

Company Registration Number: 07984238 (England and Wales)

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 15
Statement of Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Report on Regularity	21 - 22
Statement of Financial Activities including Income & Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 53

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

Members

John O'Shea, Chairman ^{1 2}
Rachel Pritchard ^{1 2}
Andrew Smith ^{1 2}

Trustees

Gavin Bradley ²
Alison Fiala
Lorraine Laudrum ²
Paul Lincoln
Jo Olley
Simon Pratt-Adams ²
Nick Ridley ²
Chris Smith
Steve Whitfield

¹ Member & Trustee

² Member of the Financial committee at local governing body level

Senior Management Team

Lyons Hall Primary School	Andrew Smith, Headteacher
	Rachel Pritchard, Deputy Head
White Hall Academy	Andrew Smith, Executive Headteacher
	Gavin Bradley, Headteacher
	Ellie Eames, Deputy Head
Braiswick Primary School	Andrew Smith, Executive Headteacher
	Lorraine Laudrum, Headteacher
	Nicola Whybrow, Deputy Head

Company Name	Learning Pathways Academy
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Principle and Registered Office	Lyons Hall Primary School Deerleap Way Braintree Essex CM7 9FH
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Company Registration Number	07984238 (England and Wales)
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Independent Auditor	MHA MacIntyre Hudson New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
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LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

Bankers	Lloyds Bank Commercial Banking PO Box 1000 BX1 1LT
Solicitors	Brait Limited 67 Lapins Lane Kings Hill West Mailing Kent ME19 4LE

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditors' reports of the charitable company for the period to 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

The Trust operates 3 primary Academies in Braintree, Clacton and Colchester. Its Academies have a combined pupil capacity of 1714 and had a roll of 1495 in the school census on 18 May 2017. Braiswick Primary School has a planned phased increase in intake for the next 4 years and admitted pupils from Early Years to Year 5 during the academic year.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of Learning Pathways Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Learning Pathways Academy.

The three Academies within the Trust are Lyons Hall Primary School, White Hall Academy and Braiswick Primary School.

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

Members Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £1,450.

Method of Recruitment and Appointment or Election of Trustees

Trustees are recruited and appointed or elected as outlined in the Academies articles of association paragraphs 45-63.

Policies and Procedures Adopted for the Induction and Training of Trustees

The induction programme for new Trustees would involve a tour of the school, meetings with students and staff and provision of policy and procedures documents that are appropriate to their role. The Board of Trustees meet regularly and any training needs are identified at this time. Trustees will receive training on all matters necessary to enable them to perform their duties effectively.

Organisational Structure

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

The Trustees have delegated responsibilities to local governing body committees as outlined in each committee's terms of reference. These committees are Finance & Premises and Curriculum & Personnel.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

The leadership team consisted of the following:

Lyons Hall Primary School

Andrew Smith	Headteacher
Rachel Pritchard	Deputy Headteacher

White Hall Academy

Andrew Smith	Executive Headteacher
Gavin Bradley	Headteacher
Ellie Eames	Deputy Headteacher

Braiswick Primary School

Andrew Smith	Executive Headteacher
Lorraine Laudrum	Headteacher
Nicola Whybrow	Deputy Headteacher

The team control the Academies at an executive level implementing policies and reporting to the Trust Board. The Leadership Team is responsible for the day to day operation of the Academies, in particular organising staff, resources and children. They are responsible for the authorisation of spending within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes. The CEO is the Accounting Officer.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust follows the recommended national pay structures for both Teachers and Local Government and updates the pay policy each year to reflect those changes, also complying with the School Teachers' Pay and Conditions Document. Salary ranges for the Leadership Team are based on the Group size of each school which is set using the table within the STPCD. Any salary changes are approved by the Local Governing Body of each school through the delegated authority from the Trust Board.

Employees and disabled persons

The Academy Trust is committed to equal opportunities in employment and to avoiding unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and dismissal, performance and selection for redundancy.

The Academy Trust makes reasonable adjustments in the recruitment and employment of disabled people. This includes adjustments to recruitment and selection procedures, to terms and conditions of employment, to working arrangements and physical changes to the premises or equipment. In assessing the reasonableness of the adjustment, the Trust considers:

- proportionality and impact of the adjustment on the role;
- the costs/financial support available;
- medical opinion from the employee's doctor and the occupational health advisor; and
- impact on the operational requirements of the school.

Employee consultation takes place throughout the year with respect to pay, policy and procedures through direct email communication, notices and meetings.

Related Parties and other Connected Charities and Organisations

Learning Pathways Academy is part of the Professional Learning Network Teaching School Alliance which promotes the training and development of teachers both within the network of schools and beyond. Its focus is also to deliver the National College of Teaching and Learning's 'Big 6';

1. Recruitment and training of new entrants to the profession.
2. Peer-to-peer professional and leadership development.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

3. Identify and develop leadership potential.
4. School to school support.
5. Designate and broker specialist leaders of education.
6. Engage in research and development.

Lyons Hall Primary School works with Anglia Ruskin University, Canterbury Christ Church, Essex Primary SCITT and Greenwich University for the provision of school leadership training and student teacher placements.

Thinksay Communications has developed new websites for all the Academies in the Trust. This contract was agreed in early 2014 as part of the bid for Braiswick Primary School where pricing for marketing and communications was required. Nick Ridley was elected Chair of White Hall Academy governing body in October 2014.

Paul Lincoln has provided educational consultancy to the Trust Leadership team with his wife Susan Kerfoot since 2014. Paul Lincoln was elected to the Board in July 2016.

White Hall Academy worked with The Sigma Trust providing leadership development through the secondment of their headteacher, Gavin Bradley.

White Hall Academy provided therapy services to NEEAPS to support children across the local area.

Magic Music, part owned by P Nevars site manager of White Hall Academy, provided entertainment for the pupil's end of year parties.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Trust will provide:

- Excellence in standards for all members of the Academy Community pursued with courage and relentless commitment.
- Collaboration at every level between individuals, teams and Academies.
- Outstanding leadership at all levels; valuing and nurturing the contribution of every member of the Academy community and planning for succession.
- Outstanding continuous professional development at all levels.
- An outward looking culture - searching for even better answers and innovating with courage.

The Trust will:

- Value the unique identity of each member of the Trust community.
- Underpin all of the above with a strong moral purpose.

