

**ARCHWAY LEARNING TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**



# ARCHWAY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

T Rees (ex officio Chair of Trustees)  
R Eade  
I Griffiths (appointed 19 August 2019)  
J Hart  
J Loughton  
Revd Canon T Pullen  
The Diocese of Southwell and Nottingham Educational Trust (represented by N Spraggins)

### Trustees

T Rees (appointed 13 September 2018)  
C Archer (resigned 19 March 2019)  
Ven S Clark (resigned 22 October 2018)  
A Darby (appointed 1 July 2019)  
S Hampton\* (CEO and Principal Accounting Officer)  
D McCauley (appointed 23 April 2019)  
J Moore (appointed 13 September 2018, and resigned 30 June 2019)  
M Oldroyd  
Dr S Rich-Mahadkar\* (appointed 2 April 2019)  
Dr C Rolph (appointed 24 June 2019)  
H Shewell-Cooper (resigned 25 April 2019)  
R Spiby\* (resigned 22 October 2018)  
N Spraggins\* (appointed 14 November 2018, resigned 10 May 2019)  
S Sanyard\* (appointed 24 June 2019)  
P Sykes (Chair to 23 October 2018)  
A Taylor\* (appointed 7 March 2019)  
M Trobe CBE (appointed 1 July 2019)  
K Wyer\*

\* Members of the Audit, Finance and General Purposes committee

### Executive Leadership Team

Chief Executive Officer	S Hampton
Executive Principal	S Anderson
Director of Education	C Elder
Chief Operating Officer	M Lysenko

### Company secretary

M Lysenko

### Company registration number

07875164 (England and Wales)

### Registered office

Aspley Lane  
Aspley  
Nottingham  
Nottinghamshire  
NG8 5GY

# ARCHWAY LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Academies operated

Bluecoat Wollaton Academy  
Bluecoat Beechdale Academy  
Bluecoat Aspley Academy

### Location

Wollaton Park, Nottingham  
Harvey Road, Nottingham  
Aspley Lane, Nottingham

### Principal

S Anderson  
C Elder  
C Rowell (to 22 November 2019)  
C McManus (from 23 November 2019)  
S Shaw  
D Hobbs

Bluecoat Primary Academy  
Nottingham Emmanuel School

Harvey Road, Nottingham  
Gresham Park Road, West Bridgford

### Independent auditor

RSM UK Audit LLP  
St Philips Point  
Temple Row  
Birmingham  
West Midlands  
B2 5AF

### Solicitors

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

# ARCHWAY LEARNING TRUST

## TRUSTEES' REPORT

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The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates five academies serving a catchment area in Nottingham:

- Bluecoat Aspley Academy for students aged 11-19. It has a student capacity of 1,400 and had a roll of 1,498 in the Academy census (October 2019), and is 98 oversubscribed.
- Bluecoat Beechdale Academy for students aged 11-16. It has a student capacity of 900, and had a roll of 853 in the Academy census (October 2019).
- Bluecoat Primary Academy for students aged 3 to 11. It has a student capacity of 446 and had a roll of 384 in the Academy census (October 2019).
- Bluecoat Wollaton Academy for students aged 11-16. It has a student capacity of 750 and had a roll of 785 in the Academy census (October 2019), and is 35 oversubscribed.
- Nottingham Emmanuel School for students aged 11-19. It has a student capacity of 1,150 and had a roll of 1,099 in the Academy census (October 2019).

## STRUCTURE, GOVERNANCE AND MANAGEMENT

### Constitution

The Trust is a company limited by guarantee and an exempt charity. Archway Learning Trust's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of Archway Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Archway Learning Trust.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page one.

### Members' liability

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

### Trustees' indemnities

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £1,250 (2018: £900). The cost of this insurance is included in the total insurance cost.

### Method of recruitment and appointment or election of Trustees

In line with the Articles of Association, Members of the Trust appoint a minimum of five Trustees so that at all times the total number of Trustees appointed by the Members represents at least 50% of the total number of Trustees.

Trustees are appointed for a period of four years. At the end of a four year term, retiring Trustees are eligible for re-election.

The Trustees have set up procedures which will enable regular reviews of the mix of skills that should be available to the Board. New Trustees are then sought with these skills as replacements when existing Trustees stand down. It is anticipated that most new Trustees will be drawn from the local community or others who have shown an interest in the future well-being of the Trust, the academies within the Trust and the students. Recruitment will be through a combination of approaches to individuals with known skills and by wider communications to those within Nottinghamshire.

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## TRUSTEES' REPORT

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### **Policies and procedures adopted for the induction and training of Trustees**

Individual Trustees attend training courses and conferences organised by appropriate bodies in order to ensure their knowledge and understanding is up to date. Briefings for the Board of the Trust are carried out based on areas of potential interest and/or concern. In November 2019 a two day Governance and Leadership Conference was arranged across the Trust. All Trustees were invited to attend the Conference and there was representation from all Academy Governing Bodies.

### **Organisational structure**

The Trustees have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to Trustees and appointing key members of staff.

The Board of Trustees holds at least five meetings a year with the ability to hold additional meetings if required to consider specific agenda items. The Board has established three committees to consider specific issues and make recommendations to the Board:

- Curriculum and Standards Committee
- Audit, Finance and General Purposes Committee
- Policy Committee

The Board reserves the right to delegate powers to these Committees to make decisions on behalf of the Board. All decisions reserved to the Trustees are taken by the Board as a whole.

Each Academy within the Trust has an Academy Advisory Board (AAB). The full Board reviews the membership and the Terms of Reference for each AAB annually with the Chair and Vice Chair of each AAB being appointed by the full Board annually. Schemes of Delegation are in place devolving some powers and responsibilities to the AAB of each Academy. The Schemes of Delegation may vary for each Academy's AAB and are renewed by the Trust annually.

In the exercise of its delegated powers and functions, the Governors of each Academy AAB will ensure that their Academy's business is conducted in accordance with the objects of the Trust.

Each AAB,

- a. has delegated powers regarding student discipline and curriculum development within the policies approved by the full Board;
- b. will promptly implement and comply with any policies or procedures communicated to the AABs by the Trustees from time to time;
- c. will review its own policies and practices on a regular basis, in view of any advice or recommendations made by the Full Board;
- d. will work closely with the Full Board and act with integrity, objectivity and honesty in the best interest of the Trust and the Academy;
- e. will be open about decisions and be prepared to justify those decisions;
- f. will keep confidential all information of a confidential nature obtained by them relating to their Academy and the Trust;
- g. will adopt financial prudence in managing the financial affairs of the Trust in so far as these relate to their Academy and are delegated to them.

The AABs of all academies with a religious designation will ensure that Academy business is conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship. This will not apply to Bluecoat Beechdale Academy which is a community Academy.

Each AAB member takes part in regular self-review and is accountable for meeting their own training and development needs. It is an AAB member's responsibility to consider if, and raise any concerns where, they feel that appropriate training and development is not being provided.

AAB members are expected to report to the Trust against KPIs which have been set by the Trust for each Academy and provide such data and information regarding the business of their Academy and the students attending their Academy

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## TRUSTEES' REPORT

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as the Trustees may require from time to time. The Chief Executive Officer (CEO) is the Accounting Officer and works closely with the Trustees, the AABs and the senior staff of Archway Learning Trust.

The day-to-day management of Archway Learning Trust rests with the CEO who has overall responsibility for the Trust. The CEO is responsible for establishing a Senior Leadership Team at each Academy as well as establishing the Executive Leadership at the Trust.

The CEO has delegated authority to appoint, discipline and dismiss staff and delegated powers are documented in the suite of Trust-wide HR policies. Financial authority is delegated in line with the Scheme of Delegation and the Finance Policy that is approved by the full Board on an annual basis. If financial or other business decisions are required between meetings then electronic authority may be sought from the members of the Board. The full Board consider and approve the Trust Improvement Plan annually. This is monitored throughout the year, in line with an agreed timetable. Each AAB monitors throughout the year the Academy Improvement Plan prepared by their respective Academy.

The Trust's AAB membership for the period was as set out below.

