

Company Registration No. 08346116 (England and Wales)

GEMS LEARNING TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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GEMS LEARNING TRUST

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GEMS LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Dr Harry Ziman (Chair of Trustees)
Mr Andy Collings (Deceased 29 April 2018)
Mr Joseph Garrod (Vice Chair of Trustees)
Ms Luisa Weinzierl (Resigned 28 October 2017)
Ms Joanna Croft (Accounting Officer)
Ms Teresa de Quincey (Resigned 27 June 2018)
Mr Rony Valeny
Ms Hannah Wilson (Resigned 27 July 2018)
Ms Danielle West
Ms Leah Perring (Appointed 27 June 2018)
Ms Lara Robson (Appointed 1 October 2018)

Members

Harry Ziman
Vikas Pota (resigned 28 September 2017)
Barbara Harrison
Amar Purohit
Jay Varkey
Rebecca Plaskitt

Senior management team

- Chief Executive Officer	Joanna Croft
- Director of Education	Terri de Quincey
- Principal	Alison Ashcroft
- Principal (appointed 1 September 2017)	John Smith

Company registration number

08346116 (England and Wales)

Registered office

57 Colne Road
Twickenham
TW2 6QF

Academies operated

Central Services

GEMS Twickenham Primary Academy

GEMS Didcot Primary Academy

Location

Twickenham

Oxford

Principals

John Smith

Alison Ashcroft

Independent auditor

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

GEMS LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Barclays Plc
4 Waterside Way
The Lakes
Northampton
NN4 7XD

Solicitors

Mills and Reeve
Botanic House
100 Hills Road
Cambridge
CB2 1PH

GEMS LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the consolidated financial statements and auditors' report of the charitable company for the year ended 31 August 2018.

This report has been prepared in accordance with the Companies Act 2006 and also Part 8 of the Charities Act 2011 and serves the purpose of both a trustees' report under charity law and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the company's Memorandum and Articles of Association, applicable laws and 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 published on 16 July 2014 (FRS 102).

The Academy Trust operates 2 primary academies in England. Its academies have a combined pupil capacity of 868 including places in the nursery at Didcot, and had a roll of 455 in the school census in October 2018.

Structure, governance and management

Constitution

The trust is a company limited by guarantee (registration number 08346116) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the trust. The trust was incorporated on 3rd January 2013 and GEMS Twickenham Primary Academy commenced as an academy on the 1st September 2015. The GEMS Learning Trust has entered into a Funding Agreement with the Department for Education which provides the framework within which the trust must operate. GEMS Didcot Primary Academy commenced as an academy on the 1st of September 2016 and the trust entered into a second Funding Agreement with the Department for Education.

The trustees of GEMS Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as GEMS Learning Trust.

Details of the trustees who served throughout 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.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trustees' indemnities

In accordance with the Articles of Association, subject to the provisions of the Companies Act 2006 and Article 6.3 every trustee or other officer of the company and every member of any Local Governing Body and/or Advisory Body (in so far as necessary) shall be indemnified out of the assets of the company against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the company.

Governors' indemnities

The schools are part of the Department for Education's Risk Protection Arrangement that protect governors and officers from the financial impact of claims arising from negligent acts, errors or omissions occurring whilst on School business. The arrangement provides cover up to £10 million.

Principal activities

The trust's objects are specifically restricted to the following:

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Method of Recruitment and Appointment or Election of Trustees

The members of the company, as principal sponsors, are entitled to appoint up to 7 trustees to the governing body and directors may co-opt 2 further trustees. The members appointed Leah Perring to the Board during the year, based on her educational experience and expertise. The Chief Executive Officer is an ex-officio trustee.

The initial members of the trust shall be the subscribers to the Memorandum of Association.

The subsequent members of the trust shall comprise:

- 1 person appointed by the Secretary of State, in the event that the Secretary of State appoints a person for this purpose;
- the signatories to the Memorandum;
- the chairman of the Governors; and
- any person appointed under Article 16

When required, new trustees are recruited through advertisement on the trust website, on the New Schools Network website and the National Governors Association website.

The Secretary of State for Education may appoint trustees in certain circumstances; no such appointments were made in the year under review.

The term of office for any trustee shall be 4 years, save that this time limit shall not apply to either the Chief Executive or Chief Education Officers or the staff trustee. Subject to remaining eligible to be a particular type of trustee, any trustee may be re-appointed or re-elected.

A trustee shall cease to hold office if he resigns his office by notice to the trust (but only if at least 3 trustees will remain in office when the notice of resignation is to take effect).

A trustee shall cease to hold office if he is removed by the person or persons who appointed him. The Article does not apply in respect of a parent trustee.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Policies and procedures adopted for the induction and training of Trustees

There is a planned programme of initial training and professional development for new trustees. Topics include Safeguarding and Child Protection, Key functions of the governing body, Monitoring Performance Data and Targets, Pupil Premium, Health and Safety in Education, Safeguarding - The Governors' Role, School funding and Data Protection. All existing governors will then attend targeted courses throughout the year to refresh and extend their knowledge and skill set.

Trustees are also provided with copies of all essential documentation needed to undertake their role, including the memorandum and articles of association, Academies Financial Handbook and the trust's Funding Agreement.

A Trustee Handbook with key information is available for all trustees. This includes such aspects as:

- the structure of the academy and the relationship with the board of trustees;
- a statement of values and expectations;
- key elements of effective governance and the link to the Ofsted Handbook;
- the committee structure of the board of trustees;
- a brief description of the role of the chair and the role of the clerk/company secretary;
- terms of reference for committees.

The board of trustees subscribes to NGA and Educare provision and in-house training is organised as and when required. Trustees are informed of external training opportunities.

New trustees are mentored by existing trustees.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational structure

The board of trustees of GEMS Learning Trust is constituted under the memorandum and articles of association. The board of trustees is responsible for ensuring high standards of corporate governance are maintained.

The trustees are responsible for the strategic direction of the trust, setting policy and agreeing the annual budget. Trustees are also responsible for monitoring the work of the trust and ensuring the objectives of the trust are achieved.

In addition to the full board of trustees meetings, GEMS Learning Trust has a committee structure: the main committees are the Operations and the Standards Committees. The trust also delegates some governance responsibilities to Local Academy Boards.

The trustees have delegated day to day responsibility for the management of the trust to the Chief Executive Officer, the Chief Academic Officer and the Principals. The trust board reserves all decisions over strategy and risk management of the company as well as any significant commitment on purchases, and any contentious or novel arrangements or payments. The board maintains control through its review and monitoring of budgets and progress in the year.

The Chair of the Board, Chief Executive and Chief Education Officer meets regularly with the Principals and all trustees visit both sites to make first hand observations of the work of the trust. Reports of these visits are shared with all trustees.

The Principal is required to provide leadership and management of each school; they are assisted by the Chief Executive and the Chief Education Officer. These staff members comprise the Senior Leadership Team.

The Chief Executive Officer is the 'Accounting Officer' of GEMS Learning Trust.

