

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

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**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	N E Revell A MacRow-Wood (resigned 31 July 2018) J Forster E Jackson
Trustees	F Bannister ² M J Baynham-Knight ¹ Rev M M Camp ² C P Downing (resigned 24 January 2018) ¹ P T Howieson, CEO ^{1,2} E J Jackson ^{1,2} A L Procter ¹ L Moss (appointed 18 September 2017) ² D Bayley (appointed 30 October 2017) ² S Spivey (appointed 30 October 2017) ¹ M Waterfall (appointed 12 October 2018) B Mccarthy (appointed 12 October 2018) ¹ Finance and Resources Committee ² Academic Standards Committee
Company registered number	10161526
Company name	Harbourside Learning Partnership
Principal and registered office	Oakdale Junior School School Lane Poole Dorset BH15 3JR
Accounting Officer	P Howieson
Senior management team	P Howieson, CEO E Bissell, Headteacher - Oakdale Junior School A Carter, Headteacher - Courthill Infant School C Chambers, Headteacher - Lilliput Infant School J Harries, Headteacher - Old Town Infant School & Nursery N Helm, Headteacher - Longfleet Primary School R Rusling, Headteacher - Baden-Powell & St. Peter's Junior School L Templeton, Director of Finance & Operations
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS
Bankers	Lloyds Bank 101 High Street Poole Dorset BH15 1AJ

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Solicitors	Taylor Culshaw Solicitors 60 High Street Burnham-On-Sea Somerset TA8 1AG
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HARBOURSIDE LEARNING PARTNERSHIP (A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 6 primary academies in Poole. It's academies have a combined pupil capacity of 3,060 and had a roll of 2,726 in the school census on 1 October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust, incorporated on 4th May 2016 and opened on 1st July 2016, is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Harbourside Learning Partnership Limited are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Harbourside Learning Partnership Limited.

Details of the Trustees who served throughout the year are included in the Reference and Administration Details on page 1.

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 they ceased to be a Member.

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Trust. The limit of this indemnity is £10,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

Up to 10 Trustees are appointed by the Members based on required skills.

- 3 x Foundation Trustees/Non-Exec Directors (at least 25%).
- 7 x non-Foundation Trustees/Non-Exec Directors.
- The Chief Executive Officer will be an ex-officio member of the Trust Board.
- Only one employee of the Trust can also be a trustee. This is the CEO.
- No one can be a Trustee and sit on a Trust Academy's Local Governing Body.

The three Foundation Trustees must be approved by the Salisbury Diocesan Board of Education as having the requisite skills and experience to protect, develop and promote the distinctive Christian characteristic of the Church of England Schools within the Trust.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Chief Executive Officer. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a meeting with the CEO, Chair of Trustees and key members of HLP staff as well as a tour of at least one of the Academies and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meets once each half-term. The key purpose of the Board is to act as the accountable body for the performance of all schools within the trust, bound by both charity and company law, and as such must:

- Ensure clarity of vision, ethos and strategic direction for the Trust
- Hold the executive to account for the educational performance of the schools and their pupils, and the appraisal of staff
- Oversee the financial performance of the Trust and make sure its money is well spent

There are three committees as follows;

- Finance and Resources Committee - this normally meets once each half-term. Its key purpose is to enable strong leadership to develop best practice across the Trust in terms of financial management of resources including people and buildings and ensure that the CEO and Director of Finance & Operations are operating within the parameters of the Funding Agreements and Academies Financial Handbook and providing value for money.
- Achievement and Standards Committee – this normally meets once each half-term. Its key purpose is to agree and monitor strategies and policies which will secure the highest standards of progress and attainment and the richest learning experience for all pupils in Schools within the Trust.
- Trustees' Pay Committee – this committee meets twice a year to fulfil its two functions. The first function is to moderate the Local Governing Body's pay recommendations for all teaching staff across the Trust. The second function is to receive directly and consider pay recommendations for CEO, Headteachers and any teaching staff within the central team.

The Trustees are responsible for appointing/removing the Chief Executive Officer and agreeing the Central Team structure, establishing all sub-committees and determining the terms of reference, approving the Trust's Vision and Partnership Improvement Plan and School Improvement Strategy, approving the Trust's annual budget and 3-year plan and approving all Trust wide policies and procedures.

The Board of Trustees has devolved responsibility for day to day management of the Academy to the Chief Executive Officer and senior employees of the Trust, including but not limited to, the Director of Finance & Operations and the Headteachers of each Trust Academy.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

All Trustees excluding the CEO give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel (Chief Executive Officer, Director of Finance & Operations and Headteachers) is reviewed annually and a cost of living increase applied in line with national standards and according to the adopted appraisal procedure.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The pay of the Headteachers is set in accordance with the Statutory Teacher's Pay and Conditions document and is applied with specialist HR advice.

The Trustees benchmark against pay levels in other Academies of a similar size when considering the pay of the Chief Executive Officer and the Director of Finance & Operations.

Connected Organisations, including Related Party Relationships

Each school has a Parent Teacher Association controlled by the local governing bodies of each Academy.

Aside from the above there are no related parties which either control or significantly influence the decisions and operations of Harbourside Learning Partnership Limited.

Further details of any material transactions between any related parties are provided in Note 29 to the accounts.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The vision of the Trust is to create a collaborative partnership of schools to foster educational excellence and build a community of lifelong learning in Poole.

The Harbourside Learning Partnership is committed to give every child the best possible start in life by enabling children to be successful, confident and aspirational learners; securing the highest possible levels of achievement for all children and providing our children with a variety of rich moral and spiritual experience.

Through this, the Trust aims to create adults of integrity with a deep desire to contribute positively to their community and their world.

The aims of the Trust are:

- To strengthen our learning community in Poole by creating a sustainable educational partnership
- School improvement is at the heart of the partnership. This ensures that the whole child is given the best opportunity to succeed
- The schools in the Trust have a commitment to support member schools and to share good practice and innovations, in order to establish a hub of educational excellence
- The Trust will establish effective accountability to secure improvement in all schools. This accountability ensures that we achieve our core aims
- The member schools will continue to look to the wider network of local, national and global education providers to improve and share practice in order to create world class opportunities for our children, staff and community
- The Trust will develop and grow high quality staff at all levels to ensure that there is strength in succession planning
- The schools in the Trust will ensure that there are effective transitions in all phases to maximise opportunities for success

Objectives, Strategies and Activities

The key areas of focus in the coming year are:

- To improve outcomes for pupils where national benchmarked expectations are not being met and ensure improvement is sustained over time
- Raise attainment of all Trust pupils especially those identified as disadvantaged
- To ensure that all teaching in the Partnership is good or better
- Further development of assessment practice to ensure clarity and consistency across schools and a streamlined approach to reporting data which avoids duplication of work for senior leaders when reporting to Local Governors and Trustees

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- Further development of financial systems and procedures to ensure there is complete consistency across schools and timely, accurate and reliable financial data available for Trustee review
- Opportunities for economies of scale to be explored through centralisation of contracts
- Explore opportunities for self-generating income and further funding/grants
- Ongoing development and implementation of Trust wide policies

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Poole and the surrounding area. In particular, but without prejudice to the generality of the foregoing by establishing, maintaining, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of primary education.