### **Bluecoat Aspley Academy**

Revd R Atkinson (appointed 2 April 2019)  
P Burrell  
J Connington (Parent Member)  
J Hempstead (resigned 9 September 2019)  
Rev P Jones (Chair)  
C Miller (Parent Member)  
C Pearce (Staff Member)  
C Rowell (Ex Officio)  
B Thomas (Staff Member)

### **Bluecoat Beechdale Academy**

S Bailey – (Ex Officio, appointed 1 September 2019)  
A Butters (Staff Member, appointed 23 October 2018)  
C Elder (Ex-Officio, resigned 31 August 2019)  
D Gray (Chair, appointed 23 October 2018)  
C Hutchinson (Parent Member)  
V McCrossen (resigned 31 December 2018)  
E Pagliacci (resigned 26 September 2019)  
D Stewart OBE D.Litt.h.c.DL  
B Summers (Parent Member)  
N Wilson (Staff Member, resigned 31 August 2019)  
P Bevington (resigned 9 October 2019)

### **Bluecoat Primary Academy**

P Burrell (Chair)  
M Clowes (resigned 9 October 2018)  
J Doar  
J Eaton (Parent Member, resigned 12 March 2019)  
D Gray (appointed 21 May 2019)  
F Heesambee (Parent Member, resigned 29 September 2019)  
S Iqbal (Parent Member appointed 15 October 2019)  
H Keith (Staff Member)  
Revd J Moring (appointed 2 April 2019)  
A Robinson (appointed 16 July 2019)  
S Shaw (Ex-Officio)  
A Taylor (resigned 2 July 2019)  
M Tillett (Parent Member, appointed 15 July 2019)

### **Bluecoat Wollaton Academy**

S Anderson (Ex Officio)  
M Bamlett (appointed 23 October 2018)  
F Bell (Parent Member)  
Rev H Curran  
M Goodwill-Hodgson (Chair)  
A Pearson  
A Rogers (Parent Member)  
H Shirtcliffe (Staff Member)  
B Barber (Resigned 9 September 2019)

### **Nottingham Emmanuel School (from 1 January 2018)**

N Asghar (Parent Member, appointed 24 January 2019)  
A Barnaby (Staff Member)  
M Blakeway (Chair)  
P Brown (Parent Governor, resigned 10 December 2018)  
K Cole (appointed 15 October 2019)  
E Dunford (resigned 5 April 2019)  
B Heywood (resigned 20 May 2019)  
D Hobbs (Ex Officio)  
A King (resigned 17 October 2019)  
Rev P Marsh (resigned 31 July 2019)  
C Norman (resigned 10 July 2019)  
E Prentice  
M Storrar (appointed 15 October 2019)  
R Tanner (appointed 2 April 2019)  
E Taylor

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## TRUSTEES' REPORT

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### Arrangements for setting pay and remuneration of key management personnel

With the exception of the CEO, members of the Board of Trustees are not entitled to receive any remuneration as a result of their post as a Trustee of Archway Learning Trust.

In the Autumn term of each year, the Trustee Salary Review Committee will receive recommendations from the performance review governors about the salary of the CEO. Any recommendation for movement up the CEO's salary range, on which the CEO is currently paid, will identify the recommended number of progressed points proposed. The Board of Trustees may decide to pay additional payments to the CEO in accordance with paragraph ten of the Standard Teachers Pay and Conditions Document.

At the time of appointing a new Principal or member of the Executive Leadership Team, the Trustees shall determine the individual range for the post and the salary point on the individual range to be paid. The Salary Review Committee will be set up each year and will consider recommendations from the CEO that any Principal or member of the Executive Leadership Team be paid additional points subject to the maximum of the individual range and/or any additional payments recommended. Structures are benchmarked across the Trust and there is a regular review of salary ranges compared to national market rates.

### Trade Union Facility Time for the year ended 31<sup>st</sup> March 2019

#### Relevant Union Officials

Number of employees who were relevant union officials	Full time equivalent employee number
5	4.2

#### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1-50%	3
51-99%	0
100%	0

#### Percentage of pay bill spent on facility time

Total cost of facility time	£8,245
Total pay bill	£17,088,815
Percentage of total pay bill spent on facility time	0.048%

#### Paid Trade Union Activities

Time spent on paid Trade Union activity as a percentage	0%
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# ARCHWAY LEARNING TRUST

## TRUSTEES' REPORT

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### Related parties and co-operation with other organisations

Archway Learning Trust works in close partnership with the Diocese of Southwell and Nottingham and the Nottingham Bluecoat School Foundation Trust. The former are the legal freehold owners of the land that Bluecoat Aspley Academy, Bluecoat Wollaton Academy and The Nottingham Emmanuel School is situated upon and the latter hold this land as custodian trustee.

Bluecoat Academy Trading Limited is a wholly owned subsidiary of Archway Learning Trust which operates the letting service of the academies facilities.

Archway Learning Trust has operated a Service Level Agreement, dated 8<sup>th</sup> March 2019 with West Grantham Academies Trust (WGAT). This agreement ceased on the 31<sup>st</sup> August 2019 at which time a further arrangement with WGAT is being negotiated. Under the arrangement Archway Learning Trust provides leadership capacity to WGAT through the provision of seconded staff. Further support is provided to WGAT in the areas of Teaching and Learning, Continuing Professional Development, Data and Accountability, Safeguarding, Special Educational Needs, Alternative Provision, Health and Safety and Facilities Management.

There are no related parties other than those described above which either control or significantly influence the decisions and operations of Archway Learning Trust.

### Objectives and Activities

For the year under review, Archway Learning Trust had the following core objectives

1. To consistently deliver educational excellence for all academies within the Trust to be good or outstanding
  - o Improving quality of education
  - o Improving behaviour and attitudes
  - o Improving personal development
  - o Improving leadership and management including governance
  - o High quality school improvement provision
2. To reduce permanent exclusions and to provide outstanding provision for vulnerable groups
  - o To reduce permanent exclusions and to provide outstanding provision for vulnerable groups
  - o Provide outstanding Alternative Provision (AP)
  - o Provide outstanding support for vulnerable groups
  - o Provide outstanding SEND support
3. To provide outstanding education through collaborative working to benefit more children
  - o Build Secondary growth to benefit more children
  - o Develop an effective Primary offer
  - o Expand Post 16 Provision
  - o Open Free School
4. To invest in, develop and retain our staff teams and become an employer of choice
  - o To develop and enable the strongest teachers, leaders and support staff to be retained
  - o Grow and support leadership capacity across the MAT
  - o To have consistency in learning, pedagogy and high standards
  - o High calibre recruitment to attract the best talent into the organisation
  - o Develop a culture where staff feel developed and supported

All these objectives were achieved during the year under review.

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### Public benefit

The Trustees have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their Statement on Regularity, Propriety and Compliance contained within this Annual Report.

In accordance with its charitable objectives, the Charitable Company strives to advance the education of the students attending the Academies within the Trust. The Charitable Company's primary beneficiaries are therefore the students, and benefits to students are provided through continuing to maintain a high standard of education throughout the Academies within the Trust.

In order to determine whether or not the charitable company has fulfilled its charitable objectives for public benefit, the Trustees gather evidence of the success of each Academy within Archway Learning Trust activities.

## STRATEGIC REPORT

### Achievements and performance

#### Academic Success

2018-19 has been a successful year for Archway Learning Trust:

- The GCSE results at Bluecoat Aspley Academy achieved 60% 4+ equivalents in English and Mathematics
- In the Sixth Form at Bluecoat Academy students achieved 97% pass rate in over 32 courses at A2 with the percentage of students achieving A/A\* grades remaining high. Value added scores in the Sixth Form, which last year were the highest in the City of Nottingham, have remained steady this year and we anticipate once again being the most effective provider of Post 16 learning in Nottingham City
- The GCSE results at Bluecoat Beechdale Academy dropped to 31%, after five years of increases this was a disappointment which we are now working hard to improve on for next year in this very challenging environment
- Bluecoat Wollaton Academy: Results saw an impressive 72% of students achieving a 4+ in English and Mathematics
- Nottingham Emmanuel School (NES): Having joined the Trust 18 months ago they saw a strong increase in their results with 59% for the same GCSE subjects – English and Mathematics (from 53% the year before). We believe this makes it the 38<sup>th</sup> most improved school nationally.
- The Sixth Form at Nottingham Emmanuel saw a rise in numbers joining the Sixth Form and the pass rate with their APS on entry increasing to 30.4%.
- Bluecoat Primary Academy: Writing results at the end of KS1 rose from 64% in 2018 to 72.1%. The percentage of children achieving greater depth for writing at KS1 was 11.5%. Again, this shows very good progress in this area and brings us in line with local averages (11.2%) but still just below national averages (15%).
- Five members of our Academy Senior Leadership Teams are SLEs (Specialist Leader in Education). The CEO is a National Leader of Education (NLE) and in 2019 attended a reception celebrating the success of the Free School Bid hosted by the Prime Minister at 10 Downing St. Two members of staff are Ofsted inspectors with an additional member of staff beginning training. Another six staff have become SLEs. Bluecoat Academy has become a Centre of Excellence for GL Assessments as well as a Go4Schools Hub. It has recently become the first School of Sanctuary in our region. We have been formally accredited as a School Centred Initial Teacher Training facility for the area. In January 2017 the Bluecoat Primary moved into its new accommodation on Harvey Road. There are now over 360 students in the Primary phase and this will continue to grow until 2021 when we expect to reach full capacity.

# ARCHWAY LEARNING TRUST

## TRUSTEES' REPORT

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### Key performance indicators

The Trustees use the following key measures, along with financial measures further discussed in the financial review section of this report, to assess the success of the activities of the charitable company:

#### Pupil Achievement: Bluecoat Aspley Academy

- Progress 8 Score was +0.23 above average and an improvement on last year.
- 60% students achieved 4+ in English & Mathematics
- 37% students achieved 5+ English and Mathematics
- Pupil Premium Gap students are now performing better than all students nationally.

#### Pupil Achievement: Bluecoat Wollaton Academy

- Progress 8 Score was +0.45 above national standards
- 72% students achieved 4+ in English & Mathematics
- 48% students achieved 5+ English and Mathematics
- Pupil Premium Gap students are performing slightly below all students nationally.