Arrangements for setting pay and remuneration of key management personnel

The following members of staff received pay for their roles; they are the Chief Executive, the Chief Academic Officer and the Principals. The Principals' salaries are set using the range outlined in the School teachers' pay and conditions document 2017 for the size and type of school and the point was allocated on the basis of their previous headship experience. The Chief Executive is currently employed on a part time basis and their FTE salary is commensurate with the salary of a Principal of a school of similar size to those in the Trust. The Chief Executive also carries out the operational aspects of project management for the new academies in the Trust. The Chief Academic Officer is employed by the trust for 87 days per year and their salary was benchmarked against educational consultants with similar experience of headship, Ofsted inspection experience and experience as a National Leader of Education.

Trade Union Facility Time

The Trust employed more than 49 full time employees during the financial year and therefore it must disclose trade union facility time in accordance with the requirements of the Trade Union (Facility Time Publications Requirements) Regulations 2017. The trust recognise the valuable support and advice trade unions provide to teaching and non-teaching staff. During the year 0 employees were union representatives.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Connected Organisations, including Related Party Relationships

The GEMS Learning Trust is sponsored by its members and affiliated to GEMS Education. GEMS Education has provided high-quality, international education to over 142,000 children from 150 countries, for over 50 years.

The members of the company are Dr Harry Ziman, Jay Varkey, Barbara Harrison, Rebecca Plaskitt and Amar Purohit. One of the members of the company is also a director of GEMS Education. One of the directors of the company is also a member of the company.

One of the directors is an employee of GEMS Education and provides her time as a director on a voluntary basis at no cost to the company. The directors are aware of the potential for conflicts of interest and manage them in accordance with the Companies Act 2006, the Company's Articles of Association and the Academies Financial Handbook.

Objectives and activities

Objects and aims

The GEMS Learning Trust is driven to ensure that all children in our fledgling receive a first-class education. High expectations, high challenge and a high level of feedback and support are offered to both staff and pupils to create a high-achieving culture.

Our distinctive values differentiate the GEMS Learning Trust; they are based on the four core values of GEMS Education. We stand for:

- Leading through innovation;
- The pursuit of excellence;
- Growing by learning; and
- Global Citizenship.

Our aims are:

- To keep the safety, welfare and protection of the pupils at the GEMS Learning Trust academies in mind at all times;
- To know the strengths and weaknesses of each academy;
- To understand and utilise performance data for the academic benefit of each pupil;
- To provide an exceptional level of care and diligence in carrying out individual and collective financial, operational and educational functions;
- To welcome teachers, parents and pupils as members of the GEMS family of schools;
- To strongly involve parents in day to day school life;
- For our children to be happy at school;
- For all our children achieve high levels in reading, writing, mathematics and science;
- To offer children an enjoyable, creative and enriched curriculum;
- To prepare our parents and children to understand the relevance of their learning to future careers;
- To offer children and their families an extended school day; and
- To nurture positive and inclusive relationships with local, national and international communities.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

During the year GEMS Twickenham Primary Academy was judged to be 'Outstanding' by Ofsted and the school ranks 4th in the Borough for Key Stage One attainment.

The main objectives of GEMS Learning Trust during the year ended 31st August 2018 are summarised below:

- to enable every student to fulfil their potential;
- to focus on attaining high standards and progression of all pupils;
- to improve effectiveness by regular review of all aspects of educational provision and the organisational structure of the trust;
- to maintain and improve the quality of teaching and learning;
- to provide good value for money in the use of delegated funds; and
- to conduct all business of the trust in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The main objectives of the GEMS Learning Trust were to support Twickenham and Didcot Primary Academies to achieve their main priorities.

For both academies we undertook the following activities:

- fortnightly operations and finance meetings with principals/Business Managers and the Chief Executive;
- a schedule of half termly observations, learning walks, book scrutiny, and peer reviews with Principals and the Chief Academic Officer;
- open days, school tours and advertising to promote the schools;
- Engagement with the local community and press;
- Opportunities for all pupils to make exceptional levels of progress through consistently good teaching and focused support;
- Extracurricular trips and visits;
- Breakfast club and assistance with wraparound care;
- Training and development opportunities for all staff; and
- A drive to create an exceptionally safe and positive learning environment through detailed health and safety and safeguarding audits.

The main priorities of Twickenham Primary Academy are to ensure a smooth transition for the new Principal whilst ensuring high standards of teaching and learning, to create a safe, vibrant and popular school community, to promote the school positively to prospective parents and to attain exceptional value for money in a tight budget scenario. At Didcot Primary Academy the main priority is to ensure the wide range of learning needs of children entering the school at different age points and different starting points throughout the year are identified swiftly and are well supported to achieve high rates of attendance, progress and attainment, as well as ensuring the schools pastoral systems are able to support children with a wide range of social and emotional needs.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Public benefit

In setting the company's objectives and planning its activities, directors have given careful consideration to the Charity Commission's general guidance on public benefit.

The activities undertaken to further the trust's purposes for the public benefit are:

- GEMS Learning Trust has provided education to all registered pupils;
- Partnerships with local Primary schools have been established and maintained. Teachers take part in moderation exercises with other local primary schools;
- Leisure and meeting facilities are now offered to both communities for low fees

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

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

STRATEGIC REPORT

Achievements and performance

Didcot Primary Academy had four year groups of children to report on in terms of academic performance. The school opened in September 2016 with 60 places in Reception, and 30 in a mixed year 1 and 2 class. As the year progressed the year 1 and 2 class were split ending 30 in year 1 and 28 in year 2. The school is now oversubscribed in Reception, year one, year two and year two and has a full class of 30 in year four.

Twickenham had three year groups of children to report on in terms of academic performance. The trust achievements are also set out in relation to the targets set for this period.

1. Academic success - To ensure that GEMS Twickenham and GEMS Didcot Primary Academy meets or exceeds local and national attainment and rate of progress benchmarks – 2017/18

Twickenham

	15/16	15/16	15/16	16/17	16/17	16/17	17/18	17/18	17/18
Overall attainment	TPA	LBRUT	National	TPA	LBRUT	National	TPA	LBRUT	National
% GLD Reception	82	77	69	81	78	71	86	nya	72
% Y1 Phonics	-	89	81	90	89	81	95	nya	83
% KS1 Reading	-	79	74	-	83	76	90	nya	75
% KS1 Writing	-	68	65	-	73	68	90	nya	70
% KS1 Maths	-	79	73	-	82	75	92.6	nya	76
% KS1 Reading GD	-	36	24	-	36	25	54	nya	26
% KS1 Writing GD	-	19	13	-	21	16	30	nya	16
% KS1 Maths GD	-	28	18	-	28	21	45	nya	22

Didcot

	16/17	16/17	16/17	17/18	17/18	17/18
Overall attainment	DPA	Oxon	National	DPA	Oxon	National
% GLD Reception	77	73	71	80	73	72
% Y1 Phonics	80	81	81	88	82	83
% KS1 Reading	69	76	76	83	77	75
% KS1 Writing	54	66	68	80	69	70
% KS1 Maths	62	75	75	80	77	76
% KS1 Reading GD	22	27	25	20	27	26
% KS1 Writing GD	11	16	16	17	15	16
% KS1 Maths GD	22	20	21	20	22	22

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

2. Provide rigorous challenge - To ensure that the directors are tightly focused on the performance of senior leaders and teachers and hold them firmly to account.

