

**Leaders in Learning Multi Academy Trust**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Year Ended 31 August 2018**



**Winterhill School**  
*Founder of Leaders in Learning Multi Academy Trust*

**Company Registration Number:**  
**09482529 (England and Wales)**

**CONTENTS**

<b>Description</b>	<b>Page</b>
Reference and Administrative Details	3
Trustees' Report	5
Governance Statement	18
Statement on Regularity, Propriety and Compliance	21
Statement of Trustees' Responsibilities	22
Independent Auditor's Report on the Financial Statements	23
Independent Reporting Accountant's Report on Regularity	26
Statement of Financial Activities incorporating Income and Expenditure Account	28
Balance Sheet	29
Statement of Cash Flows	30
Notes to the Financial Statements	31-49

**REFERENCE AND ADMINISTRATIVE DETAILS****Members**

R Cater-Whitham, resigned 13<sup>th</sup> March 2018

A Hinds

M Povey

J Staveley, appointed 13<sup>th</sup> March 2018

**Trustees**

A Booth

R Cater-Whitham, resigned 13<sup>th</sup> March 2018

A Hinds (Chair)

S Rhodes (Staff Trustee and Accounting Officer)

J Staveley, appointed 13<sup>th</sup> March 2018

**Senior Leadership Team**

S Rhodes, Headteacher, Accounting Officer

J Cater-Whitham, Deputy Headteacher, resigned 15<sup>th</sup> April 2018

A Reeder, Deputy Headteacher

H Carnegie, Assistant Headteacher

N Metcalfe, Assistant Headteacher

C McDonald, Assistant Headteacher

S Duffy, Associate Deputy Headteacher, appointed 1<sup>st</sup> September 2017

C Ockford, Associate Assistant Headteacher, temporary appointed 1<sup>st</sup> September 2017

Renata Modelewska-Llukaj, Assistant Headteacher appointed 1<sup>st</sup> June 2018

F Turner, Chief Financial Officer, resigned 3<sup>rd</sup> June 2018

**Company Detail**

Company Name: Leaders in Learning Multi Academy Trust

Principal and Registered Office: Winterhill School  
High Street  
Kimberworth  
Rotherham  
South Yorkshire  
S61 2BD

Company Registration Number: 09482529 (England and Wales)

Independent Auditor: Mazars LLP  
5<sup>TH</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

**Bankers:** The Royal Bank of Scotland  
5 Church Street  
Sheffield  
South Yorkshire  
S1 2GF

**Solicitors:** Irwin Mitchell LLP  
Wellington Place  
Leeds  
LS1 4BZ

**TRUSTEES' REPORT**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Winterhill School converted to academy status on the 01 February 2016 as the founder of Leaders in Learning Multi Academy Trust. The academy trust currently operates one academy (Winterhill School) for students aged 11 to 16 serving a catchment area in Rotherham, South Yorkshire. It has a student capacity of 1350 and had a roll of 1052 in the school census on 05 October 2018.

**1. Structure, Governance and Management****Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Leaders in Learning Multi Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Leaders in Learning Multi Academy Trust.

Details of the trustees who served during the year and to the date these accounts were approved are included in the reference and administrative details on page 3.

**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**

Subject to the provisions of the Companies Act 2006 and Article 6.3 of the academy trust's Articles, every trustee or other officer or auditor of the academy trust shall be indemnified out of the assets of the academy trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the academy trust.

Since the incorporation of Leaders in Learning Multi Academy Trust on the 01 February 2016, the trustees have been insured in respect of governors' liability, the limit of indemnity is £2,000,000.

**2. Method of Recruitment and Appointment or Election of Trustees****Appointment of Trustees**

The members of the academy trust may appoint by ordinary resolution up to twelve trustees. The members may appoint staff trustees through such process as they may determine. The total number of trustees including the chief executive officer (if they so choose to act as trustee under the academy trust Articles) who are employees of the academy trust shall not exceed one third of the total number of trustees.