As a Trust all our schools work collaboratively through a sharing of resources and specialist provision from the central team.

STRATEGIC REPORT

Achievements and Performance

The Trust continues to go from strength to strength as it enters its third year. This was captured in the Trust's Challenge Partner's end of year report to Trustees. The Challenge Partner programme involves an external professional (the 'Challenge Partner') making termly visits to each school, alongside the CEO and a peer Headteacher, to review the schools' overall performance and consider the relevance and impact of school improvement strategies. The end of 2017/18 report to Trustees concluded that: **'All schools have made progress against the areas identified through this review process during the year.'** The report also noted that: **'The central team has worked with schools to ensure that procedures to ensure accuracy of assessments are fully understood and are consistently applied across all of the schools. This has resulted in security of assessment information so they are able to compare all of the schools with each other and schools nationally.'** This provides strong affirmation of the Trust's work during the last two years, much of which has been underpinned by the need to ensure that schools generate robust and comparable pupil performance data. The Challenge Partner report also recognises that the **'quality of education across the HLP schools continues to improve and is much better than when this process started two years ago'**. Furthermore, it highlights that: **'Leadership capacity across the schools remains strong and is ensuring that schools are responding to the challenge provided by the central team.'** The Challenge Partner programme continues to be a highly effective tool for school improvement. Moving into 2018/19, the Trust has procured a new external partner to ensure objectivity and also to establish a more explicit focus on supporting schools to become 'Ofsted ready'.

This year has seen continued development within the central team to refine and embed their work with schools. For example, a centralised recruitment process enabled the successful appointment of a 'batch' of new teachers so that schools have been able to move into 2018/19 knowing that they are fully staffed with highly competent individuals. Alongside this, improvements to induction arrangements have ensured that these and other new staff are positive about their employment opportunity within HLP. During the year the impact of the central team has been evaluated by Trustees and as a result the central team has been expanded in order to be able to provide a fuller service to member schools to meet increased demand. For example, additional admin support has been provided to ensure that key central staff are more readily available to support schools directly. Extra HR capacity has been provided to ensure that schools are provided with a deeper level of centralised support. In a more significant change to ways of working, three member schools are now provided with a centralised finance service, a development which trustees are monitoring closely to be able to evaluate the effectiveness of this arrangement compared to a more delegated financial model.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The School Improvement Board (SIB) continues to be a key mechanism in the Trust's development and improvement. The SIB, made up of the CEO, Headteachers and Lead Practitioner, continues to be central to the determination of the improvement agenda and in the sharing of best practice. The effective use of pupil achievement data mentioned earlier is one successful outcome of this group: all schools are routinely capturing achievement data in similar ways and at similar points through the year which is enabling regular and timely self-evaluation. HLP schools have again fared well in the external moderation process at the end of each Key Stage which highlighted robust and accurate teacher assessment judgements requiring very little change. The SIB has been instrumental in bringing about other improvements across the Trust, for example enhanced appraisal arrangements for teachers and sharper strategies for supporting the achievement of disadvantaged pupils. The school performance risk assessment process has been further refined so that the SIB – as well as the Trust Board – is fully conversant with the strengths and relative weaknesses of each school. This is providing a purposeful focus for the sharing of best practice as well as the deployment of resources such as the allocation of staff time within the central team to different activities.

The consequence of much of the work arising from the SIB is that our member schools continue to perform well and are improving further in lots of different ways. The school which, in 2016/17, successfully came out of the 'coasting' definition has continued to maintain that improved level of performance. Against most key performance indicators, member schools continue to achieve favourably against national figures.

Other notable achievements of 2017/18 include:

- Effective shared teacher training, especially in assessment and teaching and learning in maths
- Greater clarity to curriculum requirements especially within writing and reading
- Broader experiences for pupils across our schools with the first 'Harbourside Games' event in the summer term; a successful endeavour which will now be an annual fixture alongside the biannual 'Sing As One' shared concert on a professional local stage.
- Some highly effective recruitment strategies have seen over ten new teachers – many newly qualified – appointed into the trust through centralised recruitment events.
- Increased numbers of pupils from within the Lilliput / Courthill catchment areas transferring to HLP Junior schools rather than schools outside of the Trust.
- Continued development of Trust-wide policies.
- Successful procurement process for a Trust-wide hot school meals provider, a project which has provided savings for the Trust overall.
- Delivery of a number of successful School Improvement Fund (SIF) bids.

The Trust takes the view that the success of its work is ultimately measured by the achievement of the pupils within its care. 2017/18 has seen previous improvements maintained as well as further improvements in other areas. This provides affirmation that the Trust's work is having a positive impact on school performance. At Key Stage 1, outcomes continue to be generally well above national levels, with Year 1 phonics standing as a particular success. At Key Stage 2, overall progress continues to compare favourably with national and, where it does not, it is clear that previous improvements have been maintained.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Key Performance Indicators

Academic Performance Indicators:

The tables below summarise the results and progress of all 6 academies in the Trust:

Key Stage One and Early Years Foundation Stage:

	Courthill	Lilliput	Longfleet	Old Town
Reading				
% Expected Standard	87	92	76	71
% Greater Depth	45	42	23	16
Writing				
% Expected Standard	85	87	76	70
% Greater Depth	30	28	17	8
Maths				
% Expected Standard	87	89	80	80
% Greater Depth	36	36	22	19
Phonics				
% Y1 Pass	87	94	96	86
% Y2 Pass	94	98	96	98
EYFS				
% GLD	79	80	77	49

Across the four schools with Key Stage 1, key attainment measures in almost all cases remain above or well above national averages. Year 1 phonics is also above national in all schools. Where some attainment measures fall below national, schools' tracking data demonstrates continued good progress; pupils are making good progress from lower starting points. Moving forwards, schools will continue to work to ensure that the progress of disadvantaged pupils is at least as good as progress of other pupils nationally.

