

M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018



Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

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**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
REFERENCE AND ADMINISTRATIVE DETAILS**

Trustees

Paul Barker-Matthews (Chair) #
Patricia Holmes #
David How (CEO and Accounting officer)#
Christopher Atkinson #
Lynne Allan

members of the finance and audit committees

Members

Andrew Harty (until 31/08/2018)
Lynne Allan
Christopher Atkinson
Paul Barker-Matthews
Patricia Holmes

Senior leadership team

- Head teacher
- Head of school
- Assistant head
- Assistant head
- Assistant head
- Assistant head
- Director of finance and resources

David How
Elizabeth Hardy
Victoria Jackson
Joanna Burrows
Julie-Anne Shaughnessy
Ruth Byrne
Tina Smith

Company registration number

08698831 (England and Wales)

Registered office

Beaver Road, Didsbury, Manchester, M20 6SX

Independent auditors

Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT

Bankers

Lloyds Bank, 42 – 46 Market Street, Deansgate, Manchester, M1 1PW

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The academy trust operates an academy for pupils aged 3 to 11 serving a catchment area in Didsbury. It has a pupil capacity of 720 which includes a 90 place nursery and had a roll of 710 in the schools census on 17 May 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee (company number: 08698831) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Beaver Road Academy Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as Beaver Road Primary School.

Details of the trustees who served during the year and to the date these accounts are approved are included in the reference and administrative details on page 1.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

The trustees and governors are processed by a majority resolution of the board. A similar process will be used if it becomes necessary to remove a trustee. These are then subject to confirmation by members. Parent governors are appointed in compliance with a process set out in accordance with Department for Education guidelines. Other governors are recruited and appointed to ensure there is breadth of skill and knowledge necessary to advance the academy trust in all areas. The articles of association require members of the charitable company to appoint at least three trustees to be responsible for the statutory and constitutional affairs and the management of the academy trust.

Policies and procedures adopted for the induction and training of trustees

The trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to Beaver Road Academy Trust, attend a briefing and receive an induction pack on the role and responsibilities of trustees. During this year, trustees were offered all necessary training.

Organisational structure

The management structure of the trust consists of the board of trustees, the local governing body, specific committees and the senior leadership team of the school. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The trustees fulfil a strategic role and are responsible for setting general policy, adopting a strategic school development plan and setting the budget. They also monitor Beaver Road Academy Trust by the use of financial reports and examination results and make major decisions about the direction of Beaver Road Academy Trust, capital expenditure and senior staff appointments.

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The school leadership team is the headteacher, the head of school, 4 assistant headteachers and the director of finance & resources. These leaders control Beaver Road Academy Trust at an executive level implementing the policies laid down by the trustees and are accountable to them for the performance of the school. The head teacher is the accounting officer.

The board of trustees has seven committees. Each committee has its own terms of reference detailing the responsibilities discharged to the committee and to the headteacher. The terms of reference and meeting frequency for each committee is reviewed and approved by the trustees annually. The terms of reference for the finance committee detail the academy's authorised spending limits.

The committees of the board of trustees are:

- Finance
- Curriculum
- Audit committee
- Headteachers' performance management
- Pay committee
- Pay appeals
- Disciplinary

Arrangements for setting pay and remuneration of key management personnel

Key management personnel are defined as being those who have 'authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise'. Beaver Road Academy Trust defines this as the school leadership team. The arrangements for setting pay and remuneration is set out in the academies pay policy which is reviewed annually.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the relevant periods	Full-time equivalent employee number
2	2

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£307.00
Provide the total pay bill	£2,722,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.01%

**M20 LEARNING TRUST
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TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / Total paid facility time hours) x 100	4.56%
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Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements Regulations 2017 for calculation details.

Related Parties and other Connected Charities and Organisations

The academy trust has no related parties or other connected charities or organisations.

Objectives and activities

Objects and aims

Beaver Road Academy Trust's principal activities are 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, managing and developing an academy, offering a broad and balanced curriculum.

Beaver Road Academy Trust's object is to ensure that as a child they have:

- A chance to dream and dreams are fostered
- Have many chances to showcase their talents
- Encouragement to understand their emotions and manage them
- Encouragement to develop their social skills and how to use them
- Experience in the joy of discovering nature
- Experience in the joys and wonders of Manchester and the surrounding region
- The right to be respected and a duty to respect others

Its aim is to provide the children with the necessary academic, creative, physical and social skills that will develop throughout their education and lay the foundations for a fulfilled adult life.