The Academies within the Trust will provide:

- Successful and aspirational learning
- Learning provision that actively engages all pupils and offers a sense of fulfilment, enjoyment and challenge.
- Personalised learning that gives enjoyable opportunities for creativity and problem solving.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

- Active learning in which there are rich opportunities for learning outside the classroom.
- A resource rich environment that reflects the needs of the pupils and adults.
- Pupil involvement in learning with a strong focus on learning to learn and responsiveness to different learning styles.
- High expectations for learning and behaviour which manifest in a strong ethos of mutual respect from and for all members of the school and wider community.
- A curriculum that is responsive to a changing world
- A strong focus on the individual and SEAL which is embedded in the curriculum.
- An ICT rich, real and virtual environment with a strategic approach to the development of aspirations.
- A positive, physical and emotional learning environment which is safe and nurturing.
- A supportive environment in which children are open to new experiences and feel able to take risks and celebrate mistakes as learning opportunities.
- Support for all members of the community in the continuing skills for life development in order to make a positive contribution locally.
- A highly inclusive environment where every member of the school community is able to access learning and support.
- A focus for sustained extended school services and multi-agency support to all support groups to achieve their potential.
- A strong collaborative ethos, within and between the staff, pupils and the wider community which manifests itself in teamwork, partnerships and learning with and from each other.

Objectives, Strategies and Activities

Objectives for the Academic Year 2017/18:

1. To improve the quality of teaching
2. To improve the rates of progress and attainment
3. To ensure Pupil Premium children make better than expected progress
4. To support the establishment and growth of Braiswick Primary School to good or outstanding
5. To work in partnership with Essex LA and other agencies to improve education across Essex and beyond
6. To work in partnership with North East Essex Collaborative Academy to help develop a clear system of support for children at risk of exclusion and within alternative provisions to reintegrate effectively into mainstream education (GROW provision).

Strategies to achieve objectives:

1. Strategic and effective recruitment plan for new staff
2. Collaboration and sharing of resources and expertise across the Trust
3. At senior management expanding into governor level the development and understanding of the Trust principles and practices (facilitated by Paul Lincoln and Sue Kerfoot)
4. Developing and Outstanding Teacher Programme
5. Maths Mastery
6. Hive
7. Talk for Writing
8. Kagan

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

9. Visible Learning
10. Coaching
11. Developing phonics
12. Teaching School status
13. Spelling Programme
14. Reading Programme
15. MAT2MAT support work for CEO's and MATs

Public Benefit

The key public benefit delivered by Learning Pathways Academy is to maintain and develop the high quality educational provision for children in Braintree, Clacton and Colchester. The trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit.

STRATEGIC REPORT

Achievements and performance

Lyons Hall Primary School

Overall achievement at this school is outstanding because:

- The proportion of children attaining the expected standard and higher standard at the end of KS2 is consistently above the national average over a sustained period of time.
- The proportion of children reaching the expected standard in the phonics screening test is well above the national average.
- Taking account of their starting points the proportion of pupils who make and exceed expected progress is above the national average.
- Pupils achieve well because they demonstrate good learning behaviours.

White Hall Academy

Overall achievement at this school is good because:

- The number of children achieving age related expectations is in line with national expectations for writing and maths and below national for reading. The attainment for reading increased by 20% in 2017 and the gap from the national figure has reduced from 29%(2016) to 14% (2017) with a more challenging cohort of 73% pupil premium and 30% SEN.
- The number of pupils passing the national phonics check is in line with the national figure.
- The progress scores for reading, writing and maths comfortably met the floor standards.
- It is expected that the school will not be defined as coasting as it meets the average progress measures of -2.5 in reading (-1.70), -2.5 in maths (0.3) and -3.5 in writing (2.7).

Braiswick Primary School

There were no Key Stage 2 outcomes for 2017.

- Key Stage 1 outcomes were based on a cohort of twelve children, none of whom had been in the school for more than nine months before the assessments (most with on entry assessments well below expected), one was out of school in alternative provision and four of whom arrived within a few weeks/days of the assessments.
- EYFS outcomes were above the previous year's national average.
- Phonics outcomes were slightly below national average in a cohort with high mobility. Of the children who had been in the school since the start of Reception 92% achieved a pass.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

Key Performance Indicators

(ARE – Age Related Expectations, GD – Greater depth)

Lyons Hall Primary School

Early Years	School 2016	National 2016	School 2017	National 2017
GLD	76%	69%	78.4%	69%

Key Stage 1	School 2016	National 2016	School 2017	National 2017
Reading	ARE = 82% GD = 25%	ARE = 74% GD = 24%	ARE = 81% GD = 27%	ARE = 76% GD = 25%
Writing	ARE = 72% GD = 18%	ARE = 66% GD = 13%	ARE = 69% GD = 22%	ARE = 68% GD = 16%
Maths	ARE = 85% GD = 20%	ARE = 73% GD = 18%	ARE = 82% GD = 30%	ARE = 75% GD = 21%

Year 1 Phonics Test	School 2016	National 2016	School 2017	National 2017
Pupils passed	92%	74%	97%	81%

Key Stage 2	School 2016	National 2016	School 2017	National 2017
Reading	ARE = 82% GD = 13%	ARE = 66% GD = 19%	ARE = 90% GD = 35%	ARE = 71% GD = 25%
Writing	ARE = 85% GD = 37%	ARE = 74% GD = 15%	ARE = 97% GD = 43%	ARE = 76% GD = 18%
Maths	ARE = 95% GD = 23%	ARE = 70% GD = 17%	ARE = 100% GD = 53%	ARE = 75% GD = 23%
GAP	ARE = 90% GD = 38%	ARE = 72% GD = 23%	ARE = 100% GD = 63%	ARE = 77% GD = 31%
Combined	Expected = 77% GD = 12%	Expected = 53% GD = 5%	Expected = 87% GD = 27%	Expected = 61% GD = 9%

Progress KS1 to KS2

Reading	Writing	Maths
1.77	4.04	4.74

White Hall Academy

Early Years	School 2016	National 2016	School 2017	National 2017
GLD	63%	69%	67%	69%

Key Stage 1	School 2016	National 2016	School 2017	National 2017
Reading	ARE = 72% GD = 9%	ARE = 74% GD = 24%	ARE = 68% GD = 24%	ARE = 76% GD = 25%
Writing	ARE = 66% GD = 3%	ARE = 66% GD = 13%	ARE = 68% GD = 19%	ARE = 68% GD = 16%
Maths	ARE = 70% GD = 10%	ARE = 73% GD = 18%	ARE = 69% GD = 24%	ARE = 75% GD = 21%

