance on public benefit. The Directors believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

ACHIEVEMENTS AND PERFORMANCE

Achievements and Performance

Progress continues to be made across both Academies:

In 2017 Belmore continued its trend of improvement in terms of outcomes.

Year 1 achieved near perfect results in the national Phonics Test with 98% achieving the expected standard.

Our end-of-KS1 outcomes improved across all three subjects area (Reading, Writing and Maths). Results went up over 10% in every subject and we were at or, in most cases, above national averages in all areas.

Year 6 SATs results were very strong. 89% achieved the expected standard in Maths, 88% in Writing and 75% in Reading. In all 3 subjects our results were comfortably above the national averages. In terms of progress Belmore was in the top 10% of Schools in the country for Maths and over half of the year group (53%) reached the higher standard. Every child in Year 6 last year can feel confident that they could not have been better prepared for starting Secondary School thanks to the work of the Y6 team.

The results this year and the clear trend of improvement are, we believe, nudging the School towards an 'Outstanding' judgement.

Key Stage 4 results at Barnhill Academy in 2017 were extremely strong for a second year running, with the Performance Measure indicated by the Progress 8 Score of +0.39 placing us in at least top 18% of Schools nationally and probably closer to the top 12%. Performance in the Basics (English and Maths) improved for a second year running and was up 8% on the previous year. Both English and Maths attainment improved, with a particularly impressive closing of the gap in the outcomes for girls in Maths. The gap between both the attainment and progress of disadvantaged and other students has closed dramatically across both years as a result of the work undertaken through the interventions programme.

Key Stage 5 progress has remained fairly similar across the last two years. Sixth Form standards continue to be a key aspect for the School's improvement plan.

MIDDLESEX LEARNING PARTNERSHIP

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Going Concern

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

FINANCIAL REVIEW

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) funding that it received from the Education and Skills Funding Agency (ESFA). For the period ending 31 August 2017, the Trust received £11,293,677 in GAG funding. A high percentage of this funding is spent on salaries and support costs to deliver the Trust's primary objective of the provision of education.

The Trust received over £840,000 for Pupil Premium funding during the year. This allows for targeted extra funding to support disadvantaged pupils across the Schools.

In addition, the Trust also incurs the cost of the PFI agreement which at present is in the region of £1.4 million per annum at the Barnhill Academy.

Principal Risks and uncertainty

The Trust maintains a Risk Register identifying the major risks to which it's exposed, and identifying actions and procedures to mitigate those risks. This Register is approved and monitored by the Operations Committee. The principal risks facing the Trust at a contextual level are outlined below in the Principal Risks and Uncertainties section; those facing the Trust at an operational level are addressed by its systems and by internal financial and other controls.

The Directors report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

The Directors have assessed the principal risks and uncertainties to the Trust as follows:

- Increasing costs for staff and employer pension contributions.
- Continuing reduction in real term income affecting provision. The budget for 2017-18 is challenging and the long-term financial plan including a reserve fund that will provide a contingency against unwelcome future developments.
- Falling roll – Belmore Academy and our new Academy, William Byrd, are experiencing falling rolls over the next two years. This will reduce real term income in 2017/18 and 2018/19. Barnhill Community High has recently been able to grow its 6th form roll recruitment. This will provide an additional £200,000 in 2018/19 compared with 2017/18.
- Bank balances and investments: there is no significant risk other than an institution ceasing to trade. The Trust is therefore seeking to spread its investment.
- Debtors: there are no material debtors.
- The Trust's cash flow is very healthy and long-term financial planning predicts it will remain so.
- The impact of the introduction of the National Funding Formula (NFF) in 2018/19 is not yet fully understood. Notification of NFF funding for 2018/19 will be confirmed in March/April 2018.
- Changes to the funding mechanism for the PFI contract at Barnhill Community High implemented in 2017/18 will increase the risk of higher costs for the Academy until the contract ends in 2023/24.

Reserves policy

The Directors regularly review the cash reserves of the Trust. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trust's current level of reserves (total funds less the amount held in fixed asset funds and pension fund deficit) is £1,000,165 which is currently considered adequate.

Directors approved a reserves policy of a requirement to hold at least one month's salary costs for the Trust as a cash surplus. This was met at the 31 August 2017.

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TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Due to the accounting rules for Local Government Pension Scheme under FRS17, the Trust is recognising a significant pension fund deficit of £3,985,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employee contributions over a number of years. The Trust is currently making payments towards the deficit and it is envisaged that should the deficit increase it will be met from its budgeted annual income. The recognition of this deficit has no direct impact on the free reserves of the Trust.

Investment policy

The Trust's investment policy will continue to be reviewed during 2017/18.

Plans for future period

The Trust has progressed in terms of school improvement in all its Schools. Although all are at different points of their journeys there is considerable cross-Trust collaboration. We wish this to become more systematic and for all staff to feel allegiance to the Trust as well as their individual Schools. This will take some time, but Trust communication is set to be improved and events and opportunities becoming more regularly planned.