Objectives, strategies and activities

The wider aims of Beaver Road Academy Trust are:

- To play our part in raising national standards in education through sharing good practice with other schools and teachers across Manchester
- To take a leading role in national initiatives

Beaver Road Academy Trust's Key Focus Areas for the year ending 31 August 2018 were:

- Progress and rate of progress of all pupils throughout the school year and from year to year, phase to phase.
- Early identification by class teachers of, and appropriate intervention/action for, children making less than expected progress during a year or between years, particularly where those children with significant barriers to effective learning.
- Involvement and inclusion of all children in identifying and understanding their own learning needs and how to improve.
- Recruitment and retention of high quality staff.
- Development and maintenance of a high quality working environment for all.

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Beaver Road Academy Trust's priorities for the year ending 31 August 2018 were:

- To implement the research findings of Clever Classrooms across the Beaver Road site.
- To embrace the research findings of Clever Classroom in the design of the Y4-Y6 building, due to open in September 2018.
- Year 3 of developing our school as a reading school – 'reading for pleasure'.
- One year action research project to determine the likely impact of the introduction of Singapore Maths in Beaver Road in September 2018.
- Enhancement of guided and shared writing across the school.

Attendance

The academy's overall attendance for 2017/2018 was 95.7%. Persistence absence (absence over 10%) was 8.49% for 2017/2018.

Public benefit

The trustees confirm that they have referred to the Charity Commission's general guidance on the public benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees considered how planned activities will contribute to the aims and objectives they have set.

Beaver Road Academy Trust's 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.

Strategic report

Achievements and performance

The school's progress scores were above average in reading and writing in 2018. This is a significant improvement to 2017 where reading and writing were average. Progress scores in mathematics were average in 2018 however, there has been an improvement from 0.21 in 2017 compared to 1.4 in 2018.

KS2 attainment of at least the expected standard in the combined reading, writing and mathematics measure is above the national at 77% which is an improvement on 2017 which was 68%.

KS2 attainment of the average scales score in reading, GPS and mathematics is above local and national and an improvement to 2017. Attainment is high in reading, writing and mathematics.

The school is above the progress element of the floor standard in 2017 (reading progress score -5; writing progress score -7; mathematics progress score -5). The school is above the floor standard in 2018.

The school is above the attainment element of the floor standard in 2018 (reading, writing and mathematics combined measure 65%). The school is above the floor standard in 2018. This is an improvement to 2017 when the school was 2.8% above the floor standard compared to 2018 where the school is now 11.7% above the floor standard.

The school is not within the coasting school's element in 2018. The school is not within the coasting definition in the last 3 years and therefore is not a coasting school.

Ofsted 'outstanding' in all measures:

Beaver Road Academy Trust was last inspected in 2011 when the academy trust was deemed 'outstanding'. The academy trust constantly reviews and monitors its own progress through self-evaluation and against other academies nationally and locally to ensure that the academy trust continues to be 'outstanding'.

Key performance indicators

The senior leadership team considers the following to be the key performance indicators for the school:

- Attendance
- Attainment and achievement
- Ofsted 'outstanding' in all measures

The results achieved in the year for these key performance indicators are included above.

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that Beaver Road Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

Most of Beaver Road Academy Trust's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2018 and the associated expenditure is shown as restricted funds in the statement of financial activities.

Under Accounting Standard FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided for support staff, to the unrestricted fund. This resulted in the pension fund showing a deficit of £339,000 which has been carried forward to 2018/2019. It should be noted that this does not present a liquidity problem for the academy and that we are reviewing contributions to the pension scheme in order to see a reduction in the pension deficit in the future years.

Reserves policy

The level of reserves held at 31 August 2018 total £3,542,128, of which £250,151 are free reserves. A proportion of the reserves will be allocated as part of the School Development Plan, to update, improve and maintain facilities and resources. A capital spending plan has been completed detailing the short, medium and long term needs and plans of Beaver Road Academy Trust for which reserves will be allocated and determined in order of priority to meet the needs of the school. The trustees will review the reserve levels annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

Investment policy

Beaver Road Academy 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. Beaver Road Academy Trust does not consider the investment of funds as a primary activity, rather as a result of good stewardship as and when circumstances allow.

Principal risks and uncertainties

Beaver Road Academy Trust has a risk management policy. The main risks identified include both strategic and operational risks and have been assessed under the following categories:

Professional – achieving strategic aims, management structures, educational priorities, conduct, and liability beyond classroom and staff and pupil procedures. Physical – injury to staff and pupils, property, financial, legal, environmental, contractual, technological and disaster recovery.