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

Year 1 Phonics Test	School 2016	National 2016	School 2017	National 2017
Pupils passed	80%	74%	84%	81%

Key Stage 2	School 2016	National 2016	School 2017	National 2017
Reading	ARE = 38% GD = 10%	ARE = 66% GD = 19%	ARE = 57% GD = 9%	ARE = 71% GD = 25%
Writing	ARE = 70% GD = 12%	ARE = 74% GD = 15%	ARE = 76% GD = 23%	ARE = 76% GD = 18%
Maths	ARE = 78% GD = 5%	ARE = 70% GD = 17%	ARE = 73% GD = 10%	ARE = 75% GD = 23%
GAP	ARE = 60% GD = 10%	ARE = 72% GD = 23%	ARE = 63% GD = 11%	ARE = 77% GD = 31%
Combined	Expected = 38% GD = 3%	Expected = 53% GD = 5%	Expected = 52% GD = 3.4%	Expected = 61% GD = 9%

Progress KS1 to KS2

Reading	Writing	Maths
-1.7	0.3	2.7

Braiswick Primary School

Early Years	School 2016	National 2016	School 2017	National 2017
GLD	68%	69%	77%	69%

Key Stage 1	School 2016	National 2016	School 2017	National 2017
Reading	NA	NA	ARE = 88% GD = 8%	ARE = 76% GD = 25%
Writing	NA	NA	ARE = 33% GD = 17%	ARE = 68% GD = 16%
Maths	NA	NA	ARE = 42% GD = 8%	ARE = 75% GD = 21%

Year 1 Phonics Test	School 2016	National 2016	School 2017	National 2017
Pupils passed	NA	NA	78%	81%

The Trust uses the following key performance indicators for financial elements of the school organisation:

- Current Reserve & Contingencies
- Total payroll as a % of GAG income
- % payroll split Teaching: Non-Teaching
- Cash flow balance

The cash flow has remained positive and the Trust has a buffer for future years. Whilst the total payroll percentage to GAG funding is higher than average this does not reflect the additional income generated from school to school support, SEN funding and training income.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

Going Concern

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

FINANCIAL REVIEW

The principal source of funding for the Academy is the General Annual Grant (GAG) funding that it receives from the EFA. For the period ended 31 August 2017 the Academy Trust received £ 5,005,714 in GAG funding. A high percentage of this funding is spent on wages and salaries and support costs to deliver the Academies primary objective of the provision of education.

The Trust approved the Pay Policy, Financial Regulations, Code of Conduct, Risk Register and Scheme of Delegation.

Reserves Policy

The Trustees review the cash reserve levels of the Academy. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees believe that the current reserve level provides sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Academy Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £686,603 and restricted reserves is £518,214 (excluding pension funds).

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy Trust is recognising a significant pension fund deficit of £3,453,000. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years. The recognition of this deficit has no direct impact on the free reserves of the Academy Trust.

At 31 August 2017 the total funds comprised:

Unrestricted	£686,303
Restricted:	
Fixed asset funds	£16,276,657
Pension reserve	£(3,453,000)
Other	£518,214
	<u>£14,028,174</u>

Investment Policy

The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment. The policy aims to invest cash such that its cash balances and liquid investments at least equal the figure outlined in the reserves policy.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

Principal Risks and Uncertainties

The Trustees assess the principal risks and uncertainties facing the Academy as follows:

Staff retention and recruitment:

The quality of staff (both teaching and support) is crucial in sustaining the high achievements of the Academies. An important factor in addressing this risk is the Academies emphasis on high quality, personalised professional development for all staff.

Falling rolls:

Unlikely. Academies within the Trust are oversubscribed and will be increasing NOR for at least another year.

Budget constraints:

We are now in a period of constrained public spending on education. It will be important to balance expenditure on educational provision with available funding and reserves.

Braiswick Primary:

Future growth of pupil numbers will be difficult to predict but we continue to work with Essex County Council regarding financial support for the coming financial year. Pupil numbers were almost at capacity for the second year of opening.

PLANS FOR FUTURE PERIODS

The Academy Trust will continue striving to improve the levels of performance of all pupils at all levels. The Trustees recognise that through good financial management they will be able to invest in and improve the quality of educational provision.

Following the successful opening of Braiswick Primary School on 1st September 2015 the Trust will continue to work with Essex County Council to ensure the maintained growth of the school balanced with financial stability. Essex County Council are funding an additional 'bulge' Year 1 class, which will take that year group to three form entry for next year and continue through the school until 2022/23.

The Academy Trust will continue working in partnership with Essex Local Authority and local schools to develop educational opportunities for children in Essex including executive headships and secondments.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust acts as an agent in managing funds for a number separate entities. Payments received, and subsequent disbursement are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of these funds.

North East Braintree Inclusion Network is a cluster of primary schools funding the ETAMHS project (Essex Targeting Emotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools' inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance owed at 31 August is £3,307 and is included within other creditors.

White Hall holds funds on behalf of South Tendring Primary Partnership, whose members are local schools who contribute to a fund from which education services and training are purchased for the group. The balance owed at 31 August 2017 is £10,082 and is included within other creditors.

Funds are also held in respect of the Professional Learning Network, Schools Direct and the Local Delivery Group. The balances owed at 31 August 2017 are £111,328, £40,366 and £39,699 respectively and these are included within other creditors.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

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

AUDITOR

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 8 December 2017 and signed on the Board's behalf by:


.....
John O'Shea
Chair of Trustees
8 December 2017

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2017

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that Learning Pathways Academy 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 with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Learning Pathways Academy 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 3 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
John O'Shea, Chairman	1	3
Rachel Pritchard	3	3
Andrew Smith	3	3
Gavin Bradley	3	3
Nick Ridley	2	3
Jo Olley	2	3
Alison Fiala	2	3
Chris Smith	3	3
Simon Pratt-Adams	3	3
Lorraine Laudrum	3	3
Steve Whitfield	3	3
Paul Lincoln	2	3

Responsibility is delegated to the local governing bodies through finance committees. There are representatives from all schools on the Board of Trustees which has therefore removed the need for a subcommittee of the Trust. The Trust has however bought back into the local authority internal audit package and reports from these reviews are presented at the local governing body meetings with any exceptions further reviewed by the Board of Trustees.

Following the meeting with regional commissioner, Tim Coulson, the Trust's bid for a capacity improvement grant to develop a structure of MAT to MAT support in partnership with BMAT was successful. This project had a successful first year with an ongoing programme for CEO's, Business Managers and MAT leadership on structure, governance, finance, growth, HR and development.