Key Stage Two:

	Baden-Powell & St. Peter's			Longfleet			Oakdale		
Progress									
Reading	1.5			0.07			-2		
Writing	0.4			1.85			-0.7		
Maths	1.3			-0.16			-2		
Attainment									
	Read	Write	Maths	Read	Write	Maths	Read	Write	Maths
% Age Related Expectations (ARE)	91	84	89	69	84	71	76	87	74
% Greater Depth (GD)	47	38	43	35	26	18	27	22	23
% ARE in reading, writing & maths combined	79			59			62		
% GD in reading, writing & maths combined	30			10			10		

Across the three schools with Key Stage 2 children, there is a typically improving overall trend from 2015/16 to this latest data in 2017/18. Most key measures continue to compare favourably with national and previous improvements have been maintained. Where key measures are below national, the school's own tracking data demonstrates that progress of current pupils is greater than that indicated by official outcomes. Moving

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

forwards, schools continue to work to ensure that the progress of disadvantaged pupils is at least as good as progress of other pupils nationally. Oakdale continues to work towards ensuring that official progress outcomes are closer to the national picture.

Financial Performance Indicators

The main financial performance indicator is the level of reserves held. The amount of carry forward is restricted to 3-6% of total GAG and is required to be met by the end of the 3-year plan ending 2019/20. The table below shows the reserves % at the end of 2017/18 and the end of the 3-year plan.

	2017/18			End of 3 year plan
	Total GAG*	Closing Reserves	%	
Academy	£'000	£'000	Target 3-6%	
Baden-Powell	2,316	47	2%	7%
Courthill	1,239	94	8%	5%
Lilliput	1,180	156	13%	4%
Longfleet	2,044	159	8%	4%
Oakdale	1,699	129	8%	3%
Old Town	930	(19)	-2%	5%
	9,408	566	6%	5%

* The definition of Total GAG within the Trust Reserve policy includes Economic Scenario Grant for 2016/17 and also an estimate of the National Funding Formula from 2018/19 onwards.

Most academies within the Trust are within the 3-6% target by the end of year 3. As the Trust commences the next budget setting and planning process Baden Powell and St.Peter's Junior School will be reviewed to ensure that it's funding is being efficiently utilised and reserves are bought in line with the Trust's Reserves policy.

The financial instability leading to the negative reserves of Old Town Infant School is referred to in the Achievements and Performance section on page 7 of the Trustees report.

Another key financial performance indicator is staffing costs as a percentage of total income. Total income is used to calculate the % as there are significant staffing costs involved in providing additional income generating activities at the academies, for example, wraparound care.

The benchmark used to monitor the level of staffing is 80%. The % results for each Academy is as follows:

	Staff costs	Total Income	Staffing %	End of 3 year plan
Academy	£'000	£,000		
Baden-Powell	2,225	2,836	78%	75%
Courthill	1,085	1,522	71%	76%
Lilliput	1,076	1,581	68%	71%
Longfleet	2,007	2,505	80%	79%
Oakdale	1,698	2,059	82%	79%
Old Town	929	1,219	76%	77%
Total	9,020	11,722	76%	76%

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Where the % is above benchmark, this is due to unknown/fluctuating pupil numbers at the point of setting budgets and therefore being unable to firmly recruit resources to ensure the best efficiency within the Academy Trust. This will be closely monitored during the budget setting process.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers as at October 2018 were 2,726, a decrease of 1% over 2017/18. It is anticipated that this number will drop in 2018/19 as we continue to see three years of low birth rates start to feed through our infant schools.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2018, the Trust received total income of £12,334,980 and incurred total expenditure of £12,968,381. The excess of expenditure over income for the year was £633,401.

At 31 August 2018 the net book value of fixed assets was £7,715,390 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The land, buildings and other assets were transferred to the Multi-Academy Trust upon conversion. A valuation of the land was not undertaken for the purposes of these financial statements and will therefore be valued at NIL. The buildings were professionally valued at replacement cost but not market value. The replacement cost of the buildings has been depreciated as per the accounting policies to give a prudent view of the value of the buildings. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Reserves policy as defined below. The Financial Regulation Manual is under review in the Spring term 2019 which lays out the framework for financial management, including financial responsibilities of the Trust Board, Headteachers, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

The Trustees review the reserve levels of the Trust as part of the annual budget and planning process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust, the uncertainty over future income streams and other key risks identified during the risk review. Special attention is paid to those schools showing low level of predicted reserves in the three-year plan with deficit recovery plans

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

being closely monitored.

The Trustees have determined that the appropriate level of free reserves should be approximately 3-6% of total GAG. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. This is also deemed to be a reasonable % to hold whilst ensuring that the funding received is used to benefit those pupils presently for whom the funding is intended.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions at 18.8% over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

Investment Policy

All monies within the Trust are held in bank current accounts with interest received at standard bank rates.

Other savings options providing a better rate of interest are currently under investigation. Any savings products selected will be of very low risk to the Trust and in accordance with ESFA guidance.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. All such risks and controls are documented within the Trust's Risk Register with a resulting action plan in place. Review of the risk register action plan as well as identification of any new significant risks is on the agenda at each Finance & Resources Committee meeting. A full review of the risks and controls on the register is carried out annually with the next review due in May 2019.

The principal risks and uncertainties highlighted by the risk register are as follows:

Staffing/Pupil Risks

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

Injury to pupils/staff/visitors whilst on site/in the care of the Trust – The Trust has secured the services of a leading expert in education compliance who will be carrying out health and safety audits at all our academies and putting in place actions plans to ensure a fully compliant safe environment is in place

Strategic and Reputational Risks

The risk of falling pupil numbers impacting not just on funding but also threatening the continuance of one particular academy or the entire Trust – for the academies in the Trust where there is still capacity for more pupils we are actively marketing and promoting those schools to encourage higher enrolment in future years as well as closely monitoring our three year plans to understand the impact of a fall in numbers.

Financial Risks

The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 90% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The Director of Finance and Operations is responsible for keeping up to date with developments in government funding as well as exploring opportunities to generate additional income and secure grants and create cost savings through consolidation of supplier contracts and other methods.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Inflation/Cost of Living increase – there is a risk that inflationary expense increase as well as staffing cost increase could outweigh any increase in income having a detrimental impact on our budgets and three year plans. This is closely monitored through the annual budget and planning process as well as the review of actual spend versus budget through the monthly management accounts process.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 25 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and further improve the achievement of its pupils. As part of this ambition, the Trust will continue to aim to attract high quality teachers and support staff by increasingly being seen as an 'employer of choice' and through engagement with Initial Teacher Training providers such as SCITT and School Direct Salaried as well as exploring the new opportunities presented by the Apprenticeship Levy. The Trust will continue to work collaboratively with all member schools to improve the educational opportunities for pupils in the wider community.