#### Pupil Achievement: Bluecoat Beechdale Academy

- Progress 8 score was -0.56 a decline on slight last year, partly as result of the disqualification of key qualification as counted in the league tables
- 31% students achieved 4+ in English and Maths
- 19% students achieved 5+ in English & Mathematics (an increase of 2% on last year)
- Pupil Premium students outperformed their counterparts.

#### Pupil Achievement: Nottingham Emmanuel School

- Progress 8 Score was +0.24 above national averages and an increase of almost 6 points on last year
- 59% students achieved 4+ in English & Mathematics
- 38% students achieved 5+ English and Mathematics
- Pupil Premium Gap students are performing slightly below all students nationally.

#### Pupil Achievement: Bluecoat Primary Academy

	Reading	Writing	Maths
Year 3 Attainment	69%	62%	69%
Year 4 Attainment	62%	62%	62%
Year 5 Attainment	71%	65%	62%
KS2 National 2019	73%	78%	79%

The Trust is delighted with the achievement of our students as described in the results above.

Other achievements in the year included:

- The application to the Department of Education to open a new free school for 1,200 learners in the heart of Nottingham was successful. We were informed last May that we have been given permission to progress with this application.
- We have appointed a full time Director of Education who has been able to bring cohesion to the school improvement strategy deployed by the Trust making it more focused and responsive.
- A full MAT Review was undertaken by Sir David Carter and Ambition Leadership. This has helped Trustees and leaders across the Trust to reflect on the areas for development as well as areas where the Trust is already successful.
- The first Leadership Conference for the Trust took place in November 2018. Facilitated by Professor Toby Greany and Jane Creasy this allowed leaders within the Trust to set and clearly define the Strategy for the Trust going forwards. The next conference hosts Sir David Carter and Emma Knights (Head of NGA).
- The changes implemented in the curriculum this year have allowed most teaching staff to use Thursday afternoons to receive high quality training as well as to provide time to work on schemes of work and lesson plans. There is a

# ARCHWAY LEARNING TRUST

## TRUSTEES' REPORT

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new training offer this year in conjunction with Sheffield University where 10 members of Trust staff are undertaking MA qualifications. In addition Bluecoat Aspley Academy has obtained a licence to run a middle leadership training package accredited by the SSAT. Almost 40 staff are now engaged on NPQ programmes at differing levels across the Trust. There have also been opportunities for peer led training in small support groups to raise the profile of outstanding teaching and learning. Staff training has been shared across Bluecoat Aspley Academy, Bluecoat Wollaton Academy and Bluecoat Beechdale Academy with many staff receiving coaching at Bluecoat Beechdale Academy to support their continuous professional training. The CPD package has now been refined to allow for staff to access training for their level of leadership and experience. In addition we have added the expectation that staff will seek best practice from other schools and academies. We hold an annual Festival of Learning for all members of the Trust and this year there were key note addresses from Jaz Ampwar Farr, Ian Gilbert and Jackie Beere. The focus was resilience.

- In 2018-19 Bluecoat Aspley Academy and Bluecoat Wollaton Academy hit their target of 90% of lessons to be judged good or outstanding. At Bluecoat Beechdale Academy, work is now being undertaken to achieve their target of 70%. There is a rigorous self-evaluation schedule in place which both supports and challenges staff. We have invested in a new staff training package called BlueSky to help us assess our performance and identify areas where we can function more effectively and target intervention.
- A MAT Celebration of Student Achievement took place in February 2019 at the Nottingham Playhouse. This was an incredible evening of Trust wide student celebrations helping the entire student community within the Trust to feel that their contributions were being valued. The feedback from staff and parents was very positive indeed.
- Behaviour management has remained a priority this year. Our full time year leaders are able to deal with issues before they become too challenging and as a result we have seen our permanent exclusion drop to zero across the Trust and as a Trust we have not permanently excluded any students for three years. This has happened alongside a renewed emphasis on rewards and a culture of celebrating student achievements.
- The student numbers and achievements in Post 16 are now reaching outstanding levels. 550 students were admitted in September 2019. To the Aspley site with a record 100 being admitted to the Emmanuel site. The Head of Post 16 at Aspley has been recognised as a Specialist Leader in Education.
- Archway Learning Trust has been asked by Go4Schools to be a lead school in the region. This has involved hosting visits from other schools, staff leading training sessions as well as presenting at national conferences.
- Bluecoat SCITT has successfully recruited its allocated number of trainee teachers. A full programme is now running across both primary and secondary phases to train up to 40 teachers. Bluecoat Aspley Academy is working alongside 27 partner schools to provide this programme. In addition we are also hosting the Researchers in Schools programme for the Midlands. Our SCITT Head teacher sits on NASBTT (National Association of School Based Teacher Training) which advises the Department of Education on teacher training and progress into the future. It is a real honour to be asked to serve on this national committee.

### Financial Review

Most of the Trust's income in the year was obtained from the DfE (Department of Education) and the ESFA in the form of recurring grants, the use of which is restricted to particular purposes. The grants received for the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Nottingham Emmanuel School joined the Trust on the 1<sup>st</sup> January 2018. The year ended 31<sup>st</sup> August 2019 shows a full year's impact of The Nottingham Emmanuel School's results consolidated in the Archway learning Trust Accounts.

In accordance with the Charities SORP Accounting by Charities, grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

Total incoming resources amounted to £35,875,000 (2018: £42,321,000) and total resources expended amounted to £34,133,000 (2018: £31,012,000) leading to a net income result for the year of £1,742,000 (2018: net income of £11,309,000). It should be noted that the 2018 result was distorted by the transfer in of the assets and liabilities of The Nottingham Emmanuel School, which joined the Trust in January 2018; the net donation in respect of this transfer was £17,501,000. When excluding the prior year transfer in and the current year science block donation of £5,686k, normalised funding for the year amounted to £30,189,000 (2017: £24,820,000) with expenditure (excluding depreciation of £3,928,000 and non-cash defined benefit pension scheme costs of £1,434,000) amounting to £28,771,000 (2018: £25,048,000). This provides an underlying net income result of £1,418,000 (2018: net income of £228,000). The level of funding the Trust receives is based on student numbers, and all academies in the Trust are now either at full capacity or,

# ARCHWAY LEARNING TRUST

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as in the case of Bluecoat Beechdale Academy, The Nottingham Emmanuel School and Bluecoat Primary Academy, are at full capacity in the year of entry and are expected to grow year on year to full capacity.

The Trust's cash flow position is good with an increase in the year-end cash balance for the period of £614,000. Cash balances have been utilised during the year to fund the remodelling work at Bluecoat Aspley Academy, other capital works and an extensive IT replacement programme.

As at 31 August 2019, the net assets and total funds of the Trust were £78,562,000 (2018: £79,000,000), including fixed assets of £90,896,000 (2018: £85,565,000) and a pension scheme liability of £14,060,000 (2018: £9,948,000). The assets were used exclusively for providing education and the associated support services to the students of the academies within the Trust. The Trustees consider that the overall balance sheet position represents a strong and stable platform from which the Trust can develop and grow.

As at the 31 August 2019, the Trust had net current assets of £1,859,000 (2018: £650,000) including cash at bank of £3,079,000 (2018: £2,465,000). Net cash provided by operating activities was positive at £645,000 (2018: £318,000 absorbed by operating activities) and as such, the Trust continues to generate sufficient resources to cover its liabilities.

The predecessor school to Bluecoat Aspley Academy had entered into loan arrangements with the Bluecoat Foundation Trust. The balance of these loans (£2,063,999) was transferred to the Academy on conversion. During the year the Academy made capital repayments against outstanding loans to the Bluecoat Foundation Trust amounting to £133,333 and the balance remaining at year end was £266,667.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management and limits of delegated authority for spending. Other policies reviewed and updated included the Lettings Policy, the Health and Safety Policy and a variety of Human Resource policies.

### Key financial performance indicators

	2019 £'000	2018 £'000
Total incoming resources	35,875	42,321
Net income/(expenditure)	1,742	11,309
Net current assets	1,859	650
Cash at bank	3,079	2,465
Net cash provided from operations	646	(318)

### Financial and risk management objectives and policies

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 on-going process for identifying, evaluating and managing the Trust's significant risks that have been in place for the year ended 31 August 2019 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 Board of Trustees actively review the cash flow position of the Trust both in the short and medium term and aim to maintain a level of cash resources designed to ensure that the Trust has sufficient funds for its operations. The Trust makes little use of other financial instruments and the Trustees consider that price risk, liquidity risk, and credit risk is not material for the assessment of assets, liabilities, financial position or financial performance of the Trust.

### Reserves policy

The Trustees' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the Trust and to fund future projects. The Trustees will ensure that the levels of Reserves that can be carried forward at the end of the financial year will be in line with the guidance received from the DfE on the treatment of GAG income and other grants. Archway Learning Trust will try to match income with expenditure in the current year and will only carry forward reserves that it considers are necessary for future year's expenditure having regard for:

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## TRUSTEES' REPORT

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- Forecasts of levels of income in future years
- Forecasts for expenditure in future years
- Analysis of any future development needs and opportunities that could not be met out of annual income
- Analysis and forecast of cash flow and fund management

There is no absolute level of free reserves that the Trust maintains, but generally cumulative restricted reserves should normally be restricted to 12% of annual GAG funding.