The senior leadership team have continued to work with Paul Lincoln and Sue Kerfoot to review the governance of the Trust through the development of its' Vision and Values and greater depth with regard to the 'non-negotiables'.

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

REVIEW OF VALUE FOR MONEY

As accounting officer, the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcome achieved in return for the taxpayer resources received.

The accounting officer considers how the Trusts' use of its resources has provided good value for money during each Academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- The purchase of resources across the whole Trust thereby securing economies of scale, for example Maths Mastery, which has a great impact on learning across all three schools and the Visible Learning training programme.
- Continually monitoring pupil progress and achievement against both internal targets and national levels. Ensuring staff are deployed effectively across the Trust to provide high quality teaching and learning, adult-pupil ratio and curriculum management.
- Obtaining quotes for goods and services above £5,000, reviewing annual contract prices and switching suppliers where better value is available.
- At every level across the Trust, applying the four principles of best value; Challenge, Compare, Consult, Compete.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning Pathways Academy for the period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

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

LEARNING PATHWAYS ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trust has bought in the local authority's Internal Controls Evaluation service which gives advice on financial matters and performs a range of checks on the Academy Trust's financial systems.

In particular, the checks carried out in the current period included:

- testing of payroll systems
- testing of purchase systems
- testing of control account/bank reconciliations

On a termly basis the Board of Trustees receive reports, through the finance committees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The schedule of works was delivered as planned and findings and any remedial action has been presented to the local governing bodies and Board of Trustees for review.

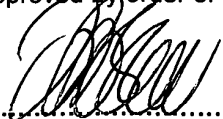
REVIEW OF EFFECTIVENESS

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

- the work of the Essex County Council ICE Service
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the local governing body Finance Committees and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2017 and signed on its behalf by:


.....
John O'Shea
Chair of Trustees


.....
Andrew Smith
Accounting Officer

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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


.....
Andrew Smith
Accounting Officer

Date: 8 December 2017

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

The Trustees (who act as governors of Learning Pathways Academy and are also the directors of the charitable company for the purposes of company law) is responsible for preparing the Trustees' 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 he is 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 is required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 is 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. He is also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees is 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 8 December 2017 and signed on its behalf by:


.....
John O'Shea
Chair of Trustees

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

OPINION

We have audited the financial statements of Learning Pathways Academy for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating the Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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' remunerations specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

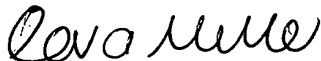
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARNING PATHWAYS ACADEMY**

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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



Cara Miller ACCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditors

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: 19 December 2017

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 18 February 2015 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Pathways Academy during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF LEARNING PATHWAYS ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Learning Pathways Academy's funding agreement with the Secretary of State for Education dated 30 March 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO LEARNING PATHWAYS ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

The work undertaken to draw our conclusions includes:

- reviewing the Minutes of the Governing Body and other evidence made available to us, relevant to our consideration of regularity;
- a review of the objectives and activities of the Academy Trust, with reference to the income streams and other information available to us as auditors;
- testing of a sample of payroll payments to staff;
- testing of a sample of payments to suppliers and other third parties;
- testing of a sample of grants received and other income streams; and
- evaluating the internal control procedures and reporting lines, and testing as appropriate and making appropriate enquiries of the Accounting Officer.

CONCLUSION

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

MHA MacIntyre Hudson

Reporting Accountant

MHA MacIntyre Hudson
Chartered Accountants

Boundary House
4 County Place
Chelmsford
Essex
CM2 0RE

Date: *19 December 2017*

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

	Note	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
INCOME FROM:						
Donations & capital grants:						
Transferred in of Braiswick Primary School	2	-	-	-	-	8,627,000
Other donations and capital grants	2	9,675	-	25,690	35,365	325,790
Charitable activities	5	99,046	7,059,064	-	7,158,110	6,420,007
Other trading activities	3	307,730	-	-	307,730	223,530
Investments	4	1,083	-	-	1,083	1,858
TOTAL INCOME		417,534	7,059,064	25,690	7,502,288	15,598,185
EXPENDITURE ON:						
Raising funds	6	28,349	-	-	28,349	6,842
Charitable activities	7	176,015	7,755,293	341,539	8,272,847	7,168,991
TOTAL EXPENDITURE	6	204,364	7,755,293	341,539	8,301,196	7,175,833
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		213,170	(696,229)	(315,849)	(798,908)	8,422,352
Transfers between Funds	20	-	58,000	(58,000)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		213,170	(638,229)	(373,849)	(798,908)	8,422,352
Actuarial gains/(losses) on defined benefit pension schemes	24	-	67,000	-	67,000	(1,244,000)
NET MOVEMENT IN FUNDS		213,170	(571,229)	(373,849)	(731,908)	7,178,352
RECONCILIATION OF FUNDS:						
Total funds brought forward		473,133	(2,363,557)	16,650,506	14,760,082	7,581,730
TOTAL FUNDS CARRIED FORWARD		686,303	(2,934,786)	16,276,657	14,028,174	14,760,082

The notes on pages 26 to 53 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07984238

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	As restated 2016 £
FIXED ASSETS				
Tangible assets	15		16,260,333	16,584,105
CURRENT ASSETS				
Stocks	16	17,308		19,978
Debtors	17	838,285		408,077
Cash at bank and in hand		1,310,377		1,405,673
		<u>2,165,970</u>		<u>1,833,728</u>
CREDITORS: amounts falling due within one year	18	(945,129)		(624,751)
NET CURRENT ASSETS			<u>1,220,841</u>	<u>1,208,977</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,481,174</u>	<u>17,793,082</u>
Defined benefit pension scheme liability	24		<u>(3,453,000)</u>	<u>(3,033,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>14,028,174</u></u>	<u><u>14,760,082</u></u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted general funds	20	518,214		669,443
Restricted fixed asset funds	20	16,276,657		16,650,506
Restricted funds excluding pension liability		16,794,871		17,319,949
Restricted general funds - pension reserve		<u>(3,453,000)</u>		<u>(3,033,000)</u>
Total restricted funds			<u>13,341,871</u>	<u>14,286,949</u>
Unrestricted funds	20		<u>686,303</u>	<u>473,133</u>
TOTAL FUNDS			<u><u>14,028,174</u></u>	<u><u>14,760,082</u></u>

The financial statements on pages 23 to 53 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:



John O'Shea
Chair of Trustees

The notes on pages 26 to 53 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash used in operating activities	22	(104,302)	(36,090)
Cash flows from investing activities:			
Investment income		1,083	1,858
Purchase of tangible fixed assets		(17,767)	(30,628)
Capital grants from DfE/ESFA		25,690	322,029
Net cash provided by investing activities		9,006	293,259
Change in cash and cash equivalents in the year		(95,296)	257,169
Cash and cash equivalents brought forward		1,405,673	1,148,504
Cash and cash equivalents carried forward	23	1,310,377	1,405,673

The notes on pages 26 to 53 form part of these financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Learning Pathways Academy constitutes a public benefit entity as defined by FRS 102. The financial statements are prepared in sterling which is the functional currency of the Academy Trust and rounded to the nearest pound.