The Trust Board has approved the Partnership Improvement Plan for 2016/17 - 2018/19 which focuses on four Strategic Aims:

Strategic Aim 1: Pupil Outcomes: All schools within Harbourside Learning Partnership will achieve pupil outcomes which are at least in line with the relevant Ofsted 'good' criteria; schools increasingly achieve outcomes which are 'outstanding'.

This aim has been broken down further by school to show how the overall effectiveness of each school is expected to improve, as defined by Ofsted criteria, across a three-year period. By the end of 2018/19 the Trust are aiming for five of the six schools to be 'Outstanding' and the sixth school to be securely 'Good'. The Trust recognises that this is an ambitious aim but it reflects the aspirations that we have for the pupils in our care.

Strategic Aim 2: Teaching and Learning: Leadership and management of teaching and learning brings consistency to the overall quality of teaching across the Partnership so that it is at least 'good' and often 'outstanding' which is enabling pupils to achieve good or better outcomes.

In the Trust action plan, strategic aims 1 & 2 are combined since one clearly impacts on the other; it is through improving teaching that outcomes are improved. Significant work is planned to:

- Further moderate assessment outcomes so that teachers are increasingly clear about the presentation of 'age related expectations' and 'greater depth' in their pupils
- Embed strategies for self-evaluation so that ongoing rigorous analysis of pupil outcomes routinely lead to revised provision
- Develop consistent and robust appraisal procedures for all teachers
- Develop the use of coaching as a tool to increase the quality of teaching.
- Provide effective CPD for teachers
- Further improve provision for pupils who are disadvantaged

Strategic Aim 3: Leadership: Ensure that leadership at all levels within the Partnership is highly effective leading to secure outcomes.

This aim is to ensure that the Trust Board and Local Governing Bodies are fully equipped and engaged to provide high quality governance within each school and in the Trust as a whole. There is a focus on skills based recruitment, effective induction, relevant specialist training and self-review. This aim ensures there is a focus on

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

leadership development for middle and senior Trust leaders and further improvements in how Safeguarding and Health and Safety Policies are monitored, strengthened and embedded consistently across the Trust. In 2018/19, there will be a particular focus on supporting school leaders to ensure that they are 'Ofsted prepared' and therefore well-positioned to demonstrate their effectiveness through an inspection process.

Strategic Aim 4: Business, growth and efficiency: Strengthen the Partnership by ensuring long term financial stability and increasingly effective support and services for schools within the Partnership.

To make the best possible use of its resources, the Trust will be focussed on careful long-term financial planning, implementation of a reserves policy and an ongoing pursuit for increasingly efficient ways of working as well as opportunities for income generation. The Trust Board has developed a growth strategy and will continue to consider growth if it can be demonstrated that it would enhance the existing provision for the pupils and their communities or if there is a moral obligation to support a school in significant need. Should growth look likely to occur, the Trust is committed to ensuring that the central team and services are developed in a timely manner to meet the needs of any new joining schools and to ensure that the Partnership remains sustainable and effective.

A key part of the Trust Board's role in 2018/19 will be to review the strategic direction of the Trust and as a result develop the overarching focus of the Partnership Improvement Plan for the next 5 years of the Trust..

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The following policies and procedures are in place for:

- Disabled employees - policies and procedures are in place protecting the rights of disabled employees and applicants to ensure fair outcomes and treatment for all
- Employee consultation - all Trust employees are kept abreast of the latest developments of the Academy through a half-termly newsletter which includes any broad ranging issues impacting all staff. Issues and updates are also communicated through email, regular meeting frameworks and the HLP website, as required working groups will be pooled to discuss such matters further. Consultation regarding employment matters is held in accordance with statutory requirements as a minimum standard.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's behalf by:

**E J Jackson
Chair of Trustees**

HARBOURSIDE LEARNING PARTNERSHIP (A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Harbourside 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 Chief Executive Officer (CEO), as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Harbourside 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 of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
F Bannister	5	6
M J Baynham-Knight	5	6
Rev M M Camp	4	6
C P Downing (resigned 24th January 2018)	1	2
P T Howieson, CEO	6	6
E J Jackson	6	6
A L Procter	6	6
L A Moss (appointed 18th September 2017)	3	6
D Bayley (appointed 30th October 2017)	3	5
S Spivey (appointed 30th October 2017)	4	5

The following Trustees were appointed on 12th October 2018: M P Waterfall and B G McCarthy and will also attend the Finance and Resources Committee.

The Finance and Resources Committee is a sub-committee of the Trust Board. Its key purpose is to enable effective leadership to develop best practice across the Trust in terms of financial management of resources including people and buildings and ensure that the CEO and Director of Finance & Operations are operating within the parameters of the Funding Agreements and Academies Financial Handbook and providing value for money.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
M J Baynham-Knight	5	6
C P Downing	2	2
S Spivey (appointed 30th October 2017)	4	5
P T Howieson, CEO	2	2
E J Jackson	6	6
A L Procter	4	6

Representatives from the schools' local governing bodies can be appointed by the Trustees to attend the Finance and Resources Committee meetings. P Burden from Lilliput Infant School governing body was the representative until January 2018 (attendance: 2 out of 3 meetings).

The Achievement and Standards Committee is a sub-committee of the Trust Board. Its key purpose is to agree and monitor strategies and policies which will secure the highest standards of progress and attainment and the richest learning experience for all pupils in Schools within the Trust. Attendance during the year was as follows:

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
F Bannister	5	6
D Bayley	5	5
Rev M M Camp	6	6
P T Howieson, CEO	6	6
E J Jackson	6	6
L Moss	3	6

Representatives from the schools' local governing bodies can be appointed by the Trustees to attend the Achievement and Standards Committee meetings. This representative was K Davies from Longfleet Primary School governing body (attendance: 5 out of 6 meetings).

Additionally, a Headteacher from the School Improvement Board can be elected to be a member of the committee on an annual basis. This was A Carter, Headteacher from Courthill Infant School (attendance: 4 out of 6 meetings).