## Trustees' Report (continued)

### Appointment of Parent Trustees

In circumstances where the trustees have not appointed local governing bodies in respect of the academies as envisaged in Article 100a of the academy trust Articles, or if no provision is made for at least two parent local governors on each established local governing body pursuant to the Articles, there shall be a minimum of two parent trustees and otherwise such number as the members shall decide who shall be appointed or elected in accordance with the Articles.

### Chief Executive Officer and Headteacher

The trustees shall appoint the chief executive officer of the academy trust and headteachers of academies within the academy trust.

The chief executive officer may, if they agree to so act and their appointment is ratified by the members, be a trustee.

### Co-opted Trustees

The trustees may appoint co-opted trustees.

A 'co-opted trustee' means a person who is appointed to be a trustee by being co-opted by trustees who have not themselves been so appointed. The trustees may not co-opt an employee of the academy trust as a co-opted trustee if thereby the number of trustees who are employees of the academy trust would exceed one third of the total number of trustees including the chief executive officer to the extent he or she is a trustee.

### Policies and Procedures Adopted for the Induction and Training of Trustees

The trust promotes good practice and has an induction procedure which ensures essential information is given to the trustee, as well as gathering information with regard to the trustee. In order to be fully prepared for their duties, new trustees must ensure all necessary procedures and checks contained within the trust's governance checklist document are followed.

The procedure ensures that the trust is fully aware of the skills and knowledge of the new trustee and potential areas for training and improvement are identified. Before undertaking their duties, new trustees will ensure all areas of concern have been covered.

The trust sources governance training via an annual subscription with Learners First Schools Partnership.

## 3. Organisational Structure

The organisational structure of Leaders in Learning Multi Academy Trust consists of a board of trustees and members and an appointed accounting officer who is the headteacher of Winterhill School. It is the intention of the trust that once it grows and the number of academies increases, a chief executive officer will be appointed and they will undertake the role of accounting officer. Until such time as a chief executive officer is appointed, the board undertakes the role and responsibilities and delegates to the headteacher as it deems acceptable.

The trust appointed chief financial officer who was also the school business manager of Winterhill School has left during the year and the trust have been using another school's business manager to act in the role.

## Trustees' Report (continued)

Winterhill School has an established senior leadership team, consisting of a headteacher, one deputy headteacher, an associate headteacher, three assistant headteachers and an associate assistant headteacher.

The trust has an agreed accountability framework and scheme of delegation. The framework provides clarity about the duties, roles and responsibilities of all partners and is imperative to secure effective systems of leadership, management and operation, to manage risk effectively and secure required outcomes. The accountability framework addresses:

- a) Who in the organisation has the power to make decisions.
- b) The decisions individuals or groups are empowered to make.
- c) Where and with whom consultation needs to take place before decisions are made.
- d) Where and with whom advice should be sought before decisions are made.

The framework clarifies arrangements for monitoring and where appropriate, intervention and how this will work in practice. An overview of the accountabilities is provided in the framework in a diagrammatic/table format. The table sets out the ways in which trustees fulfil their responsibilities for leadership and management of the academy trust, the respective roles and responsibilities of the trust board and committees, the trust's chief executive officer, local governing bodies and academy headteachers.

Power of delegation as per the academy trust's policy is as follows:

- The starting point for the accountability framework needs to be a shared understanding across the academy trust that, in accordance with the Department for Education, academy trust Articles and the Master Funding Agreement (MFA), sole decision-making power resides with the board acting on behalf of the academy trust in accordance with the sponsor's vision and values.
- The academy trust and not individual academies is the legal entity, as such, only the board on behalf of the academy trust and not local governing bodies has the legal authority to make decisions about:
  - i) Employment issues
  - ii) Finance issues
  - iii) Land ownership or leases and;
  - iv) Contracts
- The academy trust is the admissions authority for all trust academies. Therefore, the board must determine and keep under review the admissions arrangements for all academies, ensuring that they are compliant with the national Admissions Code.
- The presumption therefore, is that all legal and strategic decision making authority lies with the academy trust. However, while the academy trust (via the trust board) holds this ultimate authority, the Department for Education, trust Articles and Master Funding Agreement make clear that the board has the power to delegate decision making as it deems appropriate to sub-committees, to the academy trust's chief executive officer, local governing bodies and academy headteachers.