The trustees are aware of their responsibility of the major risks to which Beaver Road Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of Beaver Road Academy Trust and its finances. The trustees have implemented a number of systems to assess risks that the academy trust faces, especially in the operational areas (e.g. in relation to teaching, health and safety and school visits) and in relation to the control of finances. The trustees will introduce further systems, including refinements of internal financial controls in order to minimise risks so that they are satisfied that systems are in place to mitigate any exposure to major risks. They have ensured they have adequate insurance cover. Beaver Road Academy Trust has an effective system of internal financial controls.

A formal review of Beaver Road Academy Trust's risk management process is undertaken on an annual basis and key controls in place will include:

- Formal agendas for all committee activity
- Terms of reference for all board of trustees and delegated committees under the direction of the board of trustees
- Pecuniary interests of trustees reviewed at each meeting
- Comprehensive budgeting and management reporting
- Established organisational structure and clear lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Vetting procedures as required by law for protection for the vulnerable

**M20 LEARNING TRUST
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TRUSTEES' REPORT (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

Fundraising

The parent teacher association undertakes fund raising activities for Beaver Road Academy Trust. The parent teacher association is a separate charity and is accountable for all funds that are raised for the trust.

Plans for future periods

Beaver Road Academy Trust will continue striving to improve and develop its provisions for pupils and will continue its efforts to ensure all pupils reach their full potential.

Beaver Road Academy Trust has a secure understanding of its current strengths and areas for development based on ongoing self-evaluation and analysis of student data. The academy trust development plan has set clear priorities for the year ahead and has been agreed by the board of trustees. Progress towards the development plan targets are regularly monitored and are amended annually by the SLT and trustees. It is underpinned by appropriate budget links.

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.

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



.....
Paul Barker-Matthews
Chair of trustees

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the headteacher, 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 Beaver Road Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Paul Barker-Matthews (Chair)	7	7
Helen Chilton (resigned 29/01/2018)	2	2
Sian Hanison	4	7
Patricia Holmes	6	7
Sarah Turner	6	7
David How	7	7
Holly Myers (resigned 26/02/2018)	3	3
Chris Atkinson	4	7
Lynne Allen	6	7
Pauline Black	7	7
Louise Garvey	4	7
Siobhan Holmes (maternity leave)	0	7
Elizabeth Hardy (from 19/03/2018)	3	3
Wendy Whitehead	0	7

There has been no governance review undertaken during this financial year. The MAT governance is currently in the process of being reviewed with a new MAT governance structure to be in place for Autumn 2018. A program of review will be discussed once this is in place.

The finance committee is a sub-committee of the main board of trustees. Its purpose is to assist the decision making of the board of trustees by enabling more detailed consideration to be given to the best means of fulfilling the board of trustees' responsibility to ensure sound management of Beaver Road Academy Trust's finances and resources, including proper planning, monitoring and probability. This committee will make appropriate comments and recommendations on such matters to the board of trustees on a regular basis. Major issues will be referred to the board of trustees for ratification. Attendance at meetings in the period was as follows:

Trustee	Meetings attended	Out of a possible
Chris Atkinson (Chair)	4	4
Louise Garvey	2	4
Paul Barker-Matthews	4	4
Patricia Holmes	2	4
David How	3	4
Siobhan Holmes (maternity leave)	0	4
Holly Myers (resigned 05/03/2018)	2	2
Elizabeth Hardy (from 05/03/2018)	1	2

The audit committee is also a sub-committee of the main board of trustees. Its purpose is to maintain an oversight of the academy trust's governance, risk management, internal control and value for money framework. This committee will report its findings annually to the board of trustees and the accounting officer as a critical element of the audit committee's annual reporting requirements. The committee members are the same members of the finance committee. For this reason the audit committee was held at the same time as the finance committee and attendance at the meetings was the same as the above finance committee.

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Review of value for money

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

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

Raising student attainment and improving progress

The academy trust this year has implemented a new pupil progress tracking system called Pupil Asset. This has enabled all teachers and the senior leadership team to track progress and attainment at a more detailed level to ensure all pupils make accelerated progress throughout each year and so that interventions can be planned and implemented where necessary. This also directs any school improvements required in year and what the school needs to focus on in future, this in turn ensures that the budget is allocated to specific areas that require additional resources, improving value for money.