At the balance sheet date, the charitable company had total reserves amounting to £78,562,000 of which £693,000 were unrestricted reserves and £1,033,000 related to GAG carry forward.

The Trustees intend to continue to utilise reserves during the forthcoming year to improve the infrastructure of the Trust's premises that were inherited from the local authority.

As at 31 August 2019, The Fixed Asset Reserve amounted to £90,896,000. This reserve can only be realised by disposing of the Trust's fixed assets, which the Trust cannot do without approval from the Secretary of State.

As at 31 August 2019, The Restricted Pension Reserve amounted to a deficit £14,060,000. It should be noted that this does not present the Trust with any current liquidity problems.

### **Investment Policy**

The Trustees' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The charitable company's current policy is to invest surplus funds in short-term cash deposits.

### **Plans for future periods**

Having established itself as a multi academy trust, Archway Learning Trust plans to continue to ensure an excellent educational provision is provided at its current academies and plans to continue to share its expertise to develop staff training opportunities across the Trust by supporting other schools and academies in Nottingham and beyond.

The key priorities for Archway Learning Trust into the future is to continue to strive for educational excellence across all the academies in the Trust, ensuring that all academies are good or outstanding. The Trust is committed to providing an inclusive and nurturing environment for all students. Archway Learning Trust plans to reduce permanent exclusions and provide outstanding alternative provision and outstanding support for SEN and other vulnerable groups.

Archway Learning Trust has been successful in its bid to open a free school in Nottingham. The Bluecoat Trent Academy plans to be an 8 form entry secondary school with a PAN of 240 students in each year group. The Trust is working with the DfE to identify a location and plan the project with an intended opening date of September 2021.

To achieve its priorities Archway Learning Trust will invest in developing the strongest teachers, leaders and support staff, ensure high staff retention rates and will provide consistency in learning and pedagogy to achieve high standards.

### **Principal risks and uncertainties**

The Trustees have assessed the major risks to which the Trust is exposed. The Trustees are satisfied that systems and procedures are in place to mitigate the exposure to major risks. Systems and procedures have been implemented covering both operational (e.g. in relation to teaching, health and safety, trips, vetting of new staff, supervision of Trust

# ARCHWAY LEARNING TRUST

## TRUSTEES' REPORT

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grounds) and financial risks (comprehensive system of internal controls explained in more detail in the Governance Statement). Where significant financial risk still remains, Trustees have ensured they have adequate insurance cover.

The Trust has undertaken a full review of the main areas of risks which it faces. This includes all health and safety and child protection policies and procedures. In addition, a review of all financial risks is undertaken on a regular basis.

The Trust has a formal risk management process to assess business risks and to implement risk management strategies. The process involves identifying the types of risk the Trust faces, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A risk register is maintained and reviewed on a regular basis.

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

- The Trust has considerable reliance on continued Government funding through the Education and Skills Funding Agency and whilst the current level of funding 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 level or on the same terms. 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 to ensure standards are high, student numbers are buoyant and funding is maximised.
- The success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning
- Failures in governance/management and in particular the risk that arises from the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees, supported by the Audit, Finance and General Purposes Committee continue to review and ensure that appropriate measures are in place to mitigate these risks. The Trust has appointed internal Auditors 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.
- The continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and attainment are closely monitored and reviewed

### **Funds held as custodian trustee on behalf of others**

Archway Learning Trust received £98,993 from the Education and Skills Funding Agency in respect of Sixth Form Bursary allocations. The Trust withholds 5% to pay for the administration of these funds and the remaining funds are distributed to Sixth Form students. As at 31 August 2019 there were £46,942 remaining funds payable to students. A further agency arrangement is maintained in respect of the Bluecoat SCITT Trainee Teacher Bursary. Archway Learning Trust received £212,659 from NCTL. As at 31 August 2019 there was an amount of £1,459 still payable to Trainee Teachers. All balances repayable are included within other creditors.

### **Employee consultation and disabled persons**

The Trust will employ disabled persons when they appear to be suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise. There is a training scheme in operation so that employees who have been injured or disabled in the course of their employment can, where possible, continue in employment with the Trust.

During employment, the Trust seeks to work with employees, taking into account their personal circumstances, to ensure appropriate training, development and advancement opportunities are available to enable them to reach their full potential.

# ARCHWAY LEARNING TRUST

## TRUSTEES' REPORT

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The Trust aims to ensure that there is effective communication with all employees who, subject to practical and commercial considerations, are consulted on and involved in decisions that affect their current roles and future prospects. In order to facilitate this process, the Trust has set up a staff and Trade Union consultation process in relation to all Human Resources policies. This includes a monthly Trade Union consultation meeting led by the Human Resources Director to which all recognised Trade Union colleagues are invited to attend to discuss all Human Resources policy reviews and other matters relevant for consultation. Formal staff consultation also takes place in relation to all Human Resources policy review processes. The Trust also operate a Staff Wellbeing Committee led by Human Resources to facilitate discussion in relation to all relevant health and wellbeing matters, membership of which is open to all staff across the Trust.

### Auditor

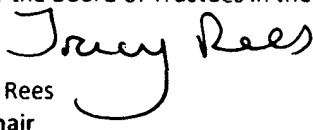
RSM UK Audit LLP has indicated its willingness to continue in office.

### Statement as to disclosure of information to auditor

In so far as the Trustees are aware:

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

The Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the Directors at a meeting on 13 December 2018 and signed on its behalf by:

  
T. Rees  
Chair

# ARCHWAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform to 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 Archway Learning Trust 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 7 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
C Archer (resigned 19 March 2019)	1	2
Ven S Clark (resigned 22 October 2018)	0	0
A Darby (appointed 1 July 2019)	0	1
S Hampton (CEO and Accounting Officer)	6	6
D McCauley (appointed 23 April 2019)	2	3
J Moore (appointed 13 September 2018, resigned 30 June 2019)	3	4
M Oldroyd (appointed 9 January 2018)	4	6
T Rees (Chair, appointed 13 September 2018)	6	6
Dr S Rich-Mahadkar (appointed 2 April 2019)	2	4
Dr C Rolph (appointed 24 June 2019)	2	2
H Shewell-Cooper (appointed 1 May 2018, resigned 25 April 2019)	2	3
R Spiby (resigned 22 October 2018)	0	0
N Spraggins (appointed 14 November 2018, resigned 10 May 2019)	2	2
S Stanyard (appointed 24 June 2019)	2	2
P Sykes (Chair to 23 October 2018)	5	6
A Taylor (appointed 7 March 2019)	4	4
M Trobe (appointed 1 July 2019)	1	1
K Wyer	5	6

Tracey Rees was appointed as Chair to the Board of Trustees on the 13<sup>th</sup> September 2018 and has served continuous since that date.

Working groups comprising Trustees and local governors, reporting directly to the Board of Trustees, met as follows:

### Audit, Finance & General Purposes

The primary purpose of the Audit Finance & General Purposes (AFGP) committee is to assist the Trust Board in fulfilling its oversight responsibilities of the Trust's financial management; to assist the Board in ensuring risks facing the Trust are effectively assessed and reviewed; and to assist the Board to ensure that the annual financial statements give a true and fair view of the Trust and its activities. The CEO is a member of the AFGP however does not participate in matters relating to audit.

# ARCHWAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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Trustees/AAB members	Meetings attended	Out of possible
S Hampton (CEO and Accounting Officer)	5	5
J Hempstead	4	5
Dr S Rich-Mahadkar (appointed 2 April 2019)	2	2
N Spraggins (appointed 14 November 2018, resigned 10 May 2019)	3	3
S Stanyard (appointed 24 June 2019)	1	1
A Taylor (appointed 7 March 2019)	4	5
K Wyer	4	4
R Spiby (resigned 22 October 2018)	0	0

### Policies

The primary purpose of the Policy Committee is to review the policies operational across the Trust, ensure adequate consultation is carried out with all stakeholders including trade unions and recommend updates and policy drafts to the Board of Trustees for approval.

Trustees/AAB members	Meetings attended	Out of possible
A Darby	0	0
S Hampton (CEO and Accounting Officer)	5	5
Rev P Jones	5	5
M Oldroyd	3	5
P Sykes (Chair)	4	5

### Curriculum and Standards

The primary purposes of the Curriculum and Standards Committee are to assist the Board of Trustees in fulfilling its oversight responsibilities for the educational provision across the Trust in line with the Trust's Vision & Ethos statement, its policies and its Strategic Plan; to assist the Board in monitoring student progress and driving improvement; and to assist the Board to ensure the safety and wellbeing of all learners and staff across the Trust.

Trustees/AAB members	Meetings attended	Out of Possible
S Hampton (CEO and Accounting Officer)	3	3
D McCauley (23 April 2019)	1	1
Dr J Moore (appointed 13 September 2018, resigned 30 June 2019)	2	2
T Reece	3	3
C Rolph	1	1
P Sykes	2	3
M Troebe	0	1

# ARCHWAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### Governance reviews

The Trust and each AAB, working with Senior Leaders, will review its effectiveness during the course of each academic year. These reviews will also examine the effectiveness of individual Governors to ensure that the Board of Trustees and each AAB possesses the necessary mix of skills to maximise their effectiveness. This has been carried out throughout the year and new Trustees and Academy Advisory Board members have been appointed where deficits in skills were identified. Changes to the composition of the Board have been made where required. The Trust held a Leadership Conference in November 2018 and a second conference in November 2019 provided high level training to Trustees, AAB Chairs and Principals, the Executive Leadership Team and members of Academy Senior Leadership Teams.

### Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that Archway Learning 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 available. The Accounting Officer for Archway Learning Trust has delivered improved value for money during the year as follows:

- Bluecoat Wollaton Academy being evaluated as an outstanding school following an OFSTED inspection in 2018. Real strengths at Bluecoat Wollaton Academy have been identified as:
  - Higher than average outcomes across all subject and especially English
  - Outstanding attendance running at 97% well above average
  - Much improved behaviour which has resulted in no permanent exclusions in 2017/18
  - Strength in leadership and management through the journey of improvement was identified by Ofsted as a key strength
- Bluecoat Aspley Academy received a good judgment with outstanding for leadership and management. Social cohesion and high quality teaching alongside its inclusive ethos were identified as key strengths
- All academies are oversubscribed and there has been continued growth across most academies in the Trust:
  - Bluecoat Beechdale Academy has grown by 6.89% totalling 853 students
  - Bluecoat Primary Academy has grown by 18.52% totalling 384 students and will continue to grow each year until full capacity is reached of 420 plus 26 nursery places
  - Bluecoat Wollaton Academy has grown by 1.29% totalling 785 students
  - Nottingham Emmanuel School has grown by 6.39% totalling 1,099 students including Sixth Form
- Students at Bluecoat Wollaton Academy achieving Progress 8 score of 0.51%
- Restructure of the curriculum to allow for increased teaching time in English and Mathematics to ensure better outcomes for students
- During 2018-19 over 90% of all lessons at Bluecoat Aspley Academy and Bluecoat Wollaton Academy were judged to be good or outstanding
- Continued emphasis on behaviour, the complete rollout of the behaviour tracking system and the employment of full time Year Leaders has impacted on the continued drop in exclusion rates
- All safeguarding processes are up to date including training for both staff and students on Prevent to counter radicalisation. The Trust wide team for safeguarding has grown to provide further capacity to maintain continuous profile and training in respect of safeguarding.
- Sixth Form students regularly obtain places at Oxford, Cambridge and medical schools
- The Bluecoat School Centred Initial Teacher Training School continues to flourish and recruits approximately 34 trainees annually. It supports a partnership in excess of 30 schools and academies in Nottingham City and neighbouring counties.

# ARCHWAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the 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 at Archway Learning Trust for the year ended 31 August 2019 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ended 31 August 2019 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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

The Board of Trustees have considered the need for a specific internal audit function and have appointed Smith Cooper LLP as internal auditors. A termly report is prepared by internal audit and is presented to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. In particular the checks carried out in the current year to 31 August 2019 included testing over the following areas:

- Fixed assets
- Purchasing
- Payroll – joiners and leavers
- Expense claims
- Bank & cash
- Grant income
- Financial Reporting and control account reconciliations

Three audit visits have taken place for the Autumn 2018, Spring 2019 terms and Summer 2019 terms. Trustees have received the reports which did not contain any matters of significance. All recommendations made have been noted and actioned.

# ARCHWAY LEARNING TRUST

## GOVERNANCE STATEMENT (CONTINUED)

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### Review of Effectiveness

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

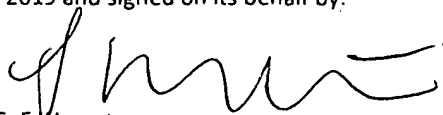
- the work of Smith Cooper LLP (internal auditor);
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the resource tool self-assessment;
- the work of Senior Leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 12/12/2019 and signed on its behalf by:



T. Rees  
Chair



S. E. Hampton  
Chief Executive Officer and Accounting Officer

# ARCHWAY LEARNING TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

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As Accounting Officer of Archway Learning Trust I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the 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 2018.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018

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.

S. E. Hampton  
Accounting Officer

12 December 2019

# ARCHWAY LEARNING TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees who are also the Directors of Archway Learning Trust for the purposes of company law are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

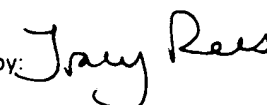
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the DfE/ESFA 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 on 12/12 2019 and signed on its behalf by:



T. Rees

Chair

# ARCHWAY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCHWAY LEARNING TRUST (CONTINUED)

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### Opinion on financial statement

We have audited the financial statements of Archway Academy Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2018 to 2019 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 charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2018 to 2019 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

### Opinions 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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

# ARCHWAY LEARNING TRUST

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARCHWAY LEARNING TRUST (CONTINUED)

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within 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 set out on page x, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

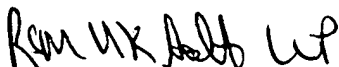
### Auditor's responsibilities for the audit of the financial statements

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

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

### Use of our report

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



Philip Coleman (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
St Philips Point,  
Temple Row,  
Birmingham  
B2 5AF

Date: 18 December 2014

# ARCHWAY LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed asset Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000
<b>Income and endowments from:</b>						
Donations and capital grants	4	54	149	701	904	413
Donation – Science Block at Bluecoat				5,686	5,686	-
- Aspley Academy						
Donation – Transfer in of The Emmanuel School		-	-	-	-	17,501
<b>Charitable activities:</b>						
- Funding for educational operations	5	-	27,777	-	27,777	23,246
Other trading activities	6	270	1,219	-	1,489	1,152
Investments	7	19	-	-	19	9
<b>Total income and endowments</b>		<b>343</b>	<b>29,145</b>	<b>6,387</b>	<b>35,875</b>	<b>42,321</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
- Educational operations	9	33	30,126	3,974	34,133	31,012
<b>Net income/(expenditure)</b>		<b>310</b>	<b>(981)</b>	<b>2,413</b>	<b>1,742</b>	<b>11,309</b>
Transfers between funds	20		82	(82)	-	-
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension schemes	29	-	(2,180)	-	(2,180)	2,356
<b>Net movement in funds</b>		<b>310</b>	<b>(3,079)</b>	<b>2,331</b>	<b>(438)</b>	<b>13,665</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		383	(9,948)	88,565	79,000	65,335
Total funds carried forward		693	(13,027)	90,896	78,562	79,000

## ARCHWAY LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£'000	£'000
<b>Fixed assets</b>			
Tangible assets	13	90,896	88,565
Investments	14	-	-
		<u>90,896</u>	<u>88,565</u>
<b>Current assets</b>			
Debtors	15	998	667
Cash at bank and in hand		3,079	2,465
		<u>4,077</u>	<u>3,132</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	16	(2,218)	(2,482)
<b>Net current assets</b>		<u>1,859</u>	<u>650</u>
<b>Total assets less current liabilities</b>		<u>92,755</u>	<u>89,215</u>
Creditors: amounts falling due after more than one year	17	(133)	(267)
<b>Net assets excluding pension liability</b>		<u>92,622</u>	<u>88,948</u>
Defined benefit pension liability	29	(14,060)	(9,948)
<b>Net assets</b>		<u>78,562</u>	<u>79,000</u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted funds</b>	20		
- Restricted fixed asset funds		90,896	88,565
- Restricted general funds		1,033	-
- Pension reserve		(14,060)	(9,948)
<b>Total restricted funds</b>		<u>77,869</u>	<u>78,617</u>
<b>Unrestricted income funds</b>	20	<u>693</u>	<u>383</u>
<b>Total funds</b>		<u>78,562</u>	<u>79,000</u>

The financial statements set out on pages 25 to 52 were approved by the Board of Trustees and authorised for issue on 12/12/2019 and are signed on its behalf by:



T. Rees  
Chair

# ARCHWAY LEARNING TRUST

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

		2019	2018
	Notes	£'000	£'000
Cash flows from operating activities			
Net cash generated/(absorbed) by operating activities	23	645	(318)
Cash flows from investing activities	25	102	264
Cash flows from financing activities	24	(133)	(133)
Net increase/(decrease) in cash and cash equivalents in the reporting period		<u>614</u>	<u>(187)</u>
Cash and cash equivalents at 1 September 2018		2,465	2,652
Cash and cash equivalents at 31 August 2019	26	<u>3,079</u>	<u>2,465</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 August 2019

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#### 1 Accounting policies

Archway Learning Trust is a charitable company ('The Trust'). The address of its principal place of business is given on page 2 and the nature of its operations are set out in the Trustees' report.

#### Basis of preparation

The financial statements of the Trust 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 financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust owns 100% of the share capital of Bluecoat Academy Trading Limited. The Trust and its subsidiary constitute a medium-sized group, however consolidated group accounts have not been prepared as it is considered that the subsidiary is not material for the purpose of providing a true and fair view. The accounts therefore show information about the Trust as an individual entity only.

Archway Learning Trust meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently, in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated

#### 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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Income

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

#### Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions and there is not unconditional entitlement to the income, 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.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 August 2019

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#### **1 Accounting policies (Continued)**

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

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

#### **Sponsorship income**

Sponsorship income provided to the 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**

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

#### **Other income**

Other income, including the hire of facilities, is recognised at the fair value of the consideration received or receivable in the period it is receivable and to the extent the Trust has provided the goods or services.