## Trustees' Report (continued)

- The framework must be approved and regularly reviewed by the board. Individual officers within the academy trust and local governing bodies should not make decisions or take unilateral action outside of this framework unless this approval has been given. To do so could lead to legal challenge and significantly increase risk. By approving the accountability framework, the board, in effect, gives this permission.
- Where delegated decisions are made by the academy trust's chief executive officer or senior officers on their behalf, they should be formally recorded in a decision record so that an audit trail of decisions taken, when and by whom, can be maintained. Local governing bodies should record decisions in the minutes of their meetings.

### 4. Arrangements for Setting Pay and Remuneration of Key Management Personnel

Trustees undertake their role on a voluntary basis. Determining pay scales and progression for senior leaders employed by the trust is carried out in accordance with the trust's pay policy. Determination of starting salaries and pay ranges on appointment is as follows:

- **Headteachers** – decisions on setting or amending pay ranges for headteachers will be taken in accordance with the relevant paragraphs of the current School Teachers Pay and Conditions Document, which deal with the determination of the school's headteacher group and headteacher pay range. The pay may exceed the maximum of the headteacher group and headteacher pay range, whereby the relevant body determines that circumstances specific to the role or candidate warrant a higher than normal payment. The headteacher's pay and any additional payments should not exceed the maximum more than 25%, unless in exceptional circumstances and supported by a business case. Additional payments can be made to a headteacher for temporary and/or fixed term responsibilities and/or duties that are in addition to the post for which their salary has been determined.
- **Headteachers accountable for more than one school** – where the school joins, or has joined more schools to form a permanent or temporary partnership under one single headteacher, governance arrangements will be established to oversee the pay and also the appraisal/performance management of the headteacher for the duration of the partnership.
- **Deputy headteachers and assistant headteachers** – decisions on setting or amending pay ranges for deputy and assistant headteachers will be taken in accordance with the relevant paragraphs of the current School Teachers Pay and Conditions Document, which deal with the determination of the pay ranges for those staff. The pay range for a deputy or assistant headteacher should only overlap the headteacher's pay range in exceptional circumstances.

With regard to pay progression for the senior leadership team, the relevant body must consider annually whether members of the senior leadership team are to be awarded an incremental rise within the relevant pay range. In agreeing movement up the pay scale, the governing body will consider whether the individual has demonstrated sustained high quality performance, having regard to the results of the most recent appraisal.

### 5. Trade Union Facility Time

As required by the Trade Union (Facility Time Publication Requirements) Regulation 2017, Leaders in Learning Multi Academy Trust - Winterhill School publishes this information:



## Trustees' Report (continued)

**Table 1**

### Relevant Union Official

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
3	3

**Table 2**

### Percentage of time spent on facility time

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

**Table 3**

### Percentage of pay bill spent on facility time

Details	Figures
The total cost of facility time	£2,534
The Total Pay Bill	£5,426,655
Percentage of total pay bill spent on facility time	0.05%

**Table 4**

### Paid Trade Union Activity

Time spent on Trade Union activity as a percentage of paid facility time	39 hours out of 66 hours - 59%
--	--------------------------------

## 6. Related Parties and other Connected Charities and Organisations

The academy trust is not part of a wider network, such as a soft federation. The academy trust confirms that there are no related parties and/or other connected charities and organisations to disclose within the financial statements and accounts return for year ended 31 August 2018.

## 7. Objectives and Activities

The principle objective of Leaders in Learning Multi Academy Trust is to establish and maintain academies in accordance with the Master Funding Agreement. The principle activity of the academy trust is to provide a high quality, free education, offering a broad and balanced curriculum for students aged 11 to 16.