The aspirational aim for the Trust is that all its Schools become Outstanding in OFSTED grading. This powers our relentless drive for school improvement.

The Trust has a policy of measured and sustainable growth for the future and would expect to add additional schools as opportunities arise and would welcome schools that have a good OFSTED rating, who wish to join the Trust. The likelihood of good or better schools becoming academies has decreased now that the DfE have rescinded the directive for all schools to academise by 2022.

The Regional Schools Commission's office have also informed us that there are very few schools in Hillingdon that are likely to fit the criteria for enforced academisation. Therefore if the Trust is to develop it needs to consider other options. There are areas of great need in the South Central England and London North West region, specifically Bracknell, Reading, Luton, Milton Keynes and Northampton. However, modelling of impact and capacity for the Trust to work across a wider area would need to be carefully considered and agreed before we actively start to look outside of the Middlesex area.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- So far as that Director is aware, there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- That Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Charitable Company's Auditors in connection with preparing their Report and to establish that the Charitable Company's Auditors are aware of that information.

AUDITORS

The Auditors, Price Bailey LLP, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting.

The Trustees Report, incorporating a Strategic Report, was approved by the Board of Trustees on 20th December 2017 and signed by:

T St Catherine

Acting Chair of Trustees

MIDDLESEX LEARNING PARTNERSHIP

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that Middlesex 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 Executive Head Teacher, 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 Middlesex 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 6 times during the year. Attendance during the year at meetings was as follows:

| Trustee | Meetings attended | Out of a possible |
|----------------|-------------------|-------------------|
| T Hemming | 6 | 6 |
| C Lawn | 5 | 6 |
| S Williams | 5 | 6 |
| T St Catherine | 4 | 6 |
| G Wade | 5 | 6 |
| P Gorania | 4 | 6 |
| R Middleton | 5 | 6 |
| S Arnold | 6 | 6 |
| A Sennett | 2 | 6 |

The Operations Committee is a sub-committee of the main Board of Trustees. Its purpose is to address financial and other matters.

Attendance at meetings in the year was as follows:

| Committee member | Meetings attended | Out of a possible |
|-----------------------------------|-------------------|-------------------|
| S Williams, Vice-Chair of MAT | 3 | 4 |
| J Wade | 2 | 4 |
| T Hemming, Executive Head Teacher | 4 | 4 |
| R Middleton | 4 | 4 |
| S Arnold | 3 | 4 |
| A Sennett | 3 | 3 |

The Operations Committee meetings continued to be the main forum to review the financial performance and operational aspects of the Trust. The main areas reviewed were, in year financial performance against budget, 3 year forecast updates, contract and procurement projects and HR updates for the Trust. New initiatives for 2016/17 included internal audit feedback and learnings, risk register reviews and reviewing the assistance provided to new schools potentially joining the Trust. The main priority for 2016/17 was a project based change programme to mitigate the impact of reduced income over the next 2 – 3 years.

A new revised internal audit programme will begin in early 2018. The areas to be reviewed will include Trust Governance, CIF grant expenditure, payroll and asset management.

MIDDLESEX LEARNING PARTNERSHIP

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer has set out below how they have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

The Directors and Executive Head Teacher are committed to providing 'Best Value for Money' focusing on the balance of costs (in terms of economy and efficiency) and effectiveness (in terms of School performance and the quality of what it provides). This balance is a continuous process to improve services and quality in the management and use of resources.

The following principles of 'best value' are adopted: -

to Compare;
to Challenge;
to Consult; and
to Compete.

This policy is an integral part of the School Improvement Plans (SIP) which annually plans a detailed programme of long-term and short-term objectives, targets and strategies for the future.

To Compare

The Trust recognises that by using external and historic data of other schools, it will identify good practice and enable the Trust to monitor its own performance against others. Barnhill Community High and Belmore Primary Academy are both members of local schools alliances, such as Challenge Partners, Pixl, HASH, and Hillingdon Primary Forum. These forums offer a number of examples of 'best practice' where initiatives can be transferred to improve the performance of the Trust.

The Trust has been assisting the 'turnaround' of the local primary School, William Byrd (WB). The Governing body of WB agreed in early 2017 that the school would join the Trust from the 1 September 2017.

To Challenge

By applying self-evaluation, the Directors, Governors and Executive Head Teacher seek to challenge the functions of the Schools, to encourage realistic but challenging targets. A range of data is collected termly to inform future planning. Such information is where appropriate presented in the form of graphs.

All staff are part of an annual performance management programme where they are measured against 'SMART' objectives to ensure they continue to perform and improve in their respective roles. The process also highlights a number of high performers who become part of the succession planning for the Trust.

The Operations Committee continues to improve the degree of rigour and challenge across finance and support services for the Trust. The internal audit programme across key initiatives, ensures investment is 'value add' and productive.