In this regard the trust has created the post of Chief Academic Officer which is directly responsible for the performance of the Principals. She sets targets and conducts interim and annual appraisals. She also audits the quality of teaching, learning, standards, processes, safeguarding, SEN provision. She writes regular reports to the Board which outline areas in which she has provided support and challenge.

3. Sustainability – To ensure that the Trust grows in leadership and capacity to effectively lead and manage the two open schools, open a third school by 2021 and achieves best value for trust and school funds.

The Trust now leads two primary schools and has a detailed scope of provision for its academies. Its intention is to retain lean at the centre and to grow capacity within each school, for a sustainable approach to school improvement. Its core offer is:

- Quality assurance of provision - teaching and learning, assessment, tracking, behaviour, Ofsted readiness, as well as rigorous performance management and extensive support for each Principal;
- Peer-to-peer support for Principals to exchange best practices;
- Development opportunities at school level to build sustainable capacity for continuous improvement within and beyond the network;
- A framework for schools, each with its own Principal who has the autonomy to develop their school;
- A board of Directors with educational expertise in Finance, HR, admissions, branding, H&S, buildings;
- An influential role for Leadership and Teaching in a progressive, growing organisation; forming hubs, collaborative relationships and local partnerships.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The trustees regularly review GEMS Learning Trust's actual income and expenditure against the authorised budget. Changes to the budget to reflect new information with regard to income or expenditure are approved in line with the authorisation limits established in the GEMS Learning Trust financial regulations.

Ratio analysis and benchmarking is performed annually to ensure that the trust is applying its resources efficiently and effectively to achieve the best possible educational outcomes.

Examples:

- a) Unrestricted income (excludes income from grants & delegated funding) as a percentage of total income: 7% (2017: 0.9%)

Investing in quality staff has been fundamental in recruiting and retaining the right staff to raise pupil performance and improve teaching & learning standards

- b) Salary Expenditure: £1,333,102 (2017: £997,058)

- c) Total Income Grants: £1,727,740 (2017: £1,467,329)

- d) Staff costs as a percentage of grant income: 67% (2017: 68%)

- e) Net (outgoing)/incoming resources (before transfers and pension adjustments): (£306,307) (2017: £17,237)

- f) Current Ratio (current assets/current liabilities): 1.95 (2017: 1.5)

- g) Liquidity (cash at bank and in hand): £488,281 (2017: £423,731)

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Intake and attendance

Both schools have increased from their combined intake of 319 students in September 2017 to 426 pupils across five year groups in October 2018. Didcot Primary Academy is oversubscribed for years Reception to year three, and therefore has a waiting list, and is expecting to continue to be oversubscribed in 2019-20. The school has high attendance rates amongst those pupils that are on roll. The average attendance rate of the two schools is 96% in the first term of 2018-19.

Ofsted inspection extracts

Twickenham Primary Academy had its first Ofsted inspection in June 2018 and the school was judged "Outstanding" in all areas, recognising the exceptional performance of our students, and the quality of our staff. The Ofsted inspection report drew attention to the high quality of the teaching.

- "Teachers and support staff demonstrate consistently excellent skills in helping pupils of all abilities to sustain strong progress in reading, writing and mathematics."
- "Teachers know their pupils very well. They assess pupils skilfully and use information effectively to plan lessons which sustain their interest and progress across a wide range of subjects."
- "The curriculum is implemented particularly effectively to help pupils build deep knowledge across the range of subjects taught."

The report noted that the impact of this outstanding teaching was the students' exceptional outcomes.

- "Pupils achieve exceptionally well in reading, writing and mathematics. They make outstanding progress, sustained over time, whatever their starting points. As a result, an above average proportion of pupils in Year 2 are on track to exceed the expected standards."
- "Disadvantaged pupils make the same strong progress as others because funding supports their needs effectively."
- "Pupils who have SEN and/or disabilities make similar progress to others from their starting points"
- "Pupils make exceptional progress in deepening their knowledge across the range of subjects taught. Pupils of all abilities develop a strong sense of curiosity."

Going concern

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

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial review

The majority of GEMS Learning Trust's income is derived from the Education Skills and Funding Agency (ESFA), an agent of the Department for Education (DfE), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The GEMS Learning Trust is in surplus at the end of August 2018. Despite being three quarters full, before transfers and pension adjustment, Twickenham Primary Academy achieved a surplus of circa £32,244 by 31st August 2018 and the Trust carries forward grant funding of circa £62,467. GEMS Didcot Primary Academy is fully subscribed is operating a waiting list for places in Reception at the start of September 2018 and achieved a surplus, before transfers and pension adjustments, of circa £186,372. A detrimental financial impact to the trust is the fourth deferral of the opening of the GEMS Kingston Primary Academy. The difficult decisions to defer (arising again from delayed ESFA planning processes) will impact the level of funds coming into the trust from 2019 onwards.

Reserves policy

The GEMS Learning Trust requires each academy to deliver a free reserve fund but recognises the difficulty in achieving this without impacting of the quality of education in the academy and therefore expects the academy to build to a reasonable level of reserve within the first three years of opening.

When deciding on the level of reserve to build to the Board must take into account:

- forecasts for levels of income for current and future years, taking into account the reliability of each source of income;
- forecasts for expenditure for current and future years based on current payroll and planned activity information;
- analysis of future needs, opportunities, commitments or risks.

GEMS Learning Trust recommends that academies aim to deliver a free reserve fund which is minimally equivalent to one month's average payroll costs but recognise that levels will differ taking into account current and future circumstances.

Neither Twickenham Primary Academy nor the trust currently have any free reserves which are not budgeted for. GEMS Didcot Primary Academy is in the position to set aside one month's payroll in reserve during the 18/19 financial year.

GEMS Didcot Primary Academy currently has £32,261 in unspent capital grants issues for pre-opening ICT and Devolved Formula Capital Grant.

Disclosure of funds in deficit is also included in the Funds Note in the financial statements note 14.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Investment policy

GEMS Learning Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds. The Trust does not consider the investment of surplus funds as a primary activity, rather it is the result of good stewardship as and when circumstances allow. The Trust aims to:

- ensure adequate cash balances are maintained in the current account to cover day-to-day working capital requirements;
- ensure there is no risk of loss in the capital value of any cash funds invested;
- protect the capital value of any invested funds against inflation;
- optimise returns on invested funds.

In considering and making any investments, the GEMS Learning Trust must:

- Act within its powers to invest as set out in their articles of association;
- Follow the Charity Commission's guidance: CC14 Charities and investment matters: A guide for trustees;
- Obtain ESFA prior approval for investment transactions which are novel and/or contentious;
- Exercise care and skill in all investment decisions, taking advice as appropriate from a professional adviser;
- Ensure that security takes precedence over revenue maximisation;
- Ensure that all investment decisions are in the best interests of the trust, are value for money and command broad public support;
- Prepare and monitor cash flow to ensure there are adequate liquid funds to meet all payroll related commitments and outstanding supply creditors that are due for payment;
- Invest in an interest bearing account in a UK regulated bank;
- Be able to access funds within 12 weeks of request;
- review its investments and investment policy regularly.