Robust governance and oversight of academy trust's finances

The academy trust has a suitably qualified responsible officer (RO). The RO reviews key financial policies, systems and procedures, including the use of tenders and presents reports in compliance to the academy trust's director of finance & resources, headteacher and board of trustees.

The academy trust's board of trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure that the academy trust remains a 'going concern'. The board of trustees also receive and approve the annual accounts and the external auditor's management report.

Ensuring the operation of the trust shows good value for money and efficient and effective use of resources.

Beaver Road Academy Trust requires all suppliers to compete on grounds of cost and quality of products. The academy trust actively seeks out the best products at the best price; regardless of how much Beaver Road Academy Trust aims to spend.

All orders are viewed by the academy's director of finance & resources to ensure that money is being utilised and allocated wisely.

For any order of £10,000 or over the academy trust will obtain three quotes. Successful companies will be chosen on grounds of price, quality and previous track record.

The academy trust is always mindful that minor improvements or savings are not cost effective if the administration involves substantial time or costs. Time wasted on these minor improvements and savings can also distract management from more important or valuable areas. The trust therefore uses well known suppliers for small orders (e.g. stationery, small equipment).

The academy trust's staffing structure is reviewed annually to ensure the most appropriate provision for our pupils. This ensures that value for money is maximised in terms of quality of teaching and learning, curriculum management and ensuring the correct adult-pupil ratios.

The academy trust has an asset register which manages the allocation of resources in terms of costing, effectiveness and depreciation.

The trust targets its use of the Pupil Premium so that the trust's most deprived pupils have the opportunity to raise their individual levels of attainment resulting in improved educational outcomes for all.

Beaver Road Academy Trust is a National Support School and the headteacher and head of school are National Leaders of Education. The trust is commissioned by both local authority and academy trusts to support other schools experiencing difficulties or challenges.

The academy trust also shares good practice with a number of local schools which helps to drive up standards and keep costs to a minimum.

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The academy trust runs before and after school care for pupils, as well as wraparound nursery care. This provides the academy trust with a reliable revenue stream whilst maximising income generation for the trust.

This year the academy trust was again successful in securing capital improvement funding of £243,939 for an electrical re-wire to improve safety.

Beaver Road Academy Trust benchmarks financial performance against other academy trusts to demonstrate that the academy trust provides good value for money.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Beaver Road Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

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

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed Patricia Holmes, a trustee, as a responsible officer (RO) to carry out a programme of internal checks.

The responsible officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the responsible officer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustees financial responsibilities.

The responsible officer has delivered their schedule of work as planned and provided details of any material control issues arising as a result of the review. There were no material control issues arising from the review.

Review of effectiveness

As accounting officer the headteacher 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 responsible officer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

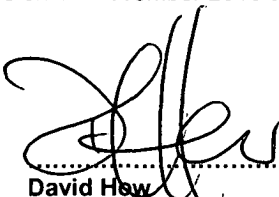
**M20 LEARNING TRUST
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GOVERNANCE STATEMENT (CONTINUED)**

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 finance committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2018 and signed on its behalf by:


.....
Paul Barker-Matthews
Chair of trustees


.....
David How
Accounting officer

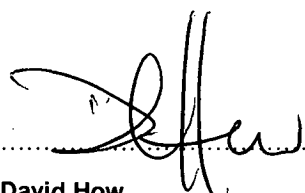
**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of M20 Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

A handwritten signature in black ink, appearing to read 'D. How', written over a dotted line.

David How
Accounting officer

Date: 11 December 2018

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
STATEMENT OF TRUSTEES' RESPONSIBILITIES**

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who are also the directors of M20 Learning Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, 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 board of trustees on 11 December 2018 and signed on its behalf by:



Paul Barker-Matthews
Chair of trustees

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M20 LEARNING TRUST
FOR THE YEAR ENDED 31 AUGUST 2018**

Opinion

We have audited the accounts of M20 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 academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

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.

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M20 LEARNING TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

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 academy 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.

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 academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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.

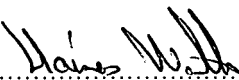
A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M20 LEARNING TRUST
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

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.


.....

John Whittick BSc FCA (Senior Statutory Auditor)

for and on behalf of Haines Watts

Chartered Accountants

Statutory Auditor


Bridge House

Ashley Road

Hale

Altrincham

WA14 2UT

Date: 

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO M20 LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY**

FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 4 April 2014 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 M20 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 M20 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 M20 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 M20 Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of M20 Learning Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of M20 Learning Trust's funding agreement with the Secretary of State for Education dated 29 October 2013 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.