#### **Donated goods, facilities and services**

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

#### **Transfer of existing academies into the Trust**

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital grant income to the net assets acquired.

#### **Expenditure**

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

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

#### **Expenditure on raising funds**

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

#### **Charitable activities**

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

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1 Accounting policies (Continued)

##### **Tangible fixed assets and depreciation**

Assets costing £3,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

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

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

Freehold buildings	50 years straight line per annum
Long leasehold land and buildings	50-125 years straight line per annum
Fixtures, fittings and equipment	10% -25% straight line per annum

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.

Assets in the course of construction are included at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

##### **Liabilities**

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the 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.

##### **Leased assets**

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

##### **Investments**

The academy's shareholding in the wholly owned subsidiary, Bluecoat Academy Trading Limited, is initially measured at cost and subsequently measured at cost less any impairment. An assessment for impairment is made at each reporting date.

##### **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 and liabilities**

Financial assets and liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### Accounting Policies (Continued)

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

#### 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 11, chapter 3 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.

#### Short-term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

#### Pension benefits

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer 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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to net income 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.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### **Fund accounting**

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

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

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

#### **Agency arrangements**

The Academy Trust acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities to the extent that the Academy Trust does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in Statement of Financial Activities. Where funds have not been fully applied in the year then an amount will be included as amounts due to the ESFA.

## **2 Critical accounting estimates and areas of judgement**

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

#### **Critical accounting estimates and assumptions**

The 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.

#### **Pension scheme**

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 29, 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 2019. 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.

#### **Depreciation**

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to profit or loss based on the useful economic life selected, which requires an estimation of the period and profile over which the Trust expects to consume the future economic benefits embodied in the assets.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

<b>3</b>	<b>Comparative year information</b>				
		<b>Unrestricted</b>		<b>Restricted funds:</b>	<b>Total</b>
	<b>Year ended 31 August 2018</b>	<b>Funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Income and endowments from:</b>				
	Donations and capital grants	108	67	238	413
	Donation – Transfer in of the Nottingham Emmanuel School	387	(2,147)	19,261	17,501
	<b>Charitable activities:</b>				
	- Funding for educational operations	-	23,246	-	23,246
	Other trading activities	184	968	-	1,152
	Investments	9	-	-	9
	<b>Total income and endowments</b>	<b>688</b>	<b>22,134</b>	<b>19,499</b>	<b>42,321</b>
	<b>Expenditure on:</b>				
	<b>Charitable activities:</b>				
	- Educational operations	44	26,511	4,457	31,012
	<b>Net income/(expenditure)</b>	<b>644</b>	<b>(4,377)</b>	<b>15,042</b>	<b>11,309</b>
	Transfers between funds	(539)	151	388	-
	<b>Other recognised gains and losses</b>				
	Actuarial gains/(losses) on defined benefit pension schemes	-	2,356	-	2,356
	<b>Net movement in funds</b>	<b>105</b>	<b>(1,870)</b>	<b>15,430</b>	<b>13,665</b>
<b>4</b>	<b>Donations and capital grants</b>				
		<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
		<b>funds</b>	<b>funds</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Private sponsorship	-	138	138	52
	Capital grants	-	701	701	238
	Capital donation – Science block	-	5,686	5,686	-
	Other donations	54	11	65	123
	Donations – The Nottingham Emmanuel School	-	-	-	17,051
		<b>54</b>	<b>6,536</b>	<b>6,590</b>	<b>17,914</b>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 5 Funding for the Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	24,550	24,550	21,006
Other DfE / ESFA grants	-	1,533	1,533	1,238
	<u>-</u>	<u>26,083</u>	<u>26,083</u>	<u>22,244</u>
<b>Other government grants</b>				
Local authority grants	-	1,179	1,179	364
Special education grants	-	515	515	638
	<u>-</u>	<u>1,694</u>	<u>1,694</u>	<u>1,002</u>
<b>Total</b>	<u>-</u>	<u>27,777</u>	<u>27,777</u>	<u>23,246</u>

#### 6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Sundry lettings and hire of facilities	174	-	174	51
Catering income	21	509	530	444
Sales of goods/services	-	114	114	33
Trip income	-	225	225	176
Workplace parking income	71	-	71	67
Student teacher income	-	240	240	297
Other income	4	131	135	84
	<u>270</u>	<u>1,219</u>	<u>1,489</u>	<u>1,152</u>

#### 7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	<u>19</u>	<u>-</u>	<u>19</u>	<u>9</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 8 Expenditure

	Staff costs £'000	Premises & equipment £'000	Other costs £'000	Total 2019 £'000	Total 2018 £'000
Academy's educational operations					
- Direct costs	19,380	-	4,723	24,103	21,642
- Allocated support costs	5,295	3,974	761	10,030	9,370
<b>Total expenditure</b>	<b>24,675</b>	<b>3,974</b>	<b>5,484</b>	<b>34,133</b>	<b>31,012</b>

<b>Net income/(expenditure) for the year includes:</b>	<b>2019 £'000</b>	<b>2018 £'000</b>
Fees payable to auditor		
- Audit	27	22
- Other services	5	3
Operating lease rentals	91	67
Net interest on defined benefit pension liability	256	249
Depreciation of tangible fixed assets	3,928	4,449
Loss on disposal of fixed assets	45	8
Interest on other loans	16	21

#### Central services

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

- human resources
- financial services
- legal services
- educational support services
- IT network management services
- facilities services
- admissions services
- alternative provision for off-site education

Central charges, such as Human Resources, Finance costs, etc. were recharged to Bluecoat Aspley Academy, Bluecoat Beechdale Academy, Bluecoat Primary Academy, Bluecoat Wollaton Academy and The Nottingham Emmanuel School on a 5% recharge of GAG funded income.

The amounts charged during the year were as follows:	<b>Total £'000</b>
Bluecoat Aspley Academy	408
Bluecoat Beechdale Academy	247
Bluecoat Primary School	67
Bluecoat Wollaton Academy	212
The Nottingham Emmanuel School	273
	<b>1,207</b>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs - educational operations	-	24,103	24,103	21,642
Support costs - educational operations	33	9,997	10,030	9,370
	<u>33</u>	<u>34,100</u>	<u>34,133</u>	<u>31,012</u>
			2019 £'000	2018 £'000
<b>Analysis of support costs</b>				
Support staff costs			5,295	4,267
Depreciation			3,928	4,449
Other support costs			642	513
Governance costs			165	141
			<u>10,030</u>	<u>9,370</u>

#### 10 Staff costs

	2019 £'000	2018 £'000
Salaries	17,916	15,333
Social security costs	1,650	1,432
Operating costs of defined benefit schemes	4,604	3,736
<b>Total staff costs</b>	<u>24,170</u>	<u>20,501</u>
Supply staff costs	383	495
Staff development and other staff costs	122	148
<b>Total</b>	<u>24,675</u>	<u>21,144</u>

#### Non statutory/non-contractual staff severance payments

Included within staff costs are non-statutory severance payments totalling £42,794 (2018: £45,050). This was for three members of staff (paid January 2019 – £9,897; paid April 2019 - £10,897; paid August 2019 - £22,000).

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 10 Staff costs (Continued)

##### Staff numbers

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

	2019 Number	2018 Number
Teachers	301	249
Administration and support	335	308
Management	34	27
	<u>670</u>	<u>584</u>

##### Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	9	10
£70,001 - £80,000	6	3
£80,001 - £90,000	1	-
£100,001 - £110,000	1	-
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

##### Key management personnel

The key management personnel of the Trust comprise the Trustees and the Executive Leadership Team as listed on page one as well as individual academy Principals. The total amount of employee benefits (including employer pension contributions and employers national insurance) received by key management personnel for their services to the Trust was £794,951 (2018: £694,369).

#### 11 Trustees' remuneration and expenses

One of the Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The CEO only receives remuneration in respect of services they provide undertaking the role of CEO Principal under their contract of employment, and not in respect of their services as Trustees. Other Trustees were not paid any remuneration nor received any benefits from employment with the Trust.

The value of Trustees' remuneration and other benefits was as follows:

S E Hampton, the CEO, received remuneration of £133,750 in 2019 (2018: £128,497) and pension contributions paid by the Trust in the year of £22,042 (2018: £21,176).

During the year ended 31 August 2019, 2 (2017: 3) Trustees claimed expenses or had their expenses met by the Trust. The expenses incurred were in respect of travel and subsistence and an amount of £990 (2018: £1,230) was reimbursed or paid by the Trust.

#### 12 Trustees and officers insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £5,000,000 and the cost for the year ended 31 August 2019 was £1,250 (2018: £900). The cost of this insurance is included in the total insurance cost.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 13 Tangible fixed assets

	Freehold land and buildings	Long leasehold land and buildings	Fixtures, fittings and equipment	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2018	21,371	75,262	6,834	34	103,501
Transfers	-	-	34	(34)	-
Additions	-	5,789	515	-	6,304
Disposals	-	(2,417)	(129)	-	(2,546)
At 31 August 2019	21,371	78,634	7,254	-	107,259
<b>Depreciation</b>					
At 1 September 2018	1,668	8,393	4,875	-	14,936
On disposal	-	(2,417)	(84)	-	(2,501)
Charge for the year	379	2,905	644	-	3,928
At 31 August 2019	2,047	8,881	5,435	-	16,363
<b>Net book value</b>					
At 31 August 2019	19,324	69,753	1,819	-	90,896
At 31 August 2018	19,704	66,869	1,958	34	88,565

The building addition relates to a donation by the Department of Education of a new Science Block, this sits on land leased from Nottingham City Council. This replaces part of the existing buildings that were disposed of during the year.