The GEMS Learning Trust has not currently invested any surplus cash funds.

Financial and Risk Management Objectives and Policies

The trust has a formal risk management process in place to identify and assess all risks associated with the organisation; this enables the instigation of risk mitigation strategies. A Risk Register is in place which is subject to regular review and made available to all staff. Key members of staff and Trustees are involved in the preparation of the Risk Register, overseen by the Finance Committee. All members of staff are aware of the risk management policy and the controls in place to limit exposure to risk. The Risk Register identifies the types of risk the trust might encounter and rates the risks in terms of likelihood and impact. This ensures that the most significant risks are highlighted, appropriate strategies to be implemented and the allocation of resources.

As the majority of the trust's funding is derived from the ESFA, via the Department for Education, the trustees consider this element of funding to be reasonably secure. The most significant risks relating to this income result from delays in opening Kingston Primary Academy and the effect of reducing pupil numbers at Twickenham. The trustees have laid out their strategies for dealing with these risks within the trust's risk register.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Principal risks and uncertainties

The education sector is one in which there is constant change and therefore there is continual need to identify and address risks and uncertainty. The responsibility to identify and react to risk rests with the trustees and Senior Leadership Team.

The trust has adopted a policy whereby risks are monitored on a likelihood and impact basis. As such, the key risks facing the trust are detailed below:

Pupil numbers

There is a low risk of a deficit budget at GEMS Twickenham Primary Academy at the end of 2018/19 academic year due to low pupil numbers currently on roll in relation to reduced birth rates for this year group across the borough which is different to the predictions previously forecast by the LA. The academy is expected to drive a stronger marketing campaign, improve its website and to promote the excellent results through the local press for 2019/20 places. Take up of places has increased from 33 in September 2017 to 38 September 2018. The recent Ofsted judgement is expected to have a positive impact on take up of places.

Central trust funds

The trust has made a request to the ESFA for further project development grant funding for Kingston Primary Academy which has been delayed for a fourth time. The PDG funding reduced funding of £150,000 for this school in 2014, £70,000 less than the funding awarded for opening a new school by itself in one year (as it was planned to open in the same year as Twickenham Primary Academy). The trust has also invested circa £11,000 in non-recoupable costs for recruitment, advertising and marketing which it has asked the ESFA to reimburse to reduce the impact of the delays which were outside the trust's control. The DfE is awaiting confirmation of a new opening date before issuing any further grants for the set up of this school.

Other risks

Following the collapse of Carillion, the primary contractor at Didcot Primary Academy, Oxfordshire County Council have allocated £1 million to address and remedy the legacy defects left at the school as a result of the build process. There is some health and safety risks caused by poor workmanship and some safeguarding issues, both of which the school is taking management steps to mitigate. There is also some risk that the Council may not remedy all of the issues and defects. However the process is being monitored through regular meetings with the project lead from the Council as well as being supported to completion by the Director of Children's Services at the Local Authority.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Financial Instruments

Credit Risk:

The trust has no transactions it considers to be a credit risk.

Cash flow and liquidity:

The trust has one central bank account which supports the schools against potential cash flow risks. At the present there are no potential cash flow risks.

Equal Opportunities and Disabled persons policies (Equalities Policy)

The Academy Trust's policy on equal opportunities outlines the commitment of the staff and trustees of GEMS Learning Trust to ensure that equality of opportunity is available to all members of the trust community. For our trust this means, not simply treating everybody the same but, understanding and tackling the different barriers which could lead to unequal outcomes for different groups of students in the schools. It also means celebrating and valuing the equal opportunity achievements and strengths of all members of the school community. These include: -

- Children;
- Teaching staff;
- Support staff;
- Parents/carers;
- Community governors;
- Multi-agency staff linked to the Trust;
- Visitors to the Trust and academies;
- Students on placement.

The trustees believe that equality at the trust should permeate all aspects of trust life and is the responsibility of every member of the trust and wider community. Every member of the trust community should feel safe, secure, valued and of equal worth.

At GEMS Learning Trust, equality is a key principle for treating all people the same irrespective of their gender, ethnicity, disability, religious beliefs, sexual orientations, age or any other recognised area of discrimination.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

GEMS Learning Trust is an Equal Opportunities Employer and is committed to the employment of people with disabilities and guarantees an interview for those who meet minimum selection criteria. The trust provides training and development for all its employees, including people with disabilities, tailored where appropriate, to ensure they have the opportunity to achieve their potential. If a trust employee becomes disabled while in our employment, we will do our best to retain them, including consulting them about their requirements, making reasonable and appropriate adjustments, and providing alternative suitable provisions.

Employee Information Policy

GEMS Learning Trust includes 2 staff trustees on each Local Academy Board and both Principals serve as ex-officio members of the local boards. This ensures that:

- employees views are taken into account on decisions affecting their interests; and
- there is a common awareness on the part of all employees of all factors that affect the trust's performance

GEMS Learning Trust also undertakes discussions with employees when making decisions that affect employee interests to ensure that employees' views are reflected in decisions made and their interests are protected.

Fundraising

GEMS Learning Trust has not yet needed to run any fundraising exercises however both school PTAs have raised funds on behalf of the schools and have donated the proceeds of their activities.

- Our approach to fundraising will be to keep the number of fundraising events and requests to a minimum (no more than one per year) and to ensure that parents and carers aren't manipulated or badgered into donating money to the school;
- GEMS Learning Trust does not and has no plans to work with any commercial participants / professional fundraisers;
- GEMS Learning Trust will ensure any fundraising activities conform to recognised standards;
- monitoring of fundraising carried out on its behalf;
- GEMS Learning Trust has not received and fundraising complaints, and if received in the future, will ensure any subsequent recommendations are acted upon;
- GEMS Learning Trust takes seriously its responsibility to protect of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate.

Plans for future periods

GEMS Learning Trust reviewed the benefits that growth could bring to pupils attending its schools during the academic year 2017/18. The trust has a large degree of expertise in setting up and opening new schools and is as yet untested in terms of key stage two results and outcomes for children. This led to the conclusion that trust should seek to establish new primary academies, based on existing primary educational expertise in the trust, in the vicinity of its existing schools as this would be the route to realise such benefits, perhaps two or three in each geographical location to form viable local hubs.

It was agreed that at the current stage in the growth of the trust that the most likely route for expansion was to respond to a council competition to open a new school. The CEO has subsequently submitted an expression of interest to Oxfordshire County Council for a fourth new primary school which includes a nursery. The trust was successful in their expression and has been invited to submit a detailed bid. Outcomes of the competition are likely to be announced at the end of 2018.

GEMS LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Funds held as custodian trustee on behalf of others

Neither the trust nor any of its trustees act as a custodian trustee.