To Compete

The Trust finance policy provides guidelines and statements of good purchasing practice to help improve value for money. Competition is used to secure effective and efficient services to the Trust. A new capital grant at Belmore Academy for a roof renewal initiated a procurement process to ensure best value for the project.

To Consult

Consultation is sought before major decisions are made. A whole Trust approach is adopted where appropriate. Consultation and feedback are considered an integral part of the decision making process involved in the management of Trust resources. Staff, pupils and parents are consulted where appropriate. In this all age Trust an element of autonomy is given to departments to identify their needs and future developments within the overall Trust development plan.

The Trust initiated a review of its senior structure at Barnhill Community High during 2017 including consultation with staff, LGB's and MAT Director Forums. There was a change in structure as a result.

MIDDLESEX LEARNING PARTNERSHIP

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GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Middlesex Learning Partnership for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

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

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Operations 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Price Bailey LLP as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

The controls audit covered a review of the controls supporting the ESFA Governance and Financial "musts" to ascertain whether they were being complied with.

On an annual basis, the Internal Auditor should report to the Board of Trustees through the Operations Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the 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 Operations Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Trustees on 20 December 2017 and signed on their behalf, by:

T St Catherine
Acting Chair of
Trustees

T Hemming
Accounting Officer

MIDDLESEX LEARNING PARTNERSHIP

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Middlesex Learning Partnership I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the 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 2016.

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

T Hemming
Accounting Officer

Date: 20th December 2017

MIDDLESEX LEARNING PARTNERSHIP

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STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Report and the financial statements in accordance with the Annual Accounts Requirements issued by the ESFA, United Kingdom Accounting Standards (UK GAAP) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

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

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

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

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

Approved by the Board of Trustees on 20 December 2017 and signed on its behalf by:

T St Catherine
Acting Chair of MAT board

MIDDLESEX LEARNING PARTNERSHIP

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MIDDLESEX LEARNING PARTNERSHIP

OPINION

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

This Report is made solely to the Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Trust and the Trust's Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MIDDLESEX LEARNING PARTNERSHIP

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF MIDDLESEX LEARNING PARTNERSHIP

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors Report), for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors Report.

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Mr Gary Miller (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP

Chartered Accountants and Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT
20 December 2017

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MIDDLESEX LEARNING PARTNERSHIP AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Middlesex Learning Partnership during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF MIDDLESEX LEARNING PARTNERSHIP'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Middlesex Learning Partnership's funding agreement with the Secretary of State for Education dated 1 November 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity;
- discussions with and representations from the Accounting Officer and other key management personnel; and
- an extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO MIDDLESEX
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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

20 December 2017

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | 37,262 | 239,282 | 391,976 | 668,520 | 374,569 |
| Charitable activities | 3 | 55,687 | 12,542,204 | - | 12,597,891 | 12,625,608 |
| Other trading activities | 4 | 143,607 | 83,253 | - | 226,860 | 264,652 |
| Investments | 5 | 1,147 | - | - | 1,147 | 1,625 |
| TOTAL INCOME | | <u>237,703</u> | <u>12,864,739</u> | <u>391,976</u> | <u>13,494,418</u> | <u>13,266,454</u> |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | 23,100 | 13,457,195 | 254,540 | 13,734,835 | 13,392,398 |
| TOTAL EXPENDITURE | 6 | <u>23,100</u> | <u>13,457,195</u> | <u>254,540</u> | <u>13,734,835</u> | <u>13,392,398</u> |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | 214,603 | (592,456) | 137,436 | (240,417) | (125,944) |
| Actuarial gains/(losses) on defined benefit pension schemes | 20 | - | 1,249,000 | - | 1,249,000 | (1,927,000) |
| NET MOVEMENT IN FUNDS | | <u>214,603</u> | <u>656,544</u> | <u>137,436</u> | <u>1,008,583</u> | <u>(2,052,944)</u> |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 447,170 | (4,303,152) | 13,663,140 | 9,807,158 | 11,860,102 |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>661,773</u></u> | <u><u>(3,646,608)</u></u> | <u><u>13,800,576</u></u> | <u><u>10,815,741</u></u> | <u><u>9,807,158</u></u> |

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)
REGISTERED NUMBER: 07719016

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|-------------|-------------------|-------------------|-------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 13 | | 13,396,501 | | 13,459,267 |
| CURRENT ASSETS | | | | | |
| Debtors | 14 | 518,638 | | 456,803 | |
| Cash at bank and in hand | 19 | 1,277,347 | | 1,019,071 | |
| | | | <u>1,795,985</u> | <u>1,475,874</u> | |
| CREDITORS: amounts falling due within one year | 15 | (391,745) | | (271,983) | |
| | | | <u>1,404,240</u> | <u>1,203,891</u> | |
| NET CURRENT ASSETS | | | | | |
| | | | 14,800,741 | | 14,663,158 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| Defined benefit pension scheme liability | 20 | | (3,985,000) | | (4,856,000) |
| | | | <u>10,815,741</u> | <u>9,807,158</u> | |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | | | |
| FUNDS OF THE MAT | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 16 | 338,392 | | 552,848 | |
| Restricted fixed asset funds | 16 | 13,800,576 | | 13,663,140 | |
| | | | <u>14,138,968</u> | <u>14,215,988</u> | |
| Restricted income funds excluding pension liability | | | | | |
| Pension reserve | 20 | (3,985,000) | | (4,856,000) | |
| | | | <u>10,153,968</u> | <u>9,359,988</u> | |
| Total restricted income funds | | | | | |
| Unrestricted income funds | 16 | | 661,773 | | 447,170 |
| | | | <u>10,815,741</u> | <u>9,807,158</u> | |
| TOTAL FUNDS | | | | | |