#### 14 Fixed asset investments

	Total £
<b>Cost</b>	
At 31 August 2018 and 2019	1

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 14 Fixed asset investments (Continued)

##### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Bluecoat Academy Trading Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

Principal activities	Capital and reserves	Profit for the year
	£'000	£'000
Bluecoat Academy Trading Limited Lettings service	=	<u>107</u>

Bluecoat Academy Trading Limited is not consolidated into the academy accounts on the grounds that their results and balance sheet are immaterial to the group as a whole. The registered office of Bluecoat Academy Trading Limited is the same as that of the Trust.

15 Debtors	2019	2018
	£'000	£'000
Trade debtors	43	39
Group debtors	107	74
VAT recoverable	67	52
Other debtors	146	252
Prepayments and accrued income	635	250
	<u>998</u>	<u>667</u>
16 Creditors: amounts falling due within one year	2019	2018
	£'000	£'000
Other loans	133	133
Trade creditors	373	143
Other taxation & social security	435	390
Other creditors	183	422
Accruals and deferred income	1,094	1,394
	<u>2,218</u>	<u>2,482</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

<b>17</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Other loans	133	267
		<u>133</u>	<u>267</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	266	400
	Less: included in current liabilities	(133)	(133)
		<u>133</u>	<u>267</u>
	Amounts included above	133	267
		<u>133</u>	<u>267</u>
	<b>Loan maturity</b>		
	Debt due in one year or less	133	133
	Due in more than one year but not more than two years	133	133
	Due in more than two years but not more than five years	-	134
		<u>266</u>	<u>400</u>
	There are two loans from Nottingham Bluecoat School Foundation which have back to back loans secured on the freehold land & buildings of the Trust. Interest is charged at Base+1.25% and Libor+1.25% respectively. This is charged to charitable expenditure in the Statement of Financial Activities.		
<b>18</b>	<b>Deferred income</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	Deferred income is included within:		
	Creditors due within one year	582	424
		<u>582</u>	<u>424</u>
	Deferred income at 1 September 2018	424	244
	Released from previous years	(424)	(244)
	Amounts deferred in the year	582	424
		<u>582</u>	<u>424</u>
	<b>Deferred income at 31 August 2019</b>	<b>582</b>	<b>424</b>
		<u>582</u>	<u>424</u>
	At the reporting date, the Trust was holding funds for the following:		
	<ul style="list-style-type: none"> <li>• Special Educational Needs Funding from Nottingham City Council</li> <li>• Trip/activity income received 2018/19 for trips taking place in 2019/20</li> <li>• ESFA Reimbursements Rates</li> <li>• Specific unspent project/grant monies</li> <li>• 16-19 Bursary</li> </ul>		
<b>19</b>	<b>Financial instruments</b>	<b>2019</b>	<b>2018</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	503	368
		<u>503</u>	<u>368</u>
	<b>Carrying amount of financial liabilities</b>		
	Financial liabilities measured at amortised cost	(1,357)	(1,935)
		<u>(1,357)</u>	<u>(1,935)</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Funds

	Balance at 1 September 2018	Income	Expenditure	Gains, losses & transfers	Balance at 31 August 2019
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	-	24,550	(24,550)	-	-
Other DfE / ESFA grants	-	1,534	(1,534)	-	-
Other government grants	-	1,179	(1,179)	-	-
Other restricted funds	-	1,882	(931)	82	1,033
	<u>-</u>	<u>29,145</u>	<u>(28,194)</u>	<u>82</u>	<u>1,033</u>
Funds excluding pensions	-	29,145	(28,194)	82	1,033
Pension reserve	(9,948)	-	(1,932)	(2,180)	(14,060)
	<u>(9,948)</u>	<u>29,145</u>	<u>(30,126)</u>	<u>(2,098)</u>	<u>(13,027)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	58	6,387	(3,430)	-	3,015
Inherited funds	71,573	-	(544)	-	71,029
Capital expenditure from GAG	6,398	-	-	-	6,398
Capital expenditure from unrestricted reserves	1,152	-	-	(82)	1,070
Private sector capital	9,384	-	-	-	9,384
	<u>88,565</u>	<u>6,387</u>	<u>(3,974)</u>	<u>(82)</u>	<u>90,896</u>
<b>Total restricted funds</b>	<u>78,617</u>	<u>35,532</u>	<u>(34,100)</u>	<u>(2,180)</u>	<u>77,869</u>
<b>Unrestricted funds</b>					
General funds	383	343	(33)	-	693
	<u>383</u>	<u>343</u>	<u>(33)</u>	<u>-</u>	<u>693</u>
<b>Total funds</b>	<u>79,000</u>	<u>35,875</u>	<u>(34,133)</u>	<u>(2,180)</u>	<u>78,562</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

Funds prior year	Balance at 1 September 2017	Income	Expenditure	Gains, losses & transfers	Balance at 31 August 2018
	£'000	£'000	£'000	£'000	£'000
<b>Restricted general funds</b>					
General Annual Grant	(401)	21,006	(20,756)	151	-
Other DfE / ESFA grants	-	1,238	(1,238)	-	-
Other government grants	966	1,002	(1,968)	-	-
Other restricted funds	-	1,035	(1,035)	-	-
	<u>565</u>	<u>24,281</u>	<u>(24,997)</u>	<u>151</u>	<u>-</u>
Funds excluding pensions	(8,642)	(2,147)	(1,515)	2,356	(9,948)
	<u>(8,077)</u>	<u>22,134</u>	<u>(26,512)</u>	<u>2,507</u>	<u>(9,948)</u>
<b>Restricted fixed asset funds</b>					
DfE / ESFA capital grants	58	238	(238)	-	58
Inherited funds	56,418	19,261	(4,106)	-	71,573
Capital expenditure from GAG	6,938	-	-	-	6,398
Capital expenditure from unrestricted reserves	764	-	-	388	1,152
Private sector capital	9,497	-	(113)	-	9,384
	<u>73,135</u>	<u>19,499</u>	<u>(4,457)</u>	<u>388</u>	<u>88,565</u>
<b>Total restricted funds</b>	<u>65,058</u>	<u>41,633</u>	<u>(30,968)</u>	<u>2,894</u>	<u>78,617</u>
<b>Unrestricted funds</b>					
General funds	<u>277</u>	<u>688</u>	<u>(44)</u>	<u>(539)</u>	<u>383</u>
<b>Total funds</b>	<u>65,335</u>	<u>42,321</u>	<u>(31,012)</u>	<u>2,356</u>	<u>79,000</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Funds (Continued)

Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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

The inherited fixed assets fund has been set up to recognise the tangible assets gifted to the academy upon conversion which represent the school site including the leasehold land and buildings and all material items of plant and machinery included therein. This fund also includes any subsequent assets inherited on transfer in of academy trusts. Depreciation charged on those inherited assets is allocated to the fund.

Other capital grant fixed assets funds have been set up to recognise the tangible assets purchased by the Trust that have been funded by capital grants received by the Trust, as well as any capital donations received post conversion. Depreciation charged on those tangible assets is allocated to the fund.

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to each Academy within the Trust via the Education and Skills Funding Agency (formerly the Young People's Learning Agency) by the Department for Education. The General Annual Grant Fund has been set up because the GAG must be used for the normal running costs of the academies within the Trust.

Transfers have been made to the restricted fixed asset fund amounting to £82,379 to cover the purchase of assets required for the provision of education of students across Archway Learning Trust.

The Pension Reserve deficit fund has been created to separately identify the pension deficit inherited from the local authority upon conversion of each Academy, and through which all the pension scheme movements are recognised.

#### Total funds analysis by academy

	Total 2019	Total 2018
Fund balances at 31 August 2019 were allocated as follows:	£'000	£'000
Bluecoat Aspley Academy	(198)	(631)
Bluecoat Wollaton Academy	(17)	(364)
Bluecoat Primary Academy	159	109
Bluecoat Beechdale Academy	934	587
The Nottingham Emmanuel School	568	532
Archway Learning Trust	280	150
Total before fixed assets fund and pension reserve	1,726	383
Restricted fixed assets fund and pension reserve	90,896	88,565
Pension reserve	(14,060)	(9,948)
Total funds	78,562	79,000

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Funds (Continued)

Bluecoat Aspley Academy and Bluecoat Wollaton Academy are showing ring-fenced deficits in their reserves. This is as a result of large capital investments (Bluecoat Aspley Academy 6<sup>th</sup> form centre extension, Bluecoat Wollaton Academy ancillary capital works to the BSF funded new building) which were funded by the academies. Archway Learning Trust manages its capital investment programme across the Trust. Trust wide reserves before the Fixed Asset Fund and Pension Reserve are £1,726,000. Bluecoat Aspley Academy and Bluecoat Wollaton Academy are forecasting to contribute annually to the Trust reserves thereby reducing their reserve deficit each year. This will be achieved by Bluecoat Wollaton Academy in the near future. Bluecoat Aspley Academy will continue to contribute to their reserve position annually, however, further planned capital investment means that it is a longer term strategy.