Auditor

In so far as the trustees are aware:

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

In memory - Andy Collins

Andy Collins, our Director of Finance, Audit and Risk, passed away in April 2018. Andy was a director of the GEMS Learning Trust from very early on and was committed to successfully setting up and running the trust on a voluntary basis. The GEMS Learning Trust governors and school staff will remember Andy for his endless energy and good nature and for the pride he took in all his roles.

Approved by order of the members of the governing body on 27 November 2018 and signed on its behalf by:



Dr Harry Ziman
Chair of Trustees

GEMS LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The trustees have delegated the day-to-day responsibility to the Chief Executive Officer, 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 GEMS Learning Trust and the Secretary of State for Education. The Accounting Officer is also responsible for reporting to the 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:

Trustees	Meetings attended	Out of possible
Dr Harry Ziman	2	3
Mr Andy Collings (Deceased 29 April 2018)	1	1
Mr Joseph Garrod	2	3
Ms Luisa Weinzierl (Resigned 28 October 2017)	0	0
Ms Joanna Croft	3	3
Ms Teresa de Quincey (Resigned on 27 June 2018)	2	3
Mr Rony Valeny	2	3
Ms Hannah Wilson (Resigned 27 July 2018)	1	2
Ms Danielle West	3	3
Ms Leah Perring (Appointed 27 June 2018)	1	1

GEMS LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

Changes to the Board in the financial year include

- Leah Perring was appointed to the Board on 27 June 2018
- Hannah Wilson resigned from the Board on 27 of June 2018
- Andy Collings passed away during April 2018 and Rony Valeny has acted as Finance Director on an interim basis
- The Operations Committee met on a half termly basis
- The Standards Committee met three times during 2017/18. Principals are held to account by the Standards Committee,
- Local Advisory Committees were renamed Local Academy Boards which were then delegated some governance responsibilities

The Operations and Standards Committees are sub-committees of the main Trust Board. The purpose of the Operations Committee is to share the workload of the Accounting Officer in managing and monitoring the organisation's financial matters. The Operations Committee has formally met 6 times during the year; 5 times for monitoring meetings and 1 additional meeting to approve the annual accounts. An Audit Committee exists to oversee the year end audit process.

This Finance Committee provides an opportunity for detailed discussion and consideration of financial and property matters, with regular reporting to the full board of trustees. It is given delegated authority for most financial decision-making, but the full board of trustees as a whole remains accountable and must still remain actively engaged in financial and premises matters.

Benefits of the Finance Committee include:

- Helping to prevent fraud by ensuring that all tasks associated with the finance function are not performed by one person without supervision from others (segregation of duties);
- Allowing the Full Trust Board meetings to focus on a wider range of issues, as detailed financial and property discussions can take place within the sub-committee;
- Enabling more democratic control of the organisation's finances and estate;
- Spreading the burden of financial and premises management, thereby also potentially improving its quality;
- Helping train new committee members in financial and premises related matters.

GEMS LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Matters discussed during the year to 31 August 2018 include:

- Full review of finance and estates policies
- Agreement of financial regulations and scheme of delegation
- Regular review of the current financial position
- Review of long term (3-5 years) financial position
- Assurance work on health and safety matters relating to the estate
- Investigations into furthering the trusts charitable aim through community involvement
- Continuation of the audit committee to meet statutory needs
- Review of capital grants received in year for the improvement of the estate
- Consideration of the schools assets and fulfilment of the trust's charitable obligations to maximise the benefit of those assets with regard to asset disposal and reinvestment

Attendance at Finance Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Croft, Joanna	6	6
Collings, Andy	3	3
Rony Valeny	3	3
Joe Garrod	4	6
Danielle West	6	6

The Audit Committee is also a sub-committee of the main board of trustees. Its purpose is to:

- Recommend the appointment of the auditors
- Remove the burden of audit matters from the Finance Committee
- Act as the investigating body in the event of any accusation of fraud
- Oversee the year end process
- Receive the response from the appointed Auditors
- Recommend adjustments to the practice of the finance function based on the auditors findings
- Receive and recommend the adoption or rejection of the Annual Accounts to the Board of Trustees

Attendance at Audit Committee meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Croft, Joanna	1	1
Collings, Andy	1	1

Review of Value for Money

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

GEMS LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the trust has delivered improved value for money during the year by:

- Outstanding judgement at Twickenham Primary Academy with full on-site support from Chief Academic Officer throughout two-day inspection to assist principal with joint observations and production of supportive evidence for inspectors
- The development of a full suite of GDPR compliant policies, trust-wide audit of data compliance, new procedures to mitigate against data breaches, whole staff training programme implemented.
- Expansion of the role of Didcot Office manager to include Data Protection Officer
- Successful migration of trust email accounts from GEMS Education to the trust
- Monitoring of trust wide energy usage and identification of ways to save energy and reduce costs
- Successfully renegotiation of core working hours for support staff from 35 to 37 per week
- Supporting the new Principal at Twickenham Primary Academy to acquire an NPQH qualification
- Weekly monitoring of academy budgets to ensure spending controls
- Application for additional project development grant to support the trust through fourth delay of their third school opening
- Detailed application for a fourth school developed

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 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 GEMS Learning Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

Capacity to Handle Risk

The board of trustees have reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the trustees.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the trustees;
- regular reviews by the Finance 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.

GEMS LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed UHY Hacker Young, as internal auditor. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the trust's financial systems.

In particular the checks carried out in the current period include:

- testing of payroll systems;
- testing of purchase systems; and
- testing of control / bank reconciliations

On an annual basis, the internal auditor reports to the board of trustees, through the Operations Committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned. Details of any material control issues are described below with a summary of remedial action to rectify the issues.

1. The business interests and declarations are not completed by the members of the LAC.
 - a. This was not required as the LAC were not a governing body. The newly formed LABs will be asked to complete declarations of business interest forms
2. Danielle West has not completed skills audit of Directors
 - a. This has subsequently been addressed
3. Joanna Croft is the clerk at the AGM. The clerk is required to be an independent person – not a director, governor, or head teacher.
 - a. This will be addressed for subsequent AGMs

Review of effectiveness

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

- the work of the internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the trust who have responsibility for the development and maintenance of the internal control framework.

GEMS LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

Approved by order of the Board of Trustees on 27 November 2018 and signed on its behalf by:



Dr Harry Ziman
Chair of Trustees



Ms Joanna Croft
Accounting Officer

GEMS LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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

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

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



Ms Joanna Croft
Accounting Officer

27 November 2018

GEMS LEARNING TRUST

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

The trustees (who act as governors of GEMS Learning Trust and are also the directors of the charitable company for the purposes of company law) are 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 they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 27 November 2018 and signed on its behalf by:



Dr Harry Ziman
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GEMS LEARNING TRUST

Opinion

We have audited the accounts of GEMS Learning Trust for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated 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 the knowledge and understanding of the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the trustees are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, 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 accounts 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 accounts.