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO M20 LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING
AGENCY (CONTINUED)**

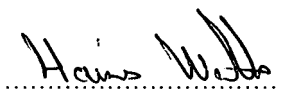
FOR THE YEAR ENDED 31 AUGUST 2018

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

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.



**Haines Watts
Reporting Accountant**

Dated: 11/02/18

M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE
ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	3	8	-	323	331	545
Charitable activities:						
- Funding for educational operations	4	-	2,948	-	2,948	2,851
Other trading activities	5	394	-	-	394	470
Investments	6	-	-	-	-	1
Total		<u>402</u>	<u>2,948</u>	<u>323</u>	<u>3,673</u>	<u>3,867</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	<u>140</u>	<u>3,664</u>	<u>89</u>	<u>3,893</u>	<u>4,421</u>
Total	7	<u>140</u>	<u>3,664</u>	<u>89</u>	<u>3,893</u>	<u>4,421</u>
Net income/(expenditure)		262	(716)	234	(220)	(554)
Transfers between funds	17	(318)	560	(242)	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	18	<u>-</u>	<u>282</u>	<u>-</u>	<u>282</u>	<u>791</u>
Net movement in funds		(56)	126	(8)	62	237
Reconciliation of funds						
Total funds brought forward		<u>306</u>	<u>(465)</u>	<u>3,639</u>	<u>3,480</u>	<u>3,243</u>
Total funds carried forward		<u>250</u>	<u>(339)</u>	<u>3,631</u>	<u>3,542</u>	<u>3,480</u>

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
BALANCE SHEET**

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£000	£000
Fixed assets			
Tangible assets	12	3,630	3,639
Current assets			
Debtors	13	221	198
Cash at bank and in hand		669	427
		890	625
Current liabilities			
Creditors: amounts falling due within one year	14	(553)	(261)
Net current assets		337	364
Total assets less current liabilities		3,967	4,003
Creditors: amounts falling due after more than one year	16	(86)	(58)
Net assets excluding pension liability		3,881	3,945
Defined benefit pension scheme liability	18	(339)	(465)
Net assets		3,542	3,480
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		3,631	3,639
- Pension reserve		(339)	(465)
Total restricted funds		3,292	3,174
Unrestricted income funds	17	250	306
Total funds		3,542	3,480

The accounts were approved by the trustees and authorised for issue on 11 December 2018 and are signed on their behalf by:



Paul Barker-Matthews
Chair of trustees

Company Number 08698831

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £000	£000	2017 £000	£000
Cash flows from operating activities					
Net cash used in operating activities	20		(30)		(754)
Cash flows from investing activities					
Dividends, interest and rents from investments		-		1	
Capital grants from DfE Group		323		533	
Purchase of tangible fixed assets		(81)		(45)	
Net cash provided by investing activities			242		489
Cash flows from financing activities					
New long term bank loan		-		12	
Repayment of long term bank loan		29		(10)	
Net cash provided by financing activities			29		2
Net increase/(decrease) in cash and cash equivalents in the reporting period			241		(263)
Cash and cash equivalents at beginning of the year			427		690
Cash and cash equivalents at end of the year			668		427

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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.

M20 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 academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants

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

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

Sponsorship income

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

Donations

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

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Other income

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

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 academy 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 academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

1.5 Tangible fixed assets and depreciation

Assets 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. Where there are specific conditions attached to the funding requiring the continued use of an asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on 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	50 years
Computer equipment	3 years
Fixtures, fittings & equipment	7 years
Motor vehicles	5 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 Leased assets

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

1.8 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

M20 LEARNING TRUST (FORMERLY BEAVER ROAD ACADEMY TRUST) NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy 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 academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education and other funders 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 and Skills Funding Agency/Department for Education.

**M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Capital grants	-	323	323	533
Other donations	8	-	8	12
	<u>8</u>	<u>323</u>	<u>331</u>	<u>545</u>

The income from donations and capital grants was £331,000 (2017: £545,000) of which £8,000 (2017: £12,000) was unrestricted funds and £323,000 (2017: £533,000) was restricted fixed asset funds.