Learning Pathways Academy is a company limited by guarantee, incorporated in England and Wales. The address of the registered office and principal place of operation are detailed on page 1. The nature of the Academy Trust's operations and principal activity are detailed in the Trustees Report.

1.2 Going concern

The Trustees assess whether the use of the going concern assumption is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements.

After making appropriate enquiries, the Board of Trustees has a strong expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Trustees are, however, disappointed that the Government has decided not to pursue its proposal that a fair funding exercise should be adopted for all education establishments. The Academy Trust was likely to benefit from the revised funding proposal but will now find that there is likelihood that it will be forced to use some of its reserves to set a balanced budget. The Academy Trust will continue to review its financial position to attempt to offset this situation and is confident that it will be able to manage this problem in the long term. For this reason it will continue to adopt the going concern basis in preparing the financial statements.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Fund accounting

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

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

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

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

1.4 Income

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

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

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

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

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

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

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

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

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the Restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, a transfer is made to reflect these assets in the Restricted fixed asset fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Long-term leasehold property	-	2% straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years straight line

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

1.7 Operating leases

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

1.8 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.9 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.13 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

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

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Agency arrangements

The Academy Trust manages the finances of the Local Delivery Group, an unincorporated charity which provides pastoral support to academies in the local area. Income is received from a number of schools and academies in the region, and Learning Pathways Academy holds these funds in order to make payments on behalf of the Local Delivery Group. The Academy Trust receives no income for the management of the Group's finances. Where funds have not been fully exhausted in the accounting period, an amount will be included within other creditors.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

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

- The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.
- Any change in the valuation of the Freehold Property (see Note 15) would impact the total net assets of the Academy Trust..

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Transferred in of Braiswick Primary School	-	-	-	-	8,627,000
Donations	9,675	-	-	9,675	3,761
Grants	-	-	25,690	25,690	322,029
Subtotal	9,675	-	25,690	35,365	325,790
Total 2017	9,675	-	25,690	35,365	8,952,790
Total 2016	8,630,761	-	322,029	8,952,790	

The leasehold property and land of Braiswick Academy Trust was transferred to the Learning Pathways Academy from Essex County Council on 1 September 2015, and was independently valued at £8,627,000.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Rental income	40,784	-	40,784	15,719
Training course income	16,598	-	16,598	40,365
Provided services income	61,003	-	61,003	36,246
Class sales	22,969	-	22,969	21,758
Music tuition income	17,720	-	17,720	15,488
Other income	113,262	-	113,262	54,640
Nursery fee income	35,394	-	35,394	39,314
Total 2017	307,730	-	307,730	223,530
Total 2016	223,530	-	223,530	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
Bank interest receivable	1,083	-	1,083	1,858
Total 2016	1,858	-	1,858	

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

5. CHARITABLE ACTIVITIES - FUNDING FOR EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Total funds 2017 £	As restated Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,004,714	5,004,714	4,840,547
Pupil Premium	-	571,628	571,628	545,888
Other DfE/ESFA Grants	-	89,187	89,187	102,347
	-	5,665,529	5,665,529	5,488,782
Other government grants				
Local Authority Grants	-	1,186,669	1,186,669	742,578
Other Government Grants	-	20,635	20,635	8,456
Special Education Grants	-	35,270	35,270	48,645
	-	1,242,574	1,242,574	799,679
Other funding				
Other Income	99,046	150,961	250,007	131,546
	99,046	150,961	250,007	131,546
Total 2017	99,046	7,059,064	7,158,110	6,420,007
Total 2016	84,911	6,335,096	6,420,007	

There are no unfulfilled conditions or other contingencies attached to the government grants above.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

6. TOTAL EXPENDITURE

	Staff costs 2017 £	Premises costs 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	-	-	28,349	28,349	6,842
Charitable activities:					
Direct costs	5,151,341	-	762,077	5,913,418	5,117,571
Support costs	1,284,179	630,708	444,542	2,359,429	2,051,420
Total 2017	6,435,520	630,708	1,234,968	8,301,196	7,175,833
Total 2016	5,338,745	640,482	1,196,606	7,175,833	

In 2016, of the total expenditure on charitable activities of £7,168,991, £77,843 was from unrestricted funds, £6,460,379 was from restricted general funds and £630,769 was from restricted fixed asset funds.

7. ANALYSIS OF EXPENDITURE BY CHARITABLE ACTIVITIES

	Activities undertaken directly 2017 £	Support costs 2017 £	Total 2017 £	Total 2016 £
Educational operations	5,913,418	2,359,429	8,272,847	7,168,991
Total 2016	5,117,571	2,051,420	7,168,991	

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

8. TOTAL SUPPORT COSTS

	Educational operations £	Total 2017 £	Total 2016 £
Defined benefit pension scheme finance cost	63,000	63,000	59,000
Technology costs	19,834	19,834	21,938
Premises costs	327,188	327,188	340,276
Governance costs	29,108	29,108	41,182
Other costs	357,581	357,581	349,850
Support staff costs	1,221,179	1,221,179	851,033
Depreciation	341,539	341,539	388,141
	<u>2,359,429</u>	<u>2,359,429</u>	<u>2,051,420</u>
At 31 August 2017			
	<u>2,359,429</u>	<u>2,359,429</u>	<u>2,051,420</u>
At 31 August 2016	2,051,420	2,051,420	
	<u>2,051,420</u>	<u>2,051,420</u>	

9. GOVERNANCE COSTS

	2017 £	2016 £
Auditors' remuneration - Audit of the financial statements	17,800	36,508
Auditors' remuneration - Other services	11,308	4,674
	<u>29,108</u>	<u>41,182</u>
Total	<u>29,108</u>	<u>41,182</u>

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the Academy Trust	341,539	388,141
Auditors' remuneration - Audit of the financial statements	17,800	36,508
Auditors' remuneration - Other services	11,308	4,674
Operating lease rentals	10,703	9,101
	<u>381,350</u>	<u>438,424</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

11. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	4,851,236	4,244,123
Social security costs	365,754	271,415
Operating costs of defined benefit pension schemes	1,146,816	758,707
	<u>6,363,806</u>	<u>5,274,245</u>
Apprenticeship levy	6,564	-
Staff restructuring costs	2,150	5,500
Defined benefit pension scheme finance cost	63,000	59,000
	<u>6,435,520</u>	<u>5,338,745</u>

Included in staff restructuring costs is a non-statutory/non-contractual severance payment for £2,150 (2016 - £5,500).