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

Use of Our Report

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



Colin Wright 'Senior Statutory Auditor'
for and on behalf of UHY Hacker Young

12/12/2018

Chartered Accountants
Statutory Auditor

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO GEMS LEARNING TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 April 2015 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by GEMS Learning Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of GEMS Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of GEMS Learning Trust's funding agreement with the Secretary of State for Education dated 18 March 2015 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO GEMS LEARNING TRUST AND THE EDUCATION FUNDING
AGENCY (CONTINUED)**

The work undertaken to draw to our conclusion includes:

- Review and corroboration of the most recent Financial Management and Governance Evaluation
- Evaluation of the general control environment
- Confirmation that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education
- Review of the declaration of interests to ensure completeness
- Review of minutes for evidence of declaration of interest
- A sample of payments has been reviewed to confirm that each item has been appropriately authorised in accordance with the academy trust's delegated authorities
- A sample of cash payments were reviewed for unusual transactions
- A sample of expenditure items were reviewed against specific terms of grant funding within the funding agreement
- Formal representation have been obtained from the governing body and the accounting officer acknowledging their responsibilities for matters relating to regularity and propriety.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young
Quadrant House
4 Thomas More Square
London
E1W 1YW

Dated: 12/12/2018

GEMS LEARNING TRUST

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

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	2	5,666	-	120,874	126,540	7,390,731
Charitable activities:						
- Funding for educational operations	3	30,912	1,727,740	-	1,758,652	1,477,924
Other trading activities	4	102,364	-	-	102,364	49,299
Total		<u>138,942</u>	<u>1,727,740</u>	<u>120,874</u>	<u>1,987,556</u>	<u>8,917,954</u>
Expenditure on:						
Charitable activities:						
- Educational operations	6	13,775	1,836,790	507,322	2,357,887	1,914,524
Total	5	<u>13,775</u>	<u>1,836,790</u>	<u>507,322</u>	<u>2,357,887</u>	<u>1,914,524</u>
Net (expenditure)/income		125,167	(109,050)	(386,448)	(370,331)	7,003,430
Transfers between funds	14	(51,975)	51,878	97	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	16	-	86,000	-	86,000	-
Net movement in funds		<u>73,192</u>	<u>28,828</u>	<u>(386,351)</u>	<u>(284,331)</u>	<u>7,003,430</u>
Reconciliation of funds						
Total funds brought forward		80,949	17,114	9,294,617	9,392,680	2,389,250
Total funds carried forward		<u>154,141</u>	<u>45,942</u>	<u>8,908,266</u>	<u>9,108,349</u>	<u>9,392,680</u>

GEMS LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information Year ended 31 August 2017	Notes	Unrestricted Funds £	General	Restricted funds: Fixed asset £	Total 2017 £
Income and endowments from:					
Donations and capital grants	2	32,082	-	7,358,649	7,390,731
Charitable activities:					
- Funding for educational operations	3	10,595	1,467,329	-	1,477,924
Other trading activities	4	37,388	11,911	-	49,299
Total		80,065	1,479,240	7,358,649	8,917,954
Expenditure on:					
Charitable activities:					
- Educational operations	6	7,747	1,534,321	372,456	1,914,524
Total	5	7,747	1,534,321	372,456	1,914,524
Net income/(expenditure)		72,318	(55,081)	6,986,193	7,003,430
Transfers between funds	14	-	6,948	(6,948)	-
Reconciliation of funds					
Total funds brought forward		8,631	65,247	2,315,372	2,389,250
Total funds carried forward		80,949	17,114	9,294,617	9,392,680


GEMS LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	10		8,875,399		9,232,619
Current assets					
Debtors	12	154,942		353,727	
Cash at bank and in hand		488,281		423,731	
		<u>643,223</u>		<u>777,458</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(329,273)		(514,397)	
Net current assets			313,950		263,061
Net assets excluding pension liability			<u>9,189,349</u>		<u>9,495,680</u>
Defined benefit pension scheme liability	16		(81,000)		(103,000)
Net assets			<u>9,108,349</u>		<u>9,392,680</u>
Funds of the Academy Trust:					
Restricted funds	14				
- Fixed asset funds			8,908,266		9,294,617
- Restricted income funds			126,942		120,114
- Pension reserve			(81,000)		(103,000)
Total restricted funds			<u>8,954,208</u>		<u>9,311,731</u>
Unrestricted income funds	14		154,141		80,949
Total funds			<u>9,108,349</u>		<u>9,392,680</u>

The accounts set out on pages 34 to 61 were approved by the Board of Trustees and authorised for issue on 27 November 2018 and are signed on its behalf by:


Dr Harry Ziman
Chair of Trustees

Company Number 08346116

GEMS LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	18		93,778		(15,233)
Cash flows from investing activities					
Capital grants from DfE		10,565		(52,575)	
Capital funding received from sponsors and others		110,309		7,411,224	
Purchase of tangible fixed assets	10	(150,102)		(7,483,988)	
Net cash used in investing activities			(29,228)		(125,339)
Net increase/(decrease) in cash and cash equivalents in the reporting period			64,550		(140,572)
Cash and cash equivalents at beginning of the year			423,731		564,303
Cash and cash equivalents at end of the year			488,281		423,731

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

GEMS Learning Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

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

1.1 Basis of preparation

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

GEMS Learning Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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

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

Sponsorship income

Sponsorship income provided to the trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Donations

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

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Governance costs

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

1.5 Tangible fixed assets and depreciation

Land, buildings and improvements costing £5,000 or more, and machinery, equipment and vehicles costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	15 to 25 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years

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

1.6 Liabilities

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

1.7 Provisions

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.8 Leasing and hire purchase commitments

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

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the trust are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit schemes and the assets are held separately from those of the trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The Local Government Pension Scheme is a funded scheme and the assets are held separately from those of the trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities 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.

1.11 Fund accounting

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

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Skills Funding Agency.

1.12 Financial instruments

The trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the trust's statement of financial position when the trust becomes party to the contractual provisions of the instrument.

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

1.13 Financial assets

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Financial Activities.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Financial Activities.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.14 Financial liabilities

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the trust after deducting all of its liabilities.

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the trust's contractual obligations expire or are discharged or cancelled.

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

Pension Liability Provision

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 16, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Depreciation

The Trustees estimate the useful economic lives and residual values of Buildings, Computer Equipment, Furniture and Fittings and Motor Vehicles in order to calculate the depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charges in the statement of financial activities and the balance sheet.

Critical areas of judgement

The trustees do not consider that they have made any critical judgements in the preparation of the financial statements.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Donated fixed assets	-	-	-	6,533,054
Capital grants	-	120,874	120,874	825,595
Other donations	5,666	-	5,666	32,082
	<u>5,666</u>	<u>120,874</u>	<u>126,540</u>	<u>7,390,731</u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	1,257,155	1,257,155	1,116,359
Other DfE group grants	-	348,640	348,640	248,842
	-	1,605,795	1,605,795	1,365,201
Other government grants				
Local authority grants	-	121,945	121,945	109,122
Special educational projects	-	-	-	(6,994)
	-	121,945	121,945	102,128
Other funding				
Other incoming resources	30,912	-	30,912	10,595
Total funding	30,912	1,727,740	1,758,652	1,477,924

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	46,306	-	46,306	14,189
Catering income	7,823	-	7,823	11,911
Music tuition	-	-	-	155
After school and breakfast clubs	35,398	-	35,398	16,399
Other income	12,837	-	12,837	6,645
	102,364	-	102,364	49,299

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

5 Expenditure

	Staff costs & equipment £	Premises equipment £	Other costs £	Total 2018 £	Total 2017 £
Academy's educational operations					
- Direct costs	505,412	-	113,131	618,543	737,884
- Allocated support costs	827,690	535,161	376,493	1,739,344	1,176,640
	<u>1,333,102</u>	<u>535,161</u>	<u>489,624</u>	<u>2,357,887</u>	<u>1,914,524</u>
Total expenditure	<u>1,333,102</u>	<u>535,161</u>	<u>489,624</u>	<u>2,357,887</u>	<u>1,914,524</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees paid to auditor for audit services	14,250	12,250
Depreciation of tangible fixed assets	<u>507,322</u>	<u>372,456</u>

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; and
- others as arising.