The financial statements on pages 16 to 37 were approved by the Trustees, and authorised for issue, on 20 December 2017 and are signed on their behalf, by:

T St Catherine
Acting Chair of Trustees

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017**

| | Note | 2017 £ | 2016 £ |
|--|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 18 | 418,296 | 52,388 |
| Cash flows from investing activities: | | | |
| Interest | | 1,147 | 1,625 |
| Purchase of tangible fixed assets | | (161,167) | (242,898) |
| Capital grants from DfE/ESFA | | - | 111,101 |
| Net cash used in investing activities | | (160,020) | (130,172) |
| Change in cash and cash equivalents in the year | | 258,276 | (77,784) |
| Cash and cash equivalents brought forward | | 1,019,071 | 1,096,855 |
| Cash and cash equivalents carried forward | 19 | 1,277,347 | 1,019,071 |

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the 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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Middlesex Learning Partnership constitutes a public benefit entity as defined by FRS 102.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Fund accounting

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

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

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

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

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

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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 allocated on the portion of the asset's use.

Expenditure on charitable activities is costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. 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 of these assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|-----------------------------------|
| Leasehold Property | - | 125 years straight line |
| Fixtures and fittings | - | 4 years straight line |
| Computer equipment | - | Between 3 & 4 years straight line |

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 incorporating Income and Expenditure Account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.8 Taxation

The 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 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.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities and provisions 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 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. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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

The LGPS is a funded scheme and the assets are held separately from those of the 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 incorporating Income and Expenditure Account 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.

1.14 Agency arrangements

The Trust acts as an agent in distributing 16-19 Bursary Funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. Where the funds have not been fully applied in the accounting period then an amount will be included as amounts due to the ESFA.

1.15 Critical accounting estimates and areas of judgment

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

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

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Donations | 37,262 | 38,421 | - | 75,683 | 73,894 |
| Grants | - | 200,861 | - | 200,861 | 189,574 |
| Capital grants | - | - | 391,976 | 391,976 | 111,101 |
| | <u>37,262</u> | <u>239,282</u> | <u>391,976</u> | <u>668,520</u> | <u>374,569</u> |
| <i>Total 2016</i> | <u>31,353</u> | <u>232,115</u> | <u>111,101</u> | <u>374,569</u> | |

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 11,293,677 | 11,293,677 | 11,297,176 |
| Other DfE / EFA grants | - | 925,188 | 925,188 | 971,721 |
| | <u>-</u> | <u>12,218,865</u> | <u>12,218,865</u> | <u>12,268,897</u> |
| Other government grants | | | | |
| Local Authority grants | - | 323,339 | 323,339 | 307,569 |
| | <u>-</u> | <u>323,339</u> | <u>323,339</u> | <u>307,569</u> |
| Other funding | | | | |
| Catering Income | 55,687 | - | 55,687 | 49,142 |
| | <u>55,687</u> | <u>-</u> | <u>55,687</u> | <u>49,142</u> |
| | <u>55,687</u> | <u>12,542,204</u> | <u>12,597,891</u> | <u>12,625,608</u> |
| <i>Total 2016</i> | <u>49,142</u> | <u>12,576,466</u> | <u>12,625,608</u> | |

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Rental income | 660 | - | 660 | 570 |
| Other income | 142,947 | 83,253 | 226,200 | 264,082 |
| | <u>143,607</u> | <u>83,253</u> | <u>226,860</u> | <u>264,652</u> |
| <i>Total 2016</i> | <u>169,284</u> | <u>95,368</u> | <u>264,652</u> | |

5. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank Interest | 1,147 | - | 1,147 | 1,625 |
| | <u>1,147</u> | <u>-</u> | <u>1,147</u> | <u>1,625</u> |
| <i>Total 2016</i> | <u>1,625</u> | <u>-</u> | <u>1,625</u> | |

6. CHARITABLE ACTIVITIES

| | 2017 £ | 2016 £ |
|--|-------------------|-------------------|
| Direct costs - educational operations | 9,503,777 | 9,519,933 |
| Support costs - educational operations | 4,231,058 | 3,872,465 |
| | <u>13,734,835</u> | <u>13,392,398</u> |
| Total | <u>13,734,835</u> | <u>13,392,398</u> |