M20 LEARNING TRUST
(FORMERLY BEAVER ROAD ACADEMY TRUST)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
DfE / ESFA grants				
General annual grant (GAG)	-	2,347	2,347	2,379
Other DfE group grants	-	225	225	227
	<u>-</u>	<u>2,572</u>	<u>2,572</u>	<u>2,606</u>
Other government grants				
Local authority grants	-	376	376	245
	<u>-</u>	<u>376</u>	<u>376</u>	<u>245</u>
Total funding	<u>-</u>	<u>2,948</u>	<u>2,948</u>	<u>2,851</u>

The income for the funding of educational operations was £2,948,000 (2017: £2,851,000) all of which was restricted funds.

There were no unfulfilled conditions or other contingencies attached to grants that have been recognised as income.

5 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Catering income	99	-	99	82
Music tuition	16	-	16	28
Trips	62	-	62	52
Nursey income	33	-	33	96
Other income	184	-	184	212
	<u>394</u>	<u>-</u>	<u>394</u>	<u>470</u>

The income from other trading activities was £394,000 (2017: £470,000) of which £394,000 was unrestricted (2017: £470,000).

6 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Short term deposits	-	-	-	1
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>

Investment income was nil (2017: £1,000) of which nil was unrestricted (2017: £1,000).

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FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2018 £000	Total 2017 £000
Academy's educational operations					
- Direct costs	2,259	80	227	2,566	2,493
- Allocated support costs	575	479	273	1,327	1,928
	<u>2,834</u>	<u>559</u>	<u>500</u>	<u>3,893</u>	<u>4,421</u>
Total expenditure	<u>2,834</u>	<u>559</u>	<u>500</u>	<u>3,893</u>	<u>4,421</u>

The expenditure on raising funds was nil (2017: nil).

Net income/(expenditure) for the year includes:

	2018 £000	2017 £000
Fees payable to auditor for:		
- Audit	6	6
- Other services	1	1
Operating lease rentals	27	10
Depreciation of tangible fixed assets	89	80

8 Charitable activities

	Unrestricted funds £000	Restricted funds £000	Total 2018 £000	Total 2017 £000
Direct costs - educational operations	66	2,500	2,566	2,493
Support costs - educational operations	74	1,253	1,327	1,928
	<u>140</u>	<u>3,753</u>	<u>3,893</u>	<u>4,421</u>

Analysis of costs

	2018 £000	2017 £000
Direct costs		
Teaching and educational support staff costs	2,237	2,124
Staff development	22	20
Depreciation and amortisation	80	72
Technology costs	13	24
Educational supplies and services	132	177
Other direct costs	82	76
	<u>2,566</u>	<u>2,493</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Charitable activities

Support costs	2018	2017
	£000	£000
Support staff costs	575	419
Depreciation and amortisation	9	8
Technology costs	20	4
Maintenance of premises and equipment	470	1,064
Cleaning	60	54
Energy costs	35	32
Rent and rates	25	36
Insurance	14	13
Catering	74	180
Interest on defined benefit pension scheme	13	73
Other support costs	12	21
Governance costs	20	24
	<u>1,327</u>	<u>1,928</u>

9 Staff

Staff costs

Staff costs during the year were:

	2018	2017
	£000	£000
Wages and salaries	2,090	1,889
Social security costs	180	167
Pension costs	452	375
	<u>2,722</u>	<u>2,431</u>
Staff costs	2,722	2,431
Agency staff costs	88	112
Staff restructuring costs	2	-
Staff development and other staff costs	22	20
	<u>2,834</u>	<u>2,563</u>
Total staff expenditure	2,834	2,563

Staff restructuring costs comprise:

Severance payments	<u>2</u>	<u>-</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Staff

Staff numbers

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

	2018 Number	2017 Number
Teachers	32	29
Administration and support	64	51
Management	4	6
	<u>100</u>	<u>86</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
£80,001 - £90,000	1	-
	<u>1</u>	<u>-</u>

Key management personnel

The key management personnel of the academy 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 academy trust was £414,000 (2017: £383,000).

10 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal 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, no travel and subsistence payments were made (2017: £nil).