The academy trust charges for these services at a flat 4% of income of the school budget share.

The amounts charged during the year were as follows:

	Total £
Twickenham Primary Academy	29,568
Didcot Primary Academy	40,188
	<u>69,756</u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	13,775	604,768	618,543	737,884
Support costs				
Educational operations	-	1,739,344	1,739,344	1,176,640
	<u>13,775</u>	<u>2,344,112</u>	<u>2,357,887</u>	<u>1,914,524</u>
			2018	2017
			£	£
Analysis of support costs				
Support staff costs			827,690	414,951
Depreciation			507,322	372,456
Technology costs			749	-
Premises costs			182,969	216,401
Other support costs			178,765	140,917
Governance costs			41,849	31,915
			<u>1,739,344</u>	<u>1,176,640</u>

7 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	611,472	512,275
Social security costs	86,317	70,227
Pension costs	197,403	121,802
Staff costs	<u>895,192</u>	<u>704,304</u>
Agency staff costs	68,365	28,448
Staff development and other staff costs	369,545	264,306
Total staff expenditure	<u>1,333,102</u>	<u>997,058</u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	16	9
Administration and support	32	22
Management	8	4
	<u>56</u>	<u>35</u>

Higher paid staff

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

	2018 Number	2017 Number
£70,001 - £80,000	-	1
£60,001 - £70,000	2	1
	<u>2</u>	<u>1</u>

Key management personnel

The key management personnel of the trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the trust was £231,884 (2017: £244,878).

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Trustees' remuneration and expenses

The Principals and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principals and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £1,395 (2017: £1,285) were reimbursed to 4 trustees (2017: 1 Trustees).

The value of trustees remuneration was as follows:

	Remuneration	
	2018	2017
Jodie Croft (CEO)	£55,000 - 60,000	£50,000 - £55,000
Phillippa Hogg-Andrews (resigned)	-	£70,000 - £75,000
Alison Ashcroft (Headteacher)	£60,000 - £65,000	£60,000 - £65,000
Teresa de Quincey (Director of Education)	£35,000 - £40,000	£35,000 - £40,000
John Smith (Headteacher)	£60,000 - £65,000	-

	Employer's pension contributions	
	2018	2017
Jodie Croft (CEO)	£Nil - £5,000	£Nil - £5,000
Phillippa Hogg (resigned)	-	£5,000 - £10,000
Alison Ashcroft (Headteacher)	£10,000 - £15,000	£Nil - £5,000
Teresa de Quincey (Director of Education)	£Nil - £Nil	£Nil - £5,000
John Smith (Headteacher)	£Nil - £Nil	-

Other related party transactions involving the trustees are set out within the related parties note.

9 Trustees and officers insurance

The trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on trust business, and provides cover up to £10,000,000. It is not possible to quantify the trust and officers indemnity element from the overall cost of the RPA scheme.

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	9,154,246	309,656	209,627	9,673,529
Additions	101,896	39,534	8,672	150,102
At 31 August 2018	9,256,142	349,190	218,299	9,823,631
Depreciation				
At 1 September 2017	283,124	138,383	19,403	440,910
Charge for the year	369,459	107,130	30,733	507,322
At 31 August 2018	652,583	245,513	50,136	948,232
Net book value				
At 31 August 2018	8,603,559	103,677	168,163	8,875,399
At 31 August 2017	8,871,122	171,273	190,224	9,232,619

11 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	556,946	703,095
Carrying amount of financial liabilities		
Measured at amortised cost	154,367	452,521

The trustees have considered the trust's exposure to credit, cash flow and liquidity risks as part of its annual risk assessment procedures. Risks are assessed within the trust's risk register and monitored throughout the year. The trustees do not consider the trust to be materially exposed to credit, cash flow or liquidity risk, owing to sufficient bank balances and limited debtor exposures.

GEMS LEARNING TRUST**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2018**

12 Debtors	2018	2017
	£	£
Trade debtors	10,225	8,595
VAT recoverable	16,234	45,734
Other debtors	-	7,713
Prepayments and accrued income	128,483	291,685
	<u>154,942</u>	<u>353,727</u>
	<u><u>154,942</u></u>	<u><u>353,727</u></u>
 13 Creditors: amounts falling due within one year	 2018	 2017
	£	£
Trade creditors	53,990	247,415
Other taxation and social security	21,410	17,209
ESFA creditors	1,367	21,894
Other creditors	15,641	13,904
Accruals and deferred income	236,865	213,975
	<u>329,273</u>	<u>514,397</u>
	<u><u>329,273</u></u>	<u><u>514,397</u></u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	95,408	1,257,155	(1,319,555)	51,878	84,886
Other DfE / ESFA grants	10,336	348,640	(333,818)	-	25,158
Other government grants	10,681	121,945	(119,417)	-	13,209
Other restricted funds	3,689	-	-	-	3,689
Pension reserve	(103,000)	-	(64,000)	86,000	(81,000)
	<u>17,114</u>	<u>1,727,740</u>	<u>(1,836,790)</u>	<u>137,878</u>	<u>45,942</u>
Restricted fixed asset funds					
Inherited funds	6,271,732	-	-	-	6,271,732
DfE capital grants	3,022,885	120,874	(507,322)	97	2,636,534
	<u>9,294,617</u>	<u>120,874</u>	<u>(507,322)</u>	<u>97</u>	<u>8,908,266</u>
Total restricted funds	<u>9,311,731</u>	<u>1,848,614</u>	<u>(2,344,112)</u>	<u>137,975</u>	<u>8,954,208</u>
Unrestricted funds					
General funds	<u>80,949</u>	<u>138,942</u>	<u>(13,775)</u>	<u>(51,975)</u>	<u>154,141</u>
Total funds	<u>9,392,680</u>	<u>1,987,556</u>	<u>(2,357,887)</u>	<u>86,000</u>	<u>9,108,349</u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

(Continued)

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

General Annual Grant

The General Annual Grant must be used for the normal running costs of the trust including salary costs, overheads, premises costs and curriculum costs. Under the funding agreement with the Secretary of State, GEMS Learning Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Start-Up Grant

The Start-Up Grant must be used for the development of the school including salary costs, overheads and premises costs as the school is prepared for opening. Under the funding agreement with the Secretary of State the academy was not subject to a limit on the amount of Start-Up Grant that it could carry forward as at 31 August 2018.