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

	2017 No.	2016 No.
Teachers	74	74
Administration and support	234	201
Management	6	6
	<u>314</u>	<u>281</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	2
In the band £80,001 - £90,000	0	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £200,000	1	0

The Key Management Personnel of the Academy Trust comprise of the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by Key Management Personnel for their services to the Academy Trust was £564,777 (2016 - £474,668).

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

12. CENTRAL SERVICES

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

- Human Resources
- Financial services
- Legal services
- Educational support services
- Others as arising
- Insurance

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

- Flat percentage of income (2.5%) of GAG funding, less notional SEN funding.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
White Hall Academy	48,054	56,640
Lyons Hall Primary School	51,517	45,246
Braiswick Primary Academy	19,529	-
Total	<u>119,100</u>	<u>101,886</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

13. TRUSTEES' REMUNERATION AND EXPENSES

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

		2017	2016
		£	£
A Smith, Executive Headteacher and Accounting Officer	Remuneration	100,000-105,000	90,000-95,000
	Pension contributions paid	15,000-20,000	15,000-20,000
G Bradley, Headteacher	Remuneration	90,000-95,000	80,000-85,000
	Pension contributions paid	10,000-15,000	10,000-15,000
R Pritchard, Staff Trustee	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	5,000-10,000
L Laudrum, Headteacher	Remuneration	60,000-65,000	60,000-65,000
	Pension contributions paid	10,000-15,000	5,000-10,000

During the year ended 31 August 2017, expenses amounting to £3,100 (2016 - £2,436), were reimbursed to 4 (2016 - 3) Trustees, in respect of travel expenses.

14. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 is included in total insurance costs for the Academy.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

15. TANGIBLE FIXED ASSETS

	Freehold property £	Restated Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	3,671,379	13,562,386	239,215	263,539	17,736,519
Additions	-	-	17,767	-	17,767
At 31 August 2017	3,671,379	13,562,386	256,982	263,539	17,754,286
Depreciation					
At 1 September 2016	259,515	464,081	168,814	260,004	1,152,414
Charge for the year	68,408	222,028	47,568	3,535	341,539
At 31 August 2017	327,923	686,109	216,382	263,539	1,493,953
Net book value					
At 31 August 2017	3,343,456	12,876,277	40,600	-	16,260,333
At 31 August 2016	3,411,864	13,098,305	70,401	3,535	16,584,105

Included in land and buildings is freehold land at valuation of £2,712,000 (2016 - £2,712,000) which is not depreciated.

The Academy Trust's transactions relating to land and buildings include the acquisition of Braiswick Primary School's property and land on 1 September 2015 which was donated to the Trust at a value of £8,267,000 from Essex County Council.

The leasehold and freehold property was valued on conversion by Mouchel, a RICS Registered Valuer using the Fair Value method. The leasehold property of Braiswick Primary School was valued on 18 December 2015 by Lambert Smith Hampton, a RICS Registered Valuer, using the Depreciated Replacement Cost method. The Trustees consider that the valuation remains appropriate for the purposes of these financial statements.

16. STOCKS

	2017 £	2016 £
Uniform stock	16,569	19,978
Finished goods and goods for resale	739	-
	<u>17,308</u>	<u>19,978</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

17. DEBTORS

	2017 £	2016 £
Trade debtors	138,665	137,171
VAT recoverable	190,159	104,417
Prepayments and accrued income	509,461	166,489
	<u>838,285</u>	<u>408,077</u>

18. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	358,118	99,893
Other taxation and social security	82,016	80,091
Pension contributions payable	90,400	75,040
Other creditors	185,390	142,141
Accruals and deferred income	229,205	227,586
	<u>945,129</u>	<u>624,751</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	208,085	71,241
Resources deferred during the year	197,089	208,085
Amounts released from previous years	(208,085)	(71,241)
Deferred income at 31 August 2017	<u>197,089</u>	<u>208,085</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance of the 17/18 academic year in respect of;

- Funding from the ESFA for Universal Infant Free School Meals
- Growth funding and Nursery funding for Autumn interim fees
- Funding from Essex County Council regarding Growth Funds
- Income received on behalf of school trips

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

19. PRIOR YEAR ADJUSTMENT

An adjustment has been made to reflect land valued at £609,000 at Lyons Hall Primary School on conversion to Multi-Academy Trust, which had previously been omitted.

20. STATEMENT OF FUNDS

	Restated Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
Unrestricted general funds	473,133	417,534	(204,364)	-	-	686,303
Restricted general funds						
General Annual Grant (GAG)	533,133	5,004,714	(5,259,037)	58,000	-	336,810
Pupil Premium	13,157	571,628	(584,785)	-	-	-
Other DfE/ESFA Grants	-	89,187	(89,187)	-	-	-
Local Authority Grants	123,153	1,186,669	(1,128,418)	-	-	181,404
Other Government Grants	-	55,905	(55,905)	-	-	-
Other activities	-	150,961	(150,961)	-	-	-
Pension reserve	(3,033,000)	-	(487,000)	-	67,000	(3,453,000)
	<u>(2,363,557)</u>	<u>7,059,064</u>	<u>(7,755,293)</u>	<u>58,000</u>	<u>67,000</u>	<u>(2,934,786)</u>
Restricted fixed asset funds						
NBV of fixed assets	16,584,105	-	(341,539)	17,767	-	16,260,333
DfE/ESFA Capital Grants	66,401	25,690	-	(75,767)	-	16,324
	<u>16,650,506</u>	<u>25,690</u>	<u>(341,539)</u>	<u>(58,000)</u>	<u>-</u>	<u>16,276,657</u>
Total restricted funds	<u>14,286,949</u>	<u>7,084,754</u>	<u>(8,096,832)</u>	<u>-</u>	<u>67,000</u>	<u>13,341,871</u>
Total of funds	<u>14,760,082</u>	<u>7,502,288</u>	<u>(8,301,196)</u>	<u>-</u>	<u>67,000</u>	<u>14,028,174</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

20. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Restated Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Restated Balance at 31 August 2016 £
Unrestricted funds						
Unrestricted general funds	243,758	314,060	(84,685)	-	-	473,133
	<u>243,758</u>	<u>314,060</u>	<u>(84,685)</u>	<u>-</u>	<u>-</u>	<u>473,133</u>
Restricted general funds						
General Annual Grant (GAG)	282,209	4,840,547	(4,571,995)	(17,628)	-	533,133
Pupil Premium	-	545,888	(532,731)	-	-	13,157
Start Up Grants	26,861	-	(26,861)	-	-	-
Other DfE/ESFA Grants	-	102,347	(102,347)	-	-	-
Local Authority Grants	-	742,578	(619,425)	-	-	123,153
Other Government Grants	-	57,101	(57,101)	-	-	-
Other activities	305,284	46,635	(351,919)	-	-	-
Pension reserve	(1,591,000)	-	(198,000)	-	(1,244,000)	(3,033,000)
	<u>(976,646)</u>	<u>6,335,096</u>	<u>(6,460,379)</u>	<u>(17,628)</u>	<u>(1,244,000)</u>	<u>(2,363,557)</u>
Restricted fixed asset funds						
NBV of fixed assets	8,314,618	8,627,000	(388,141)	30,628	-	16,584,105
DfE/ESFA Capital Grants	-	322,029	(242,628)	(13,000)	-	66,401
	<u>8,314,618</u>	<u>8,949,029</u>	<u>(630,769)</u>	<u>17,628</u>	<u>-</u>	<u>16,650,506</u>
Total restricted funds	<u>7,337,972</u>	<u>15,284,125</u>	<u>(7,091,148)</u>	<u>-</u>	<u>(1,244,000)</u>	<u>14,286,949</u>
Total of funds	<u>7,581,730</u>	<u>15,598,185</u>	<u>(7,175,833)</u>	<u>-</u>	<u>(1,244,000)</u>	<u>14,760,082</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

20. STATEMENT OF FUNDS (continued)

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

The Unrestricted General fund has been created to recognise the income and expenditure in respect of activities undertaken by the Academy Trust which fall outside the scope of its core activities.

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy Trust via the Education and Skills Funding Agency by the Department for Education. The GAG fund has been established because the GAG must be used for the normal running costs of the Academy Trust.

The Pupil Premium fund has been established to recognise the restricted funding received from the Education and Skills Funding Agency to raise the attainment of disadvantaged pupils and close the gap between them and their peers.

The Local Authority Grants fund has been set up to recognise the income received from Essex County Council as a contribution towards the cost of the Academy Trust's revenue expenditure. Funding received for Special Educational Needs is also recognised within Local Authority Grants. These funds are to assist with the costs incurred providing disadvantaged students with the additional educational resources that they require.

The Other ESFA Grants fund has been created to recognise the restricted funding received from the Department for Education / Education and Skills Funding Agency which fall outside the scope of core funding.

The Other Government Grants fund has been set up to recognise the restricted funding received from all other Government bodies which fall outside the scope of core funding.

The Other Activities fund has been established to recognise all other restricted income and expenditure which falls outside the scope of the Academy Trusts core funding.

The Pension Reserve has been created to separately identify the pension deficit inherited from the Local Authority upon conversion to Academy status, and through which all the pension scheme movements are recognised.

The NBV of Fixed Assets fund has been set up to recognise the tangible assets held by the Academy Trust and is equivalent to the net book value of tangible fixed assets. Depreciation of tangible fixed assets is allocated to this fund.

The DfE/ESFA Capital Grants fund has been created to recognise capital grants received for the purpose of the acquisition of tangible fixed assets. As tangible fixed assets are purchased, a transfer is made to the NBV of Fixed Asset funds.

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

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

20. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
White Hall Academy	417,752	406,110
Lyons Hall Primary School	554,306	486,731
Braiswick Academy	232,459	249,735
Total before fixed asset fund and pension reserve	<u>1,204,517</u>	<u>1,142,576</u>
Restricted fixed asset fund	16,276,657	16,650,506
Pension reserve	(3,453,000)	(3,033,000)
Total	<u><u>14,028,174</u></u>	<u><u>14,760,082</u></u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciat- ion £	Total 2017 £	Total 2016 £
White Hall Academy	3,114,472	319,679	98,155	679,915	4,212,221	3,608,417
Lyons Hall Primary School	1,891,753	327,345	74,798	307,913	2,601,809	3,072,441
Braiswick Academy	620,116	145,055	47,462	213,794	1,026,427	626,303
Learning Pathways Academy Trust	12,000	5,000	20,959	81,141	119,100	-
	<u><u>5,638,341</u></u>	<u><u>797,079</u></u>	<u><u>241,374</u></u>	<u><u>1,282,763</u></u>	<u><u>7,959,557</u></u>	<u><u>7,307,161</u></u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted general funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	16,260,333	16,260,333
Current assets	1,631,432	518,214	16,324	2,165,970
Current liabilities	(945,129)	-	-	(945,129)
Defined benefit pension scheme liability	-	(3,453,000)	-	(3,453,000)
	<u>686,303</u>	<u>(2,934,786)</u>	<u>16,276,657</u>	<u>14,028,174</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted general funds 2016 £	Restricted fixed asset funds 2016 £	As restated Total funds 2016 £
Tangible fixed assets	-	-	16,584,105	16,584,105
Current assets	407,163	1,360,164	66,401	1,833,728
Current liabilities	65,970	(690,721)	-	(624,751)
Defined benefit pension scheme liability	-	(3,033,000)	-	(3,033,000)
	<u>473,133</u>	<u>(2,363,557)</u>	<u>16,650,506</u>	<u>14,760,082</u>

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

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(798,908)	8,422,352
Adjustment for:		
Depreciation charges	341,539	388,141
Investment income	(1,083)	(1,858)
Decrease/(increase) in stocks	2,670	(11,801)
Increase in debtors	(430,208)	(308,999)
Increase in creditors	320,378	227,104
Capital grants from DfE and other capital income	(25,690)	(322,029)
Defined benefit pension scheme cost less contributions payable	424,000	139,000
Fixed assets transferred on conversion	63,000	59,000
Net (loss) on assets and liabilities from local authority on conversion	-	(8,627,000)
Net cash used in operating activities	<u>(104,302)</u>	<u>(36,090)</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	1,310,377	1,405,673
Total	<u>1,310,377</u>	<u>1,405,673</u>

24. PENSION COMMITMENTS

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

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

Contributions amounting to £95,809 were payable to the schemes at 31 August 2017 (2016 - £75,040) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

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

24. PENSION COMMITMENTS (continued)

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

The employer's pension costs paid to TPS in the period amounted to £388,366 (2016 - £367,746).