Total cost analysis by academy

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Bluecoat Aspley Academy	6,137	1,519	1,679	627	9,962	10,682
Bluecoat Wollaton	3,199	629	815	323	4,966	4,816
Bluecoat Primary Academy	1,092	235	272	118	1,717	1,344
Bluecoat Beechdale	3,613	876	1,017	408	5,913	5,288
The Nottingham Emmanuel School	4,375	790	1,095	401	6,662	4,132
Archway Learning Trust	964	1,246	(155)	(1,116)	939	294
	<u>19,380</u>	<u>5,295</u>	<u>4,723</u>	<u>761</u>	<u>30,159</u>	<u>26,556</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 21 Analysis of net assets between funds

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset	2019
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2019 are represented by				
Tangible fixed assets	-	-	90,896	90,896
Current assets	693	3,384	-	4,077
Creditors falling due within one year	-	(2,218)	-	(2,218)
Creditors falling due after one year	-	(133)	-	(133)
Defined benefit pension liability	-	(14,060)	-	(14,060)
	<u>693</u>	<u>(13,027)</u>	<u>90,896</u>	<u>78,562</u>
	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018
	£'000	£'000	£'000	£'000
Fund balances at 31 August 2018 are represented by				
Tangible fixed assets	-	-	88,565	88,565
Current assets	383	2,749	-	3,132
Creditors falling due within one year	-	(2,482)	-	(2,482)
Creditors falling due after one year	-	(267)	-	(267)
Defined benefit pension liability	-	(9,948)	-	(9,948)
	<u>383</u>	<u>(9,948)</u>	<u>88,565</u>	<u>79,000</u>

#### 22 Commitments under operating leases

	2019 £'000	2018 £'000
Amounts due within one year	84	91
Amounts due between one and five years	204	224
Amounts due later than five years	38	76
	<u>326</u>	<u>391</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 23 Reconciliation of net expenditure to net cash flows from operating activities

	2019 £'000	2018 £'000
Net income for the reporting period	1,741	11,309
Adjusted for:-		
Depreciation	3,928	4,449
Capital grants from DfE/ESFA and other capital income	(6,387)	(238)
Interest receivable	(19)	(9)
Net surplus on Transfer in of academy Trust	-	(17,501)
Defined benefit pension scheme cost less contributions payable	1,676	1,266
Defined benefit pension scheme finance costs	256	249
Loss on disposals of fixed assets	45	8
Decrease in debtors	(331)	90
(Decrease)/Increase in creditors	(264)	59
<b>Net cash (utilised)/provided by operating activities</b>	<b>645</b>	<b>(318)</b>

#### 24 Cash flows from financing activities

	2019 £'000	2018 £'000
<b>Repayments of borrowing</b>		
Repayments of borrowing	(133)	(133)

#### 25 Cash flows from investing activities

	2019 £'000	2018 £'000
Dividends, interest and rents from investments	19	9
Purchase of tangible assets	(618)	(626)
Cash fund acquired on transfer in of Academy Trust	-	643
Capital grants from DfE	701	238
Capital funding received from sponsors and other	-	-
	<b>102</b>	<b>264</b>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 26 Analysis of cash and cash equivalent

	2019 £'000	2018 £'000
Cash in hand and at bank	2,379	2,165
Notice deposits (less than three months)	700	300
Total cash and cash equivalents	<u>3,079</u>	<u>2,465</u>

#### 27 Members liability

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

#### 28 Pensions and similar obligations

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Nottinghamshire County Council. Both are multi-employer defined benefit schemes.

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

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

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 29 Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

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.

##### Valuation of the Teacher's 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending.

The valuation report was published in April 2019. The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The employer's pension costs paid to TPS in the period amounted to £1,797,000 (2018: £1,524,664). The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 29 Pensions and similar obligations (Continued)

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	1,135	947
Employees' contributions	<u>398</u>	<u>333</u>
Total contributions	<u>1,533</u>	<u>1,280</u>

The agreed contribution rates for future years are 18.3% for employers and 5.5 to 12.5% for employees.

Principal actuarial assumptions	2019 %	2018 %
Rate of increases in salaries	3.65	3.80
Rate of increase for pensions in payment	2.15	2.30
Discount rate	<u>1.90</u>	<u>2.70</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	21.7	22.7
- Females	24.4	25.6
Retiring in 20 years		
- Males	23.3	24.9
- Females	<u>26.2</u>	<u>28.0</u>

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 29 Pensions and similar obligations (Continued)

##### The Trust's share of the assets in the scheme

	2019	2018
	Fair value	Fair value
	£'000	£'000
Equities	7,839	6,605
Gilts and other bonds	1,494	1,360
Cash	368	188
Inflation-linked pooled fund	451	306
Property	1,661	1,417
Other assets	752	382

Total fair value of assets	12,565	10,258
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Actual return on scheme assets	539	481
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##### Amounts recognised in the statement of financial activities

	2019	2018
	£'000	£'000
Current service cost	2,308	2,211
Past service cost	349	1
Net interest cost	257	249
Admin expenses	4	2
Net costs on settlements	150	-

##### Changes in the present value of defined benefit obligations

	2019
	£'000
Obligations at 1 September 2018	20,206
Current service cost	2,308
Interest cost	558
Employee contributions	398
Liabilities assumed on settlements	314
Benefits paid plus unfunded net of transfers in	75
Past service costs, including curtailment	349
Change in assumptions	2,417
At 31 August 2019	26,625

##### Changes in the fair value of the Trust's share of scheme assets

	2019
	£'000
Assets at 1 September 2018	10,258
Interest income	302
Return on plan assets (excluding net interest on the net defined pension liability)	237
Employer contributions	1,135
Employee contributions	398
Admin expenses	(4)
Benefits paid plus unfunded net of transfers in	75
Settlement prices received	164
At 31 August 2019	12,565

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 30 Related party transactions

No related party transactions took place in the period of account other than certain Trustees' remuneration and expenses already disclosed in note 11, loan repayments to Bluecoat Foundation Trust and recharges to Bluecoat Academy Trading Limited.

The predecessor school to Bluecoat Academy had entered into loan arrangements with the Bluecoat Foundation Trust. The balance of these loans (£2,063,999) was transferred to the Academy on conversion. During the year the Academy made capital repayments against outstanding loans to the Bluecoat Foundation Trust amounting to £133,333 and the balance remaining at year end was £267,000.

During the year recharges of £66,898.33 (2018: £53,926) were made to Bluecoat Academy Trading Limited relating to salaries and professional services supplied by the Trust. At the year-end £nil (2018: £nil) was owed to the Academy Trust in respect of these services. During the year an amount of £106,549 (2018: £74,296) was gift aided to the Trust from Bluecoat Academy Trading Limited. At the year-end £106,549 (2018: £74,296) was owed to the Academy trust in respect of this donation.

#### 31 Agency arrangements

Archway Learning Trust received £91,804 from the Education and Skills Funding Agency in respect of Sixth Form Bursary allocations. The Trust withholds 5% to pay for the administration of these funds and the remaining funds are distributed to Sixth Form students. As at 31 August 2018 there was £47,240 of funds payable to students. A further agency arrangement is maintained in respect of the Bluecoat SCITT Trainee Teacher Bursary. Archway Learning Trust received £212,659 from NCTL. As at 31 August 2018 there was an amount of £1,459 still payable to Trainee Teachers. Both of these liabilities are included within other creditors.

# ARCHWAY LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 32 Teaching School (SCITT) trading account

		2018/19 £000's	2018/19 £000's	2017/18 £000's	2017/18 £000's
<b>Income</b>	<b>Direct Income</b>				
	Other Income		51		38
	<b>Other Income</b>				
	Fundraising				
	Trading Activities		229		290
<b>Total Income</b>			<u>280</u>		<u>328</u>
<b>Expenditure</b>	<b>Direct Costs</b>				
	Direct staff costs	130		162	
	Staff Development	-		1	
	Other direct costs	97		104	
	<b>Total Direct Costs</b>		<u>(227)</u>		<u>(267)</u>
	<b>Other costs</b>				
	Support staff costs	64		48	
	Depreciation	-		-	
	Technology Costs	2		4	
	Recruitment and support	1		2	
	Other support Costs	25		23	
	Share of governance costs	2		3	
	<b>Total other Costs</b>		<u>(94)</u>		<u>(80)</u>
<b>Total Expenditure</b>			<u>(322)</u>		<u>(347)</u>
<b>Net income/(expenditure)</b>			(41)		(19)
<b>Transfers between funds excluding depreciation</b>			<u>82</u>		<u>(22)</u>
			<u>41</u>		<u>(41)</u>
<b>Surplus/(Deficit) from all sources</b>			41		(41)
<b>SCITT school balances at 1 September 2018</b>			(41)		(41)
<b>SCITT school balances at 31 August 2019</b>			-		-