Other DfE/ESFA and government grants

Other grants include funding received from the DfE and Local Education Authorities for specific purposes.

Fixed asset fund

The fixed asset fund includes grants received from the DfE and other sources to finance the purchase of tangible assets.

Pension reserve

The pension reserve is the provision for the element of the local government pension fund liability attributable to GEMS Learning Trust.

Transfer between funds

A transfer from restricted fixed asset funds to the restricted general fund was necessary to fund capital expenditure, below the capitalisation limit, carried out during the year. A transfer between restricted general funds was necessary to reflect the funding of activities in the year.

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	168,247	1,116,359	(1,156,901)	(32,297)	95,408
Other DfE / ESFA grants	-	248,842	(304,655)	66,149	10,336
Other government grants	-	102,128	(72,466)	(18,981)	10,681
Other restricted funds	-	11,911	(299)	(7,923)	3,689
Pension reserve	(103,000)	-	-	-	(103,000)
	<u>65,247</u>	<u>1,479,240</u>	<u>(1,534,321)</u>	<u>6,948</u>	<u>17,114</u>
Restricted fixed asset funds					
Inherited funds	-	6,533,054	(261,322)	-	6,271,732
DfE capital grants	2,315,372	825,595	(111,134)	(6,948)	3,022,885
	<u>2,315,372</u>	<u>7,358,649</u>	<u>(372,456)</u>	<u>(6,948)</u>	<u>9,294,617</u>
Total restricted funds	<u>2,380,619</u>	<u>8,837,889</u>	<u>(1,906,777)</u>	<u>-</u>	<u>9,311,731</u>
Unrestricted funds					
General funds	<u>8,631</u>	<u>80,065</u>	<u>(7,747)</u>	<u>-</u>	<u>80,949</u>
Total funds	<u>2,389,250</u>	<u>8,917,954</u>	<u>(1,914,524)</u>	<u>-</u>	<u>9,392,680</u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Funds

(Continued)

Total funds analysis by academy

	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
GEMS Twickenham Primary Academy	32,244	16,316
GEMS Didcot Primary Academy	186,372	82,620
Central services	62,467	102,127
Total before fixed assets fund and pension reserve	281,083	201,063
Restricted fixed asset fund	8,908,266	9,294,617
Pension reserve	(81,000)	(103,000)
Total funds	9,108,349	9,392,680

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
GEMS Twickenham Primary Academy	433,918	57,348	34,414	215,299	740,979
GEMS Didcot Primary Academy	566,469	75,696	77,942	211,461	931,568
Central services	-	107,811	-	6,186	113,997
	1,000,387	240,855	112,356	432,946	1,786,544

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Deferred income	2018	2017
	£	£
Deferred income is included within:		
Creditors due within one year	152,129	44,667
	<u> </u>	<u> </u>
Deferred income at 1 September 2017	44,667	12,266
Released from previous years	(44,667)	(12,266)
Resources deferred in the year	152,129	44,667
	<u> </u>	<u> </u>
Deferred income at 31 August 2018	152,129	44,667
	<u> </u>	<u> </u>

16 Pension and similar obligations

The trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff. The trust has identified the requirement for eligible non-teaching staff to belong to the LGPS. The trust enrolled eligible staff and backdated contributions to 1 September 2015, when the staff became eligible to enrol. The outstanding LGPS deficit at 31 August 2018 is £81,000 and this has been recognised as a provision in the year end balance sheet. Both the TPS and LGPS are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to increase and will be payable from 1 September 2019.

The employer's pension costs paid to the TPS in the period amounted to £81,682 (2017: £34,588).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 5.5% to 12.5% for employers and 13.7% to 23.8% 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.

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Pension and similar obligations

(Continued)

Total contributions made	2018	2017
	£	£
Employer's contributions	58,000	44,000
Employees' contributions	15,000	12,000
	<u>73,000</u>	<u>56,000</u>
Total contributions	73,000	56,000
	<u><u>73,000</u></u>	<u><u>56,000</u></u>
Principal actuarial assumptions	2018	2017
	%	%
Rate of increase in salaries	3.53	4
Rate of increase for pensions in payment/inflation	2.33	2.6
Discount rate for scheme liabilities	2.68	2.45
	<u><u>2.68</u></u>	<u><u>2.45</u></u>

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

	2018	2017
	Years	Years
Retiring today		
- Males	24	23.9
- Females	25.8	25.75
Retiring in 20 years		
- Males	26.3	26.2
- Females	28.2	28.1
	<u><u>28.2</u></u>	<u><u>28.1</u></u>

Scheme liabilities would have been affected by changes in assumptions as follows:

The Academy Trust's share of the assets in the scheme	2018	2017
	Fair value	Fair value
	£	£
Equities	191,000	110,000
	<u>191,000</u>	<u>110,000</u>
Total market value of assets	191,000	110,000
	<u><u>191,000</u></u>	<u><u>110,000</u></u>

The actual return on scheme assets was £10,000 (2017: £-).

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

16 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018	2017
	£	£
Current service cost	120,000	96,000
Interest income	(3,000)	(1,000)
Interest cost	5,000	1,000
	<u>122,000</u>	<u>96,000</u>

Changes in the present value of defined benefit obligations	2018
	£
At 1 September 2017	213,000
Current service cost	120,000
Interest cost	(37,000)
Employee contributions	15,000
Actuarial gain	(37,000)
Benefits paid	(2,000)
	<u>272,000</u>

Changes in the fair value of the Academy Trust's share of scheme assets	2018
	£
At 1 September 2017	110,000
Interest income	3,000
Actuarial gain	7,000
Employer contributions	58,000
Employee contributions	15,000
Benefits paid	(2,000)
	<u>191,000</u>

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	8,875,399	8,875,399
Current assets	483,414	126,942	32,867	643,223
Creditors falling due within one year	(329,273)	-	-	(329,273)
Defined benefit pension liability	-	(81,000)	-	(81,000)
Total net assets	154,141	45,942	8,908,266	9,108,349

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	9,232,619	9,232,619
Current assets	80,949	634,511	61,998	777,458
Creditors falling due within one year	-	(514,397)	-	(514,397)
Provisions for liabilities	-	(103,000)	-	(103,000)
Total net assets	80,949	17,114	9,294,617	9,392,680

18 Reconciliation of net (expenditure)/income to net cash flows from operating activities

	2018 £	2017 £
Net (expenditure)/income for the reporting period	(370,331)	7,003,430
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(120,874)	(7,358,649)
Defined benefit pension costs less contributions payable	62,000	-
Defined benefit pension net finance cost	2,000	-
Depreciation of tangible fixed assets	507,322	372,456
Decrease in debtors	198,785	1,012,168
Decrease in creditors	(185,124)	(1,044,638)
Net cash provided by operating activities	93,778	(15,233)

GEMS LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. There were no related party transactions in the period of account and none also in the prior year.

20 Post balance sheet events

There were no post balance sheet events affecting the trust.

21 Members' liability

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