Governance Review

During Spring 2018 the Trust Board reviewed the impact of the work of the Trust Board and the sub-committees via an online survey completed by all Trustees. The Chair and the Vice Chair then met to reflect on the results of the survey and began to develop an Action Plan to develop specific areas identified. The Chair and Chairs of the Committees met to review this further with the CEO and the final action plan was approved at a Trust Board meeting in October 2018.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive Officer (CEO) 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 for the Trust has delivered improved value for money during the year by:

- Interrogation of internal monthly management accounts monitoring actual performance against budget to ensure budgets are being spent efficiently and that areas of concern are identified as early as possible and reviewed
- Consistency in the setting of budgets across the Trust to ensure all schools are applying the same level of rigour and challenge to their budgets
- The Trust has a procurement policy which is consistently applied and monitored by the Director of Finance and Operations
- There is a Risk Register in place documenting any risks around areas of financial concern and the controls in place to mitigate such risks
- Ongoing reviews with the schools are in place to ensure that the staffing models they are operating are in line with our recommended/benchmarked staffing ratios and are achievable using their reserves
- Where possible, contracts are consolidated to benefit from economies of scale. Examples include hot school meals and staff absence insurance where we have consolidated all academies under one supplier and achieved large savings as a Trust
- We are a member of a purchasing consortium and refer to the frameworks available when reviewing contracts/making large purchasing decision
- We have used an intermediary this year to negotiate contracts for utilities and ensure that we are securing the best possible deals for the Trust
- During 2018/19 we will be focusing more on the consolidation of contracts to achieve cost savings as well as ensuring we are maximising any opportunities for generating income for our schools

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 Harbourside Learning Partnership for the year 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 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 Finance and Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Monthly review of the consolidated management accounts and cash flow forecast by the Chair of Trustees, the Chair of Finance and Resources & the Finance Trustee;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Filer Knapper LLP as internal auditor.

The internal auditor's/reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. A programme of internal control reviews over a two year period has been documented by the internal auditors and the Responsible Officer and commenced in December 2017. During the period where no Responsible Officer is in place, the elements of the internal audit plan assigned to the Responsible Officer will instead be covered by the internal auditors. We have appointed a new Responsible Officer in December 2018 who is a Chartered accountant.

On a quarterly basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- The work of the Director of Finance and Operations within the Academy Trust who has responsibility for the development and maintenance of the internal control framework
- The financial management and governance self-assessment process;
- The expertise of two of the Trustees who have knowledge and expertise in financial controls

Approved by order of the members of the Board of Trustees on 11 December 2018 and signed on their behalf, by:

E J Jackson
Chair of Trustees

P T Howieson
Accounting Officer

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Harbourside Learning Partnership I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2017.

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

**P T Howieson
Accounting Officer**

Date: 11 December 2018

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also 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 Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 order of the members of the Board of Trustees and signed on its behalf by:

E J Jackson
Chair of Trustees

Date: 11 December 2018

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

OPINION

We have audited the financial statements of Harbourside Learning Partnership (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities, 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters 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 are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

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

AUDITORS' 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 Auditors' 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 Auditors' report.

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

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

USE OF OUR REPORT

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

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

18 December 2018

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HARBOURSIDE LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 4 January 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Harbourside Learning Partnership during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Harbourside 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 Harbourside 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 Harbourside Learning Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Harbourside Learning Partnership's funding agreement with the Secretary of State for Education dated 30 June 2016, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Academy complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO
HARBOURSIDE LEARNING PARTNERSHIP AND THE EDUCATION & SKILLS 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

18 December 2018

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	742,457	182,663	925,120	786,875
Charitable activities	3	272,129	10,808,408	-	11,080,537	11,047,859
Other trading activities	4	320,587	-	-	320,587	265,487
Investments	5	831	-	-	831	900
Other income		7,905	-	-	7,905	7,104
TOTAL INCOME		601,452	11,550,865	182,663	12,334,980	12,108,225
EXPENDITURE ON:						
Raising funds		105,480	-	-	105,480	65,721
Charitable activities		642,708	11,902,601	317,592	12,862,901	12,705,906
TOTAL EXPENDITURE	6	748,188	11,902,601	317,592	12,968,381	12,771,627
NET EXPENDITURE BEFORE TRANSFERS		(146,736)	(351,736)	(134,929)	(633,401)	(663,402)
Transfers between Funds	20	-	(211,975)	211,975	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(146,736)	(563,711)	77,046	(633,401)	(663,402)
Actuarial gains on defined benefit pension schemes	24	-	1,009,000	-	1,009,000	313,000
NET MOVEMENT IN FUNDS		(146,736)	445,289	77,046	375,599	(350,402)
RECONCILIATION OF FUNDS:						
Total funds brought forward		477,997	(4,496,499)	7,630,055	3,611,553	3,961,955
TOTAL FUNDS CARRIED FORWARD		331,261	(4,051,210)	7,707,101	3,987,152	3,611,553

The notes on pages 28 to 53 form part of these financial statements.

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 10161526

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		7,715,390		7,630,055
CURRENT ASSETS					
Stocks	15	8,529		11,115	
Debtors	16	393,310		352,135	
Cash at bank and in hand		1,104,454		1,212,216	
		<u>1,506,293</u>		<u>1,575,466</u>	
CREDITORS: amounts falling due within one year	17	(932,279)		(941,968)	
NET CURRENT ASSETS			<u>574,014</u>		<u>633,498</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,289,404</u>		<u>8,263,553</u>
CREDITORS: amounts falling due after more than one year	18		(7,252)		-
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>8,282,152</u>		<u>8,263,553</u>
Defined benefit pension scheme liability	24		(4,295,000)		(4,652,000)
NET ASSETS			<u><u>3,987,152</u></u>		<u><u>3,611,553</u></u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	20	243,790		155,501	
Fixed asset funds	20	7,707,101		7,630,055	
		<u>7,950,891</u>		<u>7,785,556</u>	
Restricted funds excluding pension reserve					
Pension reserve		(4,295,000)		(4,652,000)	
Total restricted funds			<u>3,655,891</u>		<u>3,133,556</u>
Unrestricted funds	20		<u>331,261</u>		<u>477,997</u>
TOTAL FUNDS			<u><u>3,987,152</u></u>		<u><u>3,611,553</u></u>

The financial statements on pages 25 to 53 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

E J Jackson
Chair of Trustees

The notes on pages 28 to 53 form part of these financial statements.

**HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	22	<u>115,679</u>	<u>526,728</u>
Cash flows from investing activities:			
Interest received		831	900
Purchase of tangible fixed assets		(402,927)	(291,898)
Capital grants from DfE Group		<u>178,655</u>	<u>42,470</u>
Net cash used in investing activities		<u>(223,441)</u>	<u>(248,528)</u>
Change in cash and cash equivalents in the year		(107,762)	278,200
Cash and cash equivalents brought forward		<u>1,212,216</u>	<u>934,016</u>
Cash and cash equivalents carried forward	23	<u><u>1,104,454</u></u>	<u><u>1,212,216</u></u>

The notes on pages 28 to 53 form part of these financial statements.

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 Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 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 Academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

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

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

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

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

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 raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 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 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. 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, 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	-	2% straight line
Furniture and fixtures	-	20% straight line
Computer equipment	-	33% straight line

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

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

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority schools. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

It is common practice for the Education Funding Agency (ESFA) to provide a desktop valuation of the land and buildings on conversion. However, the date between conversion and the approval of the financial statements fell prior to the ESFA's annual commissioning of valuation reports and therefore this valuation was not available.