SUPPORT COSTS

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Staff costs | 1,470,161 | 1,374,248 |
| Depreciation | 223,933 | 237,153 |
| Technology costs | 2,574 | 4,065 |
| Premises costs (excluding depreciation) | 1,840,904 | 1,540,787 |
| Governance costs | 23,100 | 22,600 |
| Other costs | 670,386 | 693,612 |
| | <u>4,231,058</u> | <u>3,872,465</u> |
| Total | <u>4,231,058</u> | <u>3,872,465</u> |

MIDDLESEX LEARNING PARTNERSHIP

(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. EXPENDITURE

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|-------------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Provision of Education: | | | | | |
| Direct costs | 7,979,487 | - | 1,524,290 | 9,503,777 | 9,519,933 |
| Support costs | 1,470,161 | 2,064,837 | 696,060 | 4,231,058 | 3,872,465 |
| | <u>9,449,648</u> | <u>2,064,837</u> | <u>2,220,350</u> | <u>13,734,835</u> | <u>13,392,398</u> |
| <i>Total 2016</i> | <u>9,592,766</u> | <u>1,540,787</u> | <u>2,258,845</u> | <u>13,392,398</u> | |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Depreciation of tangible fixed assets: | | |
| - owned or leased by the Trust | 223,933 | 237,153 |
| Auditors remuneration - audit | 12,500 | 12,500 |
| Auditors remuneration - other services | 5,550 | 10,100 |
| Operating lease rentals | <u>1,425,454</u> | <u>1,456,366</u> |

MIDDLESEX LEARNING PARTNERSHIP

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Wages and salaries | 6,576,387 | 7,316,692 |
| Social security costs | 727,375 | 682,467 |
| Operating costs of defined benefit pension schemes | 1,449,252 | 1,214,286 |
| | <u>8,753,014</u> | <u>9,213,445</u> |
| Apprenticeship levy | 1,514 | - |
| Supply teacher costs | 695,120 | 379,321 |
| | <u>9,449,648</u> | <u>9,592,766</u> |

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

| | 2017 No. | 2016 No. |
|----------------------------|-------------|-------------|
| Teachers | 106 | 111 |
| Administration and support | 122 | 141 |
| Management | 14 | 15 |
| | <u>242</u> | <u>267</u> |

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

| | 2017 No. | 2016 No. |
|---------------------------------|-------------|-------------|
| In the band £ 60,001 - £ 70,000 | 6 | 5 |
| In the band £ 70,001 - £ 80,000 | 1 | 3 |
| In the band £ 80,001 - £ 90,000 | 2 | 2 |
| In the band £110,001 - £120,000 | 0 | 1 |
| In the band £120,001 - £130,000 | 1 | 0 |

8 of the above employees participated in the Teachers' Pension Scheme and 2 in the Local Government Pension Scheme. During the year ended 31 August 2017 pension contributions for these staff amounted to £94,834 and £31,896 respectively (2016 - 9 in the Teachers' Pension Scheme and 2 in the Local Government Pension Scheme totalling £92,744 and £31,896 respectively).

The key management personnel of the 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 Trust was £1,008,225 (2016 - £1,197,392)

Included in the above are employer pension contributions of £137,678 (2016 - £153,922)

10. CENTRAL SERVICES

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Head Teacher and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

| | | 2017 £ | 2016 £ |
|---|----------------------------|-------------------|-------------------|
| T Hemming (Executive Headteacher and Staff Trustee) | Remuneration | 120,000 - 125,000 | 115,000 - 120,000 |
| | Pension contributions paid | 20,000 - 25,000 | 15,000 - 20,000 |

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £512 to 1 Trustee).

12. TRUSTEES' AND OFFICERS' INSURANCE

In respect of Barnhill Community High School, in accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2017 is included in the total insurance cost.

In respect of Belmore Primary Academy, the Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where the UK Government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

| | Leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|----------------------------|-------------------------------|----------------------------|-------------------|
| Cost | | | | |
| At 1 September 2016 | 13,707,143 | 137,579 | 593,336 | 14,438,058 |
| Additions | 19,929 | 9,165 | 132,073 | 161,167 |
| Disposals | - | - | (39,358) | (39,358) |
| At 31 August 2017 | <u>13,727,072</u> | <u>146,744</u> | <u>686,051</u> | <u>14,559,867</u> |
| Depreciation | | | | |
| At 1 September 2016 | 406,355 | 112,834 | 459,602 | 978,791 |
| Charge for the year | 109,817 | 19,240 | 94,876 | 223,933 |
| On disposals | - | - | (39,358) | (39,358) |
| At 31 August 2017 | <u>516,172</u> | <u>132,074</u> | <u>515,120</u> | <u>1,163,366</u> |
| Net book value | | | | |
| At 31 August 2017 | <u>13,210,900</u> | <u>14,670</u> | <u>170,931</u> | <u>13,396,501</u> |
| At 31 August 2016 | <u>13,300,788</u> | <u>24,745</u> | <u>133,734</u> | <u>13,459,267</u> |

The land and buildings have been included in the accounts based on the valuation arranged by the ESFA using depreciated replacement cost. The Trustees believe that the cost of obtaining a more detailed valuation outweighs the benefit.

14. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| VAT recoverable | 141,795 | 114,123 |
| Other debtors | - | 10,417 |
| Prepayments and accrued income | 376,843 | 332,263 |
| | <u>518,638</u> | <u>456,803</u> |

15. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 5,492 | 9,617 |
| Other taxation and social security | 181,761 | 203,987 |
| Other creditors | 140 | 133 |
| Accruals and deferred income | 204,352 | 58,246 |
| | <u>391,745</u> | <u>271,983</u> |
| Deferred income | | |
| Resources deferred during the year | <u>81,464</u> | <u>-</u> |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

15. CREDITORS: Amounts falling due within one year (continued)

At the balance sheet date the Trust was holding funds received in advance for infant free school meals for the autumn term 2018.

16. STATEMENT OF FUNDS

| | Brought forward £ | Income £ | Resources expended £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 August 2017 £ |
|--|-------------------------|-------------|----------------------------|--------------------------|-------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 447,170 | 237,703 | (23,100) | - | - | 661,773 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 526,417 | 11,293,677 | (11,576,943) | - | - | 243,151 |
| Other DFE/EFA grants | - | 108,849 | (108,849) | - | - | - |
| Other Government grants | - | 395,700 | (395,700) | - | - | - |
| SEN | - | 44,355 | (44,355) | - | - | - |
| Restricted trip donations | - | 38,421 | (38,421) | - | - | - |
| Other restricted | - | 7,072 | (2,798) | - | - | 4,274 |
| SHSSN | 13,485 | 82,305 | (82,305) | - | - | 13,485 |
| Pupil premium | 12,946 | 843,272 | (829,824) | - | - | 26,394 |
| William Byrd conversion support costs | - | 51,088 | - | - | - | 51,088 |
| Pension reserve | (4,856,000) | - | (378,000) | - | 1,249,000 | (3,985,000) |
| | (4,303,152) | 12,864,739 | (13,457,195) | - | 1,249,000 | (3,646,608) |
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset fund | 13,459,267 | - | (223,933) | 161,167 | - | 13,396,501 |
| Devolved Formula Capital | 178,153 | 28,868 | (3,315) | (49,186) | - | 154,520 |
| CIF | 25,720 | - | - | (14,370) | - | 11,350 |
| Other capital grants | - | 109,844 | (5,605) | (97,611) | - | 6,628 |
| ESFA roof funding | - | 253,264 | (21,687) | - | - | 231,577 |
| | 13,663,140 | 391,976 | (254,540) | - | - | 13,800,576 |
| Total restricted funds | 9,359,988 | 13,256,715 | (13,711,735) | - | 1,249,000 | 10,153,968 |
| Total of funds | 9,807,158 | 13,494,418 | (13,734,835) | - | 1,249,000 | 10,815,741 |

STATEMENT OF FUNDS - PRIOR YEAR

| | Brought forward £ | Income £ | Resources expended £ | Transfers in/out £ | Gains/ (losses) £ | Balance at 31 August 2016 £ |
|---------------------------|-------------------------|-------------|----------------------------|--------------------------|-------------------------|-----------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 210,573 | 252,894 | (16,297) | - | - | 447,170 |
| | 210,573 | 252,894 | (16,297) | - | - | 447,170 |

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FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

Restricted funds

| | | | | | | |
|----------------------------|--------------------|-------------------|---------------------|------------------|--------------------|--------------------|
| General Annual Grant (GAG) | 640,520 | 11,297,176 | (11,168,381) | (242,898) | - | 526,417 |
| Other DfE/EFA grants | - | 169,939 | (169,939) | - | - | - |
| Other Government grants | - | 99,912 | (99,912) | - | - | - |
| SEN | - | 307,569 | (307,569) | - | - | - |
| Restricted trip donations | - | 42,541 | (42,541) | - | - | - |
| SHSSN | - | 92,408 | (78,923) | - | - | 13,485 |
| Pupil premium | - | 892,914 | (879,968) | - | - | 12,946 |
| Pension reserve | (2,773,000) | - | (156,000) | - | (1,927,000) | (4,856,000) |
| | <u>(2,132,480)</u> | <u>12,902,459</u> | <u>(12,903,233)</u> | <u>(242,898)</u> | <u>(1,927,000)</u> | <u>(4,303,152)</u> |

Restricted fixed asset funds

| | | | | | | |
|-----------------------------|-------------------|-------------------|---------------------|----------------|--------------------|-------------------|
| Restricted fixed asset fund | 13,453,522 | - | (237,153) | 242,898 | - | 13,459,267 |
| Devolved Formula Capital | 171,157 | 39,864 | (32,868) | - | - | 178,153 |
| CIF | 157,330 | 25,720 | (157,330) | - | - | 25,720 |
| Other capital grants | - | 45,517 | (45,517) | - | - | - |
| | <u>13,782,009</u> | <u>111,101</u> | <u>(472,868)</u> | <u>242,898</u> | <u>-</u> | <u>13,663,140</u> |
| Total restricted funds | <u>11,649,529</u> | <u>13,013,560</u> | <u>(13,376,101)</u> | <u>-</u> | <u>(1,927,000)</u> | <u>9,359,988</u> |
| Total of funds | <u>11,860,102</u> | <u>13,266,454</u> | <u>(13,392,398)</u> | <u>-</u> | <u>(1,927,000)</u> | <u>9,807,158</u> |

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

Unrestricted funds

This represents income received that does not have restrictions.