The value of trustees' remuneration was as follows:

David How (Principal and trustee)

Remuneration: £80,001 - £85,000 (2017: £75,001 - £80,000)

Employer's pension contributions: £10,001 - £15,000 (2017: £10,001 - £15,000)

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

11 Trustees and officers insurance

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

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FOR THE YEAR ENDED 31 AUGUST 2018

12 Tangible fixed assets

	Land and buildings	Spare heading	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 September 2017	3,728	-	122	98	-	3,948
Additions	-	-	21	34	26	81
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	3,728	-	143	132	26	4,029
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation						
At 1 September 2017	181	-	102	27	-	310
Charge for the year	47	-	22	17	3	89
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	228	-	124	44	3	399
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value						
At 31 August 2018	3,500	-	20	88	23	3,631
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2017	3,547	-	20	71	-	3,639
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

13 Debtors

	2018 £000	2017 £000
Trade debtors	1	-
VAT recoverable	40	86
Prepayments and accrued income	180	112
	<u> </u>	<u> </u>
	221	198
	<u> </u>	<u> </u>

14 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Government loans	12	11
Trade creditors	190	29
Other creditors	82	-
Accruals and deferred income	269	221
	<u> </u>	<u> </u>
	553	261
	<u> </u>	<u> </u>

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FOR THE YEAR ENDED 31 AUGUST 2018

15	Deferred income	2018	2017
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	91	77
		<u> </u>	<u> </u>
	Deferred income at 1 September 2017	77	60
	Released from previous years	(77)	(60)
	Resources deferred in the year	91	77
		<u> </u>	<u> </u>
	Deferred income at 31 August 2018	91	77
		<u> </u>	<u> </u>
	At the balance sheet date, the academy trust was holding funds received in advance for Universal Infant Free School Meals funding.		
16	Creditors: amounts falling due after more than one year	2018	2017
		£000	£000
	Government loans	86	58
		<u> </u>	<u> </u>
	Analysis of loans		
	Wholly repayable within five years	98	69
	Less: included in current liabilities	(12)	(11)
		<u> </u>	<u> </u>
	Amounts included above	86	58
		<u> </u>	<u> </u>
	Loan maturity		
	Debt due in one year or less	12	11
	Due in more than one year but not more than two years	12	11
	Due in more than two years but not more than five years	36	33
	Due in more than five years	38	14
		<u> </u>	<u> </u>
		98	69
		<u> </u>	<u> </u>

The Government loan is part of funding approved by the ESFA. The funding was delivered as a combination of capital grant and a 0% "Salix" loan.

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17 Funds

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,347	(2,907)	560	-
Other DfE / ESFA grants	-	225	(225)	-	-
Other government grants	-	376	(376)	-	-
Pension reserve	(465)	-	(156)	282	(339)
	<u>(465)</u>	<u>2,948</u>	<u>(3,664)</u>	<u>842</u>	<u>(339)</u>
Restricted fixed asset funds					
Transfer on conversion	3,534	-	(61)	-	3,473
DfE group capital grants	-	323	-	(242)	81
Private sector capital sponsorship	105	-	(28)	-	77
	<u>3,639</u>	<u>323</u>	<u>(89)</u>	<u>(242)</u>	<u>3,631</u>
Total restricted funds	<u>3,174</u>	<u>3,271</u>	<u>(3,753)</u>	<u>600</u>	<u>3,292</u>
Unrestricted funds					
General funds	306	402	(140)	(318)	250
Total funds	<u>3,480</u>	<u>3,673</u>	<u>(3,893)</u>	<u>282</u>	<u>3,542</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objectives of the academy.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are at the discretion of the trustees.

Transfers out of unrestricted funds of £318,000 were made to meet the shortfall in restricted GAG funding compared to resources expended.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

17 Funds

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

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant (GAG)	-	2,379	(3,451)	1,072	-
Other DfE / ESFA grants	337	227	(227)	(337)	-
Other government grants	-	245	(245)	-	-
Pension reserve	(1,081)	-	(175)	791	(465)
	<u>(744)</u>	<u>2,851</u>	<u>(4,098)</u>	<u>1,526</u>	<u>(465)</u>
Restricted fixed asset funds					
Transfer on conversion	3,612	-	(78)	-	3,534
DfE group capital grants	-	533	-	(533)	-
Private sector capital sponsorship	107	-	(2)	-	105
	<u>3,719</u>	<u>533</u>	<u>(80)</u>	<u>(533)</u>	<u>3,639</u>
Total restricted funds	<u>2,975</u>	<u>3,384</u>	<u>(4,178)</u>	<u>993</u>	<u>3,174</u>
Unrestricted funds					
General funds	<u>268</u>	<u>483</u>	<u>(243)</u>	<u>(202)</u>	<u>306</u>
Total funds	<u>3,243</u>	<u>3,867</u>	<u>(4,421)</u>	<u>791</u>	<u>3,480</u>