The commissioning of the Academy Trust's own valuation would have incurred undue cost and therefore a valuation obtained for insurance purposes has been utilised to determine an appropriate value. A valuation was provided by Ridge Property & Construction Consultants in May 2016. This valuation was provided on a site reinstatement cost basis and has been adjusted for the age of the buildings to provide a value which is deemed to be equal to its depreciated replacement cost.

Where the Academy Trust has been granted use of the school buildings from the Diocese under Supplemental Agreements, the Academies Account Director prescribes that under this agreement the risks and rewards of ownership remain with the Diocese. A donation from the Diocese has been recognised equal to the deemed rental expense, based on the rateable value of the buildings.

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.7 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 and cash on deposit that has a notice period of less than 30 days.

1.8 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 Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.9 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. 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.

1.10 TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 3 Chapter 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.

1.11 PENSIONS

Retirement benefits to employees of the Academy 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 Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

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

1.12 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.14 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.15 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on the cost of purchases on a first in first out basis.

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	277,192	-	277,192	278,104
Diocesan property	-	410,360	-	410,360	410,360
Capital Grants	-	54,905	182,663	237,568	98,411
	-	742,457	182,663	925,120	786,875
Total 2017	-	744,405	42,470	786,875	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Education	216,472	10,808,408	11,024,880	10,995,960
Nursery	55,657	-	55,657	51,899
	272,129	10,808,408	11,080,537	11,047,859
Total 2017	249,345	10,798,514	11,047,859	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	9,407,522	9,407,522	9,443,694
Other DfE/ESFA grants	-	1,148,743	1,148,743	1,082,609
	-	10,556,265	10,556,265	10,526,303
Other Government grants				
High Needs	-	173,852	173,852	176,235
Other Government grants	-	78,291	78,291	95,976
	-	252,143	252,143	272,211
Other funding				
Internal catering income	95,348	-	95,348	92,101
Sales to students	27,173	-	27,173	33,663
Other	93,951	-	93,951	71,682
	216,472	-	216,472	197,446
	216,472	10,808,408	11,024,880	10,995,960
Total 2017	197,446	10,798,514	10,995,960	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	79,268	-	79,268	78,782
Photo commission	7,738	-	7,738	8,881
Consultancy	32,676	-	32,676	23,008
Fees received	200,894	-	200,894	151,717
Other	11	-	11	3,099
	320,587	-	320,587	265,487
Total 2017	265,487	-	265,487	

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Interest received	831	-	831	900
	<u>831</u>	<u>-</u>	<u>831</u>	<u>900</u>
Total 2017	900	-	900	
	<u>900</u>	<u>-</u>	<u>900</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	66,842	-	38,638	105,480	65,721
Support costs	-	-	-	-	-
Education:					
Direct costs	8,342,707	220,311	993,583	9,556,601	9,343,702
Support costs	1,417,208	907,563	931,174	3,255,945	3,295,227
Nursery: Direct costs	50,355	-	-	50,355	66,977
	<u>9,877,112</u>	<u>1,127,874</u>	<u>1,963,395</u>	<u>12,968,381</u>	<u>12,771,627</u>
Total 2017	9,793,830	1,083,403	1,894,394	12,771,627	
	<u>9,793,830</u>	<u>1,083,403</u>	<u>1,894,394</u>	<u>12,771,627</u>	

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

7. DIRECT COSTS

	Education £	Nursery £	Total 2018 £	Total 2017 £
Pension finance costs	117,000	-	117,000	92,000
Educational supplies	317,775	-	317,775	258,426
Staff development	47,736	-	47,736	59,917
Educational trips	221,718	-	221,718	220,525
Supply teachers	64,721	-	64,721	83,429
Technology costs	68,771	-	68,771	62,369
Profit/loss on disposal of fixed assets	-	-	-	(9,000)
Educational services	123,302	-	123,302	156,192
Wages and salaries	6,218,877	39,424	6,258,301	6,118,260
National insurance	524,471	3,496	527,967	524,718
Pension cost	1,534,638	7,435	1,542,073	1,583,079
Depreciation	317,592	-	317,592	268,264
	<u>9,556,601</u>	<u>50,355</u>	<u>9,606,956</u>	<u>9,418,179</u>
Total 2017	<u>9,343,702</u>	<u>66,977</u>	<u>9,410,679</u>	

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Rent of diocesan property	410,360	410,360
Other costs	12,889	3,242
Supply teachers	-	5,770
Recruitment and other staff costs	12,628	24,347
Maintenance of premises and equipment	139,181	158,335
Cleaning	130,829	87,259
Rent and rates	116,166	105,201
Energy costs	114,377	115,892
Insurance	55,248	36,205
Security and transport	31,067	18,042
Catering	543,948	543,778
Technology costs	91,436	82,862
Office overheads	105,022	90,943
Legal and professional	29,821	120,830
Bank interest and charges	5,920	4,010
Governance	39,845	42,543
Wages and salaries	1,177,717	1,198,712
National insurance	62,823	67,067
Pension cost	176,668	172,329
	<u>3,255,945</u>	<u>3,287,727</u>
Total 2017	<u>3,295,227</u>	

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	317,592	268,264
Auditors' remuneration - audit	8,900	8,900
Auditors' remuneration - other services	1,950	1,875
Operating lease rentals	5,556	5,556
	<u>333,998</u>	<u>284,635</u>

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	7,479,240	7,307,228
Social security costs	593,694	593,163
Pension costs	1,724,207	1,757,904
	<u>9,797,141</u>	<u>9,658,295</u>
Agency staff costs	64,721	89,199
Staff restructuring costs	15,250	46,336
	<u><u>9,877,112</u></u>	<u><u>9,793,830</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	-	1,057
Severance payments	15,250	45,279
	<u>15,250</u>	<u>46,336</u>

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,250 (2017: £42,839). Individually, the payments were £5,000 and £10,250. These restructuring costs were funded through the Multi-Academy Trust's reserves.

c. Staff numbers

The average number of persons employed by the Multi-Academy Trust during the period was as follows:

	2018 No.	2017 No.
Teachers	156	141
Administration and support	312	297
Management	13	16
	<u>481</u>	<u>454</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	118	112
Administration and support	146	133
Management	12	15
	<u>276</u>	<u>260</u>

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	0

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £691,392 (2017: £676,949).

11. CENTRAL SERVICES

The Academy Trust has provided the following central services to its academies during the year:

- financial services;
- educational support services;
- HR support;
- Centralised purchasing;
- Health & Safety oversight & administration
- Generation of Conditional Improvement Fund income.