## Trustees' Report (continued)

### 8. Objects and Aims

The aim is to create academies with an outstanding environment for learning which allows all to aspire, to achieve and enables all to be included. As a result, children and young people within the academy trust will make the best possible progress and receive an outstanding education. The academy trust will support and challenge academies to:

- Ensure high quality teaching and learning is at the heart of everything they do.
  - Provide a rich, broad and balanced curriculum.
  - Provide a wide range of enrichment opportunities that excite and connect their local communities and life beyond the classroom.
  - Support and challenge all students to be the best they can be.
  - Ensure all students progress onto the next stage.
- 
- Work closely with families and community partners to support learning.
  - Value and seek collaboration and the sharing of best practice.
  - Provide outstanding training and professional development opportunities and between schools.

Currently the academy trust comprises of the founder institution; Winterhill School.

### 9. Objectives, Strategies and Activities

Winterhill School, founding institution of the academy trust, is centred in its community and believes that valuing diversity, embracing collaboration and seeking genuine partnership with families, communities and other educational partners, is the best way to improve the life chances our young people.

Specific objectives and related activities for 2017/18 were as follows:

#### 9.1 Leadership and Management

- Students, staff and visitors can clearly identify the school ethos. Perceptions of the school are positive.
- Governors are well informed and actively involved in the life of the school. They robustly hold senior leaders to account for school performance.
- Leaders at all levels, particularly middle leaders, are systematically developed so that they effectively hold themselves and their teams accountable for student outcomes.

#### 9.2 TLA (Teaching, learning & Assessment)

- Development needs of teachers are identified in a timely manner and training provided to improve teaching, learning & assessment outcomes.
- Whole school Teaching & Learning strategies are used with consistency and confidence to develop independent learners.
- High quality planning matched to learners' needs and national standards is consistent across all subjects and year groups.
- Marking and feedback is of a consistently high standard and has evidential impact on student's progress.

## Trustees' Report (continued)

### 9.3 CAS (Curriculum and Standards)

- Assessment information & data is used effectively by all key stakeholders to plan appropriate teaching and learning strategies, including to identify students who are falling behind in their learning or who need additional support, enabling students to make good progress and achieve well.
- To improve the attainment and progress of students within Science to bring this subject in line with the other EBacc courses. This is through the following: increasing the leadership capacity and using common proven protocols across the Core Subjects
- Gaps in attainment are identified via comprehensive tracking systems; key students are identified and shared with key stakeholders to ensure timely interventions.
- Teachers provide students with incisive feedback, following the school's assessment policy, outlining to students what they can do to improve their knowledge, understanding and skills. The students use this feedback effectively.
- The Senior Leadership Team, Curriculum Leaders and teacher level analysis of data is forensic, guiding intervention and students' progress.
- The progress across the curriculum, of key cohorts, matches or is improving towards that of other students with the same starting points, with Closing the Gap and Teaching Learning Responsibility roles leading on key interventions.

### 9.4 Personal Development, Behaviour and Welfare

- Whole school behaviour for learning strategies are standardised and their approaches are being used consistently in positively managing behaviour, creating a culture that exemplifies the Winterhill Way and reduces incidents of behavioural issues in lessons and across the wider school.
- To drive up the attendance of all groups (particularly Special Educational Needs, Special Educational Needs (Education Health Care Plan), Disadvantaged and English as an Additional Language cohorts) in line with national averages, whole school attendance >95% and there is reduced persistent absence <15%.
- High quality provision and interventions are available to all students including those with Special Educational Needs and Disability (SEND) to ensure there are no significant gaps between progress, attendance and behaviour for our vulnerable and hard to reach students.
- Students' spiritual, moral, social and cultural development equips them to be thoughtful, caring and active citizens in school and in wider society.

## 10. Public Benefit

The trustees have considered the Charity Commission's guidance on public benefit. The key public benefit delivered by Leaders in Learning Multi Academy Trust is the maintenance and development of high quality education provided by the academy trust.

The academy trust not only offers a broad and balanced academic education, it also aims to prepare young people for their next life stage by means of a comprehensive programme of extra-curricular activities, educational visits, community and business links.

## Trustees' Report (continued)

### Strategic Report

#### 11. Achievements and Performance

Winterhill School is a larger than average secondary school serving a multicultural, diverse community in North West Rotherham. The school caters for approximately 1100 students. The proportion of students who receive Pupil Premium funding is above average, as is the number of students identified with Special Educational Needs and