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17 Funds

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
Restricted general funds					
General Annual Grant (GAG)	-	4,726	(6,358)	1,632	-
Other DfE / ESFA grants	337	452	(452)	(337)	-
Other government grants	-	621	(621)	-	-
Pension reserve	(1,081)	-	(331)	1,073	(339)
	<u>(744)</u>	<u>5,799</u>	<u>(7,762)</u>	<u>2,368</u>	<u>(339)</u>
Restricted fixed asset funds					
Transfer on conversion	3,612	-	(139)	-	3,473
DfE group capital grants	-	856	-	(775)	81
Private sector capital sponsorship	107	-	(30)	-	77
	<u>3,719</u>	<u>856</u>	<u>(169)</u>	<u>(775)</u>	<u>3,631</u>
Total restricted funds	<u>2,975</u>	<u>6,655</u>	<u>(7,931)</u>	<u>1,593</u>	<u>3,292</u>
Unrestricted funds					
General funds	<u>268</u>	<u>885</u>	<u>(383)</u>	<u>(520)</u>	<u>250</u>
Total funds	<u>3,243</u>	<u>7,540</u>	<u>(8,314)</u>	<u>1,073</u>	<u>3,542</u>

18 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are 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 2012 and of the LGPS 31 March 2016.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

18 Pension and similar obligations

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.

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £174,000 (2017: £163,000).

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 academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

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18 Pension and similar obligations

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 19.1 per cent for employers and 5.5 to 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £127,000.

As described above the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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

Total contributions made	2018 £000	2017 £000
Employer's contributions	127	110
Employees' contributions	40	35
	<u>167</u>	<u>145</u>

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.1	3.2
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 Years
Retiring today		
- Males	21.5	21.5
- Females	24.1	24.1
Retiring in 20 years		
- Males	23.7	23.7
- Females	26.2	26.2

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18 Pension and similar obligations

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are as set out below:

Sensitivity Analysis

Changes in assumptions at 31 August 2018	Approximate % increase to employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	15%	300
0.5% increase in the Salary Increase Rate	3%	55
0.5% increase in the Pension Increase Rate	12%	241

The academy trust's share of the assets in the scheme	2018 Fair value £000	2017 Fair value £000
Equities	1,141	1,047
Bonds	269	230
Cash	151	72
Property	117	86
Total market value of assets	<u>1,678</u>	<u>1,435</u>

The actual return on scheme assets was £83,000 (2017: (£20,000)).

Amount recognised in the statement of financial activities	2018 £000	2017 £000
Current service cost	270	212
Interest income	(38)	20
Interest cost	51	53
Total operating charge	<u>283</u>	<u>285</u>

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18 Pension and similar obligations

Changes in the present value of defined benefit obligations	2018 £000	2017 £000
At 1 September 2017	1,900	2,403
Current service cost	270	212
Interest cost	51	53
Employee contributions	40	35
Actuarial gain	(237)	(791)
Benefits paid	(7)	(12)
At 31 August 2018	2,017	1,900

Changes in the fair value of the academy trust's share of scheme assets

	2018 £000	2017 £000
At 1 September 2017	1,435	1,322
Interest income	38	(20)
Actuarial gain	45	-
Employer contributions	127	110
Employee contributions	40	35
Benefits paid	(7)	(12)
At 31 August 2018	1,678	1,435

19 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	3,630	3,630
Current assets	889	-	1	890
Creditors falling due within one year	(553)	-	-	(553)
Creditors falling due after one year	(86)	-	-	(86)
Defined benefit pension liability	-	(339)	-	(339)
Total net assets	250	(339)	3,631	3,542

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Analysis of net assets between funds

	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total Funds £000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,639	3,639
Current assets	306	319	-	625
Creditors falling due within one year	-	(261)	-	(261)
Creditors falling due after one year	-	(58)	-	(58)
Defined benefit pension liability	-	(465)	-	(465)
Total net assets	306	(465)	3,639	3,480

20 Reconciliation of net expenditure to net cash flow from operating activities

	2018 £000	2017 £000
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(220)	(554)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(323)	(533)
Investment income receivable	-	(1)
Defined benefit pension costs less contributions payable	143	102
Defined benefit pension net finance cost	13	73
Depreciation of tangible fixed assets	89	80
(Increase) in debtors	(23)	(89)
Increase in creditors	291	168
Net cash used in operating activities	(30)	(754)

21 Commitments under operating leases

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

	2018 £000	2017 £000
Amounts due within one year	2	28
Amounts due in two and five years	5	6
	7	34

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2018

22 Related party transactions

Owing to the nature of the academy trust's operations 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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

23 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.