The Academy Trust charges for these services on the following basis:

- 4.5% of GAG income

The actual amounts charged during the year were as follows:

	2018	2017
	£	£
Baden-Powell & St. Peter's CofE Junior School	102,746	102,642
Courthill Infant School	55,074	54,415
Lilliput CofE Infant School	52,372	52,147
Longfleet CofE Primary School	94,589	87,318
Oakdale Junior School	75,549	77,700
Old Town Infant School & Nursery	41,521	41,571
	421,851	415,793
Total	421,851	415,793

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

12. TRUSTEES' REMUNERATION AND EXPENSES

The CEO only receives remuneration in respect of services provided undertaking the role of CEO under their contracts of employment, and not in respect of their services as a Trustee. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of trustees' remuneration and other benefits was as follows: P Howieson: Remuneration £90,000 - £95,000 (2017: £85,000 - £90,000), Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000).

Other related party transactions involving the Trustees are set out in note 28.

During the current and prior year, no Trustees received any benefits in kind.
 During the current and prior year, no Trustees received any reimbursement of expenses.

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where 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.

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
COST				
At 1 September 2017	7,598,048	234,327	102,628	7,935,003
Additions	10,528	347,973	44,426	402,927
At 31 August 2018	7,608,576	582,300	147,054	8,337,930
DEPRECIATION				
At 1 September 2017	256,784	28,268	19,896	304,948
Charge for the year	220,311	55,496	41,785	317,592
At 31 August 2018	477,095	83,764	61,681	622,540
NET BOOK VALUE				
At 31 August 2018	7,131,481	498,536	85,373	7,715,390
At 31 August 2017	7,341,264	206,059	82,732	7,630,055

15. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	8,529	11,115

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

16. DEBTORS

	2018 £	2017 £
Trade debtors	42,973	19,950
Other debtors	3,023	4,439
Prepayments and accrued income	239,213	271,098
VAT recoverable	108,101	56,648
	<u>393,310</u>	<u>352,135</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	192,430	178,229
Other taxation and social security	189,784	193,915
ESFA loans	1,036	-
Other creditors	117,424	117,110
Accruals and deferred income	431,605	452,714
	<u>932,279</u>	<u>941,968</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	391,100	250,568
Resources deferred during the year	320,789	391,100
Amounts released from previous years	(391,100)	(250,568)
Deferred income at 31 August 2018	<u>320,789</u>	<u>391,100</u>

At the balance sheet date the Academy Trust was holding funds received in advance for UIFSM and rates relief.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
ESFA loans	<u>7,252</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	<u>3,108</u>	<u>-</u>

Included within ESFA loans is a Condition Improvement Fund (CIF) loan of £8,288 repayable in monthly instalments over 8 years with an applicable interest rate of 0%.

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

19. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	<u>1,304,266</u>	<u>1,369,945</u>
Financial liabilities measured at amortised cost	<u>(459,585)</u>	<u>(356,953)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, accrued income and cash at bank & in hand.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

HARBOURSIDE LEARNING PARTNERSHIP
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	477,997	601,452	(748,188)	-	-	331,261
RESTRICTED FUNDS						
General Annual Grant (GAG)	155,501	9,407,522	(9,155,656)	(163,577)	-	243,790
High needs funding	-	173,852	(173,852)	-	-	-
Pupil premium	-	511,292	(511,292)	-	-	-
Devolved formula capital	-	54,905	(6,507)	(48,398)	-	-
UIFSM	-	455,074	(455,074)	-	-	-
Other government grants	-	182,377	(182,377)	-	-	-
Other restricted income	-	355,483	(355,483)	-	-	-
Diocesan property	-	410,360	(410,360)	-	-	-
Pension reserve	(4,652,000)	-	(652,000)	-	1,009,000	(4,295,000)
	(4,496,499)	11,550,865	(11,902,601)	(211,975)	1,009,000	(4,051,210)
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,384,769	-	(220,100)	-	-	7,164,669
Fixed assets purchase from GAG and other restricted funds	207,222	-	(84,935)	201,975	-	324,262
Other capital grants	38,064	38,954	(12,557)	-	-	64,461
Condition Improvement Fund (CIF)	-	143,709	-	10,000	-	153,709
	7,630,055	182,663	(317,592)	211,975	-	7,707,101
Total restricted funds	3,133,556	11,733,528	(12,220,193)	-	1,009,000	3,655,891
Total of funds	3,611,553	12,334,980	(12,968,381)	-	1,009,000	3,987,152

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

Restricted Funds

General Annual Grant - Income from the ESFA which is to be use for the normal running costs of the Academy Trust, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals, or have done at any point in the last 6 years, to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

**HARBOURSIDE LEARNING PARTNERSHIP
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. STATEMENT OF FUNDS (continued)

Devolved formula capital - This represents funding from the ESFA to cover the maintenance and purchase of the Academy Trust's assets.

Other restricted income - Other forms of income with specific restrictions on its spending.

Diocesan property - This fund represents the deemed income from and expenditure to the Diocese for the Academy Trust's use of its property.

Pension reserve - This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy Trust.

Fixed Asset Funds

Fixed assets transferred on conversion - This represent the buildings and equipment donated to the School from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG - This represents fixed assets which were purchased from GAG funding.

Other capital grants - This represents fixed assets purchased from income received from non-ESFA bodies.

Condition Improvement Fund (CIF) - This represents fixed assets purchased from grant funding received via the ESFA's Condition Improvement Fund.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Baden-Powell & St. Peter's CofE Junior School	47,026	158,131
Courthill Infant School	94,476	38,079
Lilliput CofE Infant School	155,767	136,580
Longfleet CofE Primary School	159,131	204,989
Oakdale Junior School	128,926	163,757
Old Town Infant School & Nursery	(19,437)	(84,451)
Central	9,162	16,413
Total before fixed asset fund and pension reserve	575,051	633,498
Restricted fixed asset fund	7,707,101	7,630,055
Pension reserve	(4,295,000)	(4,652,000)
Total	3,987,152	3,611,553

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

The following academy is carrying a net deficit on its portion of the funds as follows:

Name of Academy	Amount of deficit £
Old Town Infant School & Nursery	(19,437)

Old Town Infant School and Nursery experienced some financial instability in the prior year and the ESFA were notified.