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £450,343 (2016 - £406,416), of which employer's contributions totalled £333,157 (2016 - £204,623) and employees' contributions totalled £117,186 (2016 - £201,793). The agreed contribution rates for future years are 17.7% for employers and 5.5% to 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %
Inflation assumption (CPI)	2.70 %	2.30 %
Commutation of pensions to lump sums	- %	60.00 %
Inflation assumption (RPI)	3.60 %	3.20 %

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

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

	At 31 August	At 31 August
Sensitivity analysis	2017	2016
	£'000	£'000
Discount rate +0.1%	(149)	-
Discount rate -0.1%	153	-
Mortality assumption - 1 year increase	176	-
Mortality assumption - 1 year decrease	(170)	-

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS (continued)

The sensitivity analysis assumptions were not available for the year ended 31 August 2016.

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,313,000	918,000
Gilts	125,000	48,000
Corporate bonds	78,000	60,000
Property	195,000	148,000
Cash and other liquid assets	62,000	41,000
Alternative assets	154,000	59,000
Other managed funds	86,000	64,000
Total market value of assets	<u>2,013,000</u>	<u>1,338,000</u>

The actual return on scheme assets was £227,000 (2016 - £151,000).

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

	2017 £	2016 £
Current service cost	(756,000)	(401,000)
Interest income	34,000	40,000
Interest cost	(97,000)	(99,000)
Total	<u>(819,000)</u>	<u>(460,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	4,365,000	2,430,000
Current service cost	756,000	401,000
Interest cost	97,000	99,000
Employee contributions	106,000	86,000
Actuarial losses	127,000	1,355,000
Benefits paid	(3,000)	(6,000)
Closing defined benefit obligation	<u>5,448,000</u>	<u>4,365,000</u>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	1,332,000	839,000
Interest income	34,000	40,000
Actuarial losses	194,000	111,000
Employer contributions	332,000	262,000
Employee contributions	106,000	86,000
Benefits paid	(3,000)	(6,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	1,995,000	1,332,000
	<hr/>	<hr/>

25. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	9,236	10,170
Between 1 and 5 years	5,864	13,583
	<hr/>	<hr/>
Total	15,100	23,753
	<hr/>	<hr/>

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

26. RELATED PARTY TRANSACTIONS

The SIGMA Trust - a Trust in which A Smith (a Trustee of the Academy Trust) is a Director and L Laudrum (a Trustee of the Academy Trust) is a Trustee.

- The Academy Trust sold services to the SIGMA Trust totalling £25,162 (2016 - £Nil) and received £25,162 income (2016 - £Nil) in the period. There were no amounts owed from the Trust at 31 August 2017 (2016 - £Nil).

Thinksay Communications - a company in which N Ridley (a Trustee of the Academy Trust) has a majority interest.

- The Academy Trust purchased services from Thinksay Communications totalling £806 (2016 - £2,076) during the period. The amounts owed from the Trust at 31 August 2017 was £806 (2016 - £Nil).
- The Academy Trust made the purchase at arm's length following a competitive tendering exercise in accordance with its financial regulations, which N Ridley neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of ESFA's Academies Financial Handbook 2016.

Magic Music - P Nevars (site manager of White Hall) is part owner.

- The Academy Trust purchased services from Magic Music totalling £293 (2016 - £463) during the period. There were no amounts outstanding at 31 August 2017 (2016 - £Nil).
- The Academy Trust made the purchase at arm's length, which P Nevars neither participated in, nor influenced.
- In entering into the transaction the Academy Trust has complied with the requirements of ESFA's Academies Financial Handbook 2016.

S Kerfoot - a company whom P Lincoln's (a Trustee of the Academy Trust) spouse owns.

- The Academy Trust purchased services from S Kerfoot totalling £3,034 (2016 - £Nil) during the period. There were no amounts outstanding at 31 August 2017 (2016 - £Nil).
- The purchase was authorised by the Trustees.
- In entering into the transaction the Academy Trust has complied with the requirements of ESFA's Academies Financial Handbook 2016.

North East Essex Co-operative Academy (NEEAPS) - an alternative education provider whom two Trustees were governors until it converted to an Academy on 1 September 2017.

- The Academy Trust purchased services to NEEAPS totalling £18,104 (2016 - £Nil) during the period. There were no amounts outstanding at 31 August 2017 (2016 - £Nil).

S Bradley - the spouse of G Bradley (a Trustee of the Academy Trust) received remuneration of £12,286 during the year. S Millar - the spouse of A Smith (the CEO of the Academy Trust) received remuneration of £15,520 during the year. Their remuneration is based on an internal salary review process in which A Smith and G Bradley are not involved.

LEARNING PATHWAYS ACADEMY
(A Company Limited by Guarantee)

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

27. CONTROLLING PARTY

There is no ultimate controlling party.

28. COMPANY LIMITED BY GUARANTEE

The Academy Trust is a company limited by guarantee and does not have any share capital.

29. FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy Trust acts as an agent in managing funds for a number separate entities. Payments received, and subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over the charitable application of these funds.

North East Braintree Inclusion Network is a cluster of primary schools funding the ETAMHS project (Essex Targeting Emotional Health and Social wellbeing). The objectives are to provide support within the local community for vulnerable children and their families, develop schools' inclusion agenda and work with other agencies to achieve these common goals through early intervention. The balance owed at 31 August is £3,307 and is included within other creditors.

White Hall holds funds on behalf of South Tendring Primary Partnership, whose members are local schools who contribute to a fund from which education services and training are purchased for the group. The balance owed at 31 August 2017 is £10,082 and is included within other creditors.

Funds are also held in respect of the Professional Learning Network, Schools Direct and the Local Delivery Group. The balances owed at 31 August 2017 are £111,328, £40,366 and £39,699 respectively and these are included within other creditors.

30. MEMBERS' LIABILITY

Each of the 3 members of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 10 for the debts and liabilities contracted before he/she ceases to be a member.