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Other DfE and EFA

This represents funding received from the DfE / ESFA which is restricted in nature.

Other Government grants

This represents various grants received from Government bodies for the provision of specific services to pupils of the Schools.

SEN (Special Educational Needs) funding

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

Restricted trip donations

This represents contributions made by parents towards the running costs of trips for the pupils of the Schools and the associated costs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

Restricted other

This represents funding received from other national and local bodies, public and private, that are restricted in nature.

SHSSN (South Hillingdon School Sports Network)

This represents funding received from Ecorys through the Department of Health and Sport England funding to be used towards sports and fitness activities for students.

Pupil premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

William Byrd conversion support costs

This represents funding received to support Wililam Byrd School convert to an academy more quickly.

Pension reserve

This fund represents the Trust's share of the deficit of the Local Government Pension Scheme (LGPS).

Restricted fixed assets fund

Restricted fixed asset fund represents the value of fixed assets held in line with the charitable objectives of the Trust. The transfer between funds represents additions purchased through GAG funding.

Devolved Formula Capital (DFC)

The Trust is to use the DFC allocation to maintain and improve its buildings and facilities.

CIF

This represents funding received from the ESFA for the development of a new kitchen and dining area, and for drainage.

Other capital grants

This fund represents mainly income from the Local Authority to cover the difference between the Trust's contribution to the PFI contract and the actual agreed indexed costs, as per the Principal Agreement.

ESFA roof funding

This fund represents funding towards the maintenance and improvement of the School roof at Belmore Primary Academy.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

16. STATEMENT OF FUNDS (continued)

Analysis of Academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ | Total 2016 £ |
|---|--------------------|--------------------|
| Barnhill Community High School | 611,414 | 667,642 |
| Belmore Nursery and Primary School | 388,751 | 332,376 |
| | 1,000,165 | 1,000,018 |
| Total before fixed asset fund and pension reserve | | |
| Restricted fixed asset fund | 13,800,576 | 13,663,140 |
| Pension reserve | (3,985,000) | (4,856,000) |
| | 10,815,741 | 9,807,158 |
| Total | | |

Analysis of Academies by cost

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs £ | Total 2017 £ | Total 2016 £ |
|------------------------------------|--|-----------------------------------|------------------------------|------------------|--------------------|--------------------|
| Barnhill Community High School | 5,235,009 | 2,178,956 | 533,920 | 2,114,890 | 10,062,775 | 9,765,900 |
| Belmore Nursery and Primary School | 1,556,560 | 1,380,219 | 247,716 | 464,465 | 3,648,960 | 3,366,745 |
| MAT costs | - | - | - | 23,100 | 23,100 | 22,600 |
| | 6,791,569 | 3,559,175 | 781,636 | 2,602,455 | 13,734,835 | 13,155,245 |

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 13,396,501 | 13,396,501 |
| Current assets | 661,773 | 730,137 | 404,075 | 1,795,985 |
| Creditors due within one year | - | (391,745) | - | (391,745) |
| Provisions for liabilities and charges | - | (3,985,000) | - | (3,985,000) |
| | 661,773 | (3,646,608) | 13,800,576 | 10,815,741 |

MIDDLESEX LEARNING PARTNERSHIP

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | Unrestricted funds | Restricted funds | Restricted fixed asset funds | Total funds |
|--|-----------------------|---------------------|------------------------------------|----------------|
| | 2016 | 2016 | 2016 | 2016 |
| | £ | £ | £ | £ |
| Tangible fixed assets | - | - | 13,459,267 | 13,459,267 |
| Current assets | 447,170 | 824,831 | 203,873 | 1,475,874 |
| Creditors due within one year | - | (271,983) | - | (271,983) |
| Provisions for liabilities and charges | - | (4,856,000) | - | (4,856,000) |
| | 447,170 | (4,303,152) | 13,663,140 | 9,807,158 |
| | 447,170 | (4,303,152) | 13,663,140 | 9,807,158 |

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Net expenditure for the year (as per Statement of Financial Activities) | (240,417) | (125,944) |
| Adjustment for: | | |
| Depreciation charges | 223,933 | 237,153 |
| Interest | (1,147) | (1,625) |
| Increase in debtors | (61,835) | (56,518) |
| Increase/(decrease) in creditors | 119,762 | (45,577) |
| Capital grants from DfE and other capital income | - | (111,101) |
| Pension adjustment | 378,000 | 156,000 |
| Net cash provided by operating activities | 418,296 | 52,388 |

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------|-----------|-----------|
| Cash in hand | 1,277,347 | 1,019,071 |
| Total | 1,277,347 | 1,019,071 |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Hillingdon. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £718,846 (2016 - £728,653).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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.

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20. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £586,000 (2016 - £559,000), of which employer's contributions totalled £459,000 (2016 - £437,000) and employees' contributions totalled £127,000 (2016 - £122,000). The agreed contribution rates for future years are 27.2% for employers and 5.5 and 12.5% for employees.

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

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|--------|--------|
| Discount rate for scheme liabilities | 2.50 % | 2.10 % |
| Rate of increase in salaries | 2.80 % | 3.10 % |
| Rate of increase for pensions in payment / inflation | 2.40 % | 2.10 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.6 | 22.7 |
| Females | 24.6 | 24.7 |
| Retiring in 20 years | | |
| Males | 24.0 | 24.3 |
| Females | 26.5 | 26.9 |

| | At 31 August 2017 | At 31 August 2016 |
|--|----------------------|----------------------|
| Sensitivity analysis | £ | £ |
| Discount rate +0.1% | 7,906,496 | 8,635,364 |
| Discount rate -0.1% | 8,371,504 | 9,156,636 |
| Mortality assumption - 1 year increase | 8,041,332 | 8,842,624 |
| Mortality assumption - 1 year decrease | 8,236,668 | 8,949,376 |
| CPI rate +0.1% | 8,306,392 | 9,038,336 |
| CPI rate -0.1% | 7,971,608 | 8,753,664 |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

20. PENSION COMMITMENTS (continued)

The Trust's share of the assets in the scheme was:

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 2,575,480 | 2,343,000 |
| Bonds | 996,960 | 1,010,000 |
| Property | 498,480 | 485,000 |
| Cash and other liquid assets | 83,080 | 202,000 |
| | 4,154,000 | 4,040,000 |
| | 4,154,000 | 4,040,000 |

The actual return on scheme assets was £(438,000) (2016 - £573,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

| | 2017 £ | 2016 £ |
|----------------------|-----------|-----------|
| Current service cost | (732,000) | (487,000) |
| Interest income | 91,000 | 122,000 |
| Interest cost | (196,000) | (228,000) |
| | (837,000) | (593,000) |
| | (837,000) | (593,000) |

Movements in the present value of the defined benefit obligation were as follows:

| | 2017 £ | 2016 £ |
|------------------------------------|-------------|-----------|
| Opening defined benefit obligation | 8,896,000 | 5,701,000 |
| Current service cost | 732,000 | 487,000 |
| Interest cost | 196,000 | 228,000 |
| Employee contributions | 127,000 | 122,000 |
| Actuarial (gains)/losses | (1,778,000) | 2,378,000 |
| Benefits paid | (34,000) | (20,000) |
| | 8,139,000 | 8,896,000 |
| | 8,139,000 | 8,896,000 |

Movements in the fair value of the Trust's share of scheme assets:

| | 2017 £ | 2016 £ |
|-------------------------------------|-----------|-----------|
| Opening fair value of scheme assets | 4,040,000 | 2,928,000 |
| Interest income | 91,000 | 122,000 |
| Actuarial gains/(losses) | (529,000) | 451,000 |
| Employer contributions | 459,000 | 437,000 |
| Employee contributions | 127,000 | 122,000 |
| Benefits paid | (34,000) | (20,000) |
| | 4,154,000 | 4,040,000 |
| | 4,154,000 | 4,040,000 |

MIDDLESEX LEARNING PARTNERSHIP

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

21. OPERATING LEASE COMMITMENTS

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

| | 2017 £ | 2016 £ |
|-------------------------|------------------|-------------------|
| Amounts payable: | | |
| Within 1 year | 1,425,454 | 1,400,788 |
| Between 1 and 5 years | 5,586,121 | 5,539,374 |
| After more than 5 years | 2,769,024 | 4,153,536 |
| Total | <u>9,780,599</u> | <u>11,093,698</u> |

The annual payments made for the PFI contract are not fixed, instead they are uplifted each year depending on inflation. For the purposes of disclosure, the agreed cost for 2016/17 has been taken as the annual cost to the Trust, as inflationary changes are unknown.

22. RELATED PARTY TRANSACTIONS

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 11.

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/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £ 10, for the debts and liabilities contracted before he/she ceases to be a Member.

24. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2017 the Trust received £10,175 (2016: £32,555) and disbursed £2,564 (2016: £5,000) from the fund. An amount of £35,166 (2016: £27,555) is included within the total of £243,151 (2016: £526,417) of the GAG carried forward balance to be utilised in the 2017/18 academic year as per the requirements in the ESFA guidance.