The Academy Trust is taking the following action to return the academy to surplus:

In the prior year, the Trust took swift action and provided intensive support to the school, assisting through a deficit recovery plan along with the careful and sensitive management of associated staffing implications. The result of this work is that the school has a staffing structure appropriate for its reduced size along with a three year balanced budget which shows that the school will be in line with the Trust's reserve policy by the end of 2018/19. In 2017/18 the school made an in-year surplus.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2018 £	Total 2017 £
Baden-Powell & St. Peter's CofE Junior School	1,972,765	247,585	100,842	660,580	2,981,772	3,017,475
Courthill Infant School	940,409	151,816	33,896	244,419	1,370,540	1,481,502
Lilliput CofE Infant School	942,843	134,386	102,412	387,509	1,567,150	1,585,863
Longfleet CofE Primary School	1,767,126	254,607	72,091	436,558	2,530,382	2,573,941
Oakdale Junior School	1,454,348	252,676	69,073	238,845	2,014,942	2,015,399
Old Town Infant School & Nursery	794,214	141,860	8,605	159,883	1,104,562	1,397,675
Central	42,606	234,278	18,530	134,027	429,441	442,036
	<u>7,914,311</u>	<u>1,417,208</u>	<u>405,449</u>	<u>2,261,821</u>	<u>11,998,789</u>	<u>12,513,891</u>

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
UNRESTRICTED FUNDS						
General funds	593,633	522,836	(638,472)	-	-	477,997
RESTRICTED FUNDS						
General Annual Grant (GAG)	26,004	9,443,694	(9,064,769)	(249,428)	-	155,501
High needs funding	-	176,235	(176,235)	-	-	-
Pupil premium	-	600,877	(600,877)	-	-	-
Start up grant	16,121	-	(16,121)	-	-	-
Devolved formula capital	7,776	55,941	(63,717)	-	-	-
UFSM	-	400,967	(400,967)	-	-	-
Other government grants	-	176,741	(176,741)	-	-	-
Other restricted income	-	278,104	(278,104)	-	-	-
Diocesan property	-	410,360	(410,360)	-	-	-
Pension reserve	(4,288,000)	-	(677,000)	-	313,000	(4,652,000)
	<u>(4,238,099)</u>	<u>11,542,919</u>	<u>(11,864,891)</u>	<u>(249,428)</u>	<u>313,000</u>	<u>(4,496,499)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	7,550,836	-	(166,067)	-	-	7,384,769
Fixed assets purchase from GAG and other restricted funds	55,585	-	(97,791)	249,428	-	207,222
Other capital grants	-	42,470	(4,406)	-	-	38,064
	<u>7,606,421</u>	<u>42,470</u>	<u>(268,264)</u>	<u>249,428</u>	<u>-</u>	<u>7,630,055</u>
Total restricted funds	<u>3,368,322</u>	<u>11,585,389</u>	<u>(12,133,155)</u>	<u>-</u>	<u>313,000</u>	<u>3,133,556</u>
Total of funds	<u>3,961,955</u>	<u>12,108,225</u>	<u>(12,771,627)</u>	<u>-</u>	<u>313,000</u>	<u>3,611,553</u>

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	7,715,390	7,715,390
Current assets	320,078	1,186,215	-	1,506,293
Creditors due within one year	11,183	(942,425)	(1,037)	(932,279)
Creditors due in more than one year	-	-	(7,252)	(7,252)
Pension scheme liability	-	(4,295,000)	-	(4,295,000)
	331,261	(4,051,210)	7,707,101	3,987,152

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	7,630,055	7,630,055
Current assets	477,997	1,097,469	-	1,575,466
Creditors due within one year	-	(941,968)	-	(941,968)
Provisions for liabilities and charges	-	(4,652,000)	-	(4,652,000)
	477,997	(4,496,499)	7,630,055	3,611,553

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

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(633,401)	(663,402)
Adjustment for:		
Depreciation charges	317,592	268,264
Interest received	(831)	(900)
Decrease/(increase) in stocks	2,586	(11,115)
(Increase)/decrease in debtors	(68,328)	294,370
Increase in creditors	24,716	4,981
Capital grants from DfE and other capital income	(178,655)	(42,470)
Defined benefit pension scheme cost less contributions payable	535,000	585,000
Defined benefit pension scheme finance cost	117,000	92,000
Notional donation for use of diocesan property	(410,360)	(410,360)
Notional rental expense of diocesan property	410,360	410,360
Net cash provided by operating activities	115,679	526,728

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,104,454	1,212,216
	<u>1,104,454</u>	<u>1,212,216</u>

24. PENSION COMMITMENTS

The Academy 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 Dorset County Council. 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.

Contributions amounting to £97,139 were payable to the schemes at 31 August 2018 (2017: 100,822) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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 £765,685 (2017: £735,871).

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 an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £558,391 (2017: £560,000), of which employer's contributions totalled £430,000 (2017: £427,000) and employees' contributions totalled £129,000 (2017: £133,000). The agreed contribution rates for future years are 17.4% for employers and 5.5 - 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:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	24	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	215,000	208,000
Discount rate -0.1%	(221,000)	(214,000)
Mortality assumption - 1 year increase	(270,000)	(262,000)
Mortality assumption - 1 year decrease	262,000	254,000
CPI rate +0.1%	(199,000)	(181,000)
CPI rate -0.1%	194,000	176,000

HARBOURSIDE LEARNING PARTNERSHIP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	2,285,000	1,962,000
Gilts and other bonds	813,000	876,000
Cash	39,000	94,000
Property and infrastructure	602,000	469,000
Diversified growth and hedge funds	250,000	156,000
Multi Asset Credit	194,000	-
Total market value of assets	4,183,000	3,557,000

The actual return on scheme assets was £87,000 (2017: £407,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(1,016,000)	(1,012,000)
Past service cost	(5,466)	(2,496)
Interest income	97,000	61,000
Interest cost	(214,000)	(153,000)
Total	(1,138,466)	(1,106,496)

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

	2018 £	2017 £
Opening defined benefit obligation	8,209,000	6,880,000
Current service cost	1,016,000	1,012,000
Interest cost	214,000	153,000
Employee contributions	129,000	133,000
Actuarial (gains)/losses	(1,039,000)	31,000
Gains on curtailments	(51,000)	-
Closing defined benefit obligation	8,478,000	8,209,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	3,557,000	2,592,000
Interest income	100,000	63,000
Actuarial gains/(losses)	(30,000)	344,000
Employer contributions	430,000	427,000
Employee contributions	129,000	133,000
Administration expense	(3,000)	(2,000)
	<u>4,183,000</u>	<u>3,557,000</u>
Closing fair value of scheme assets	<u>4,183,000</u>	<u>3,557,000</u>

25. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	4,942	5,556
Between 1 and 5 years	6,201	11,144
Total	<u>11,143</u>	<u>16,700</u>

26. 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.

27. GENERAL INFORMATION

Harbourside Learning Partnership is a company limited by guarantee, incorporated in England and Wales. The registered office is Oakdale Junior School, School Lane, Poole, Dorset, England, BH15 3JR.

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Academy Trust's financial regulations and normal procurement procedures relating to connected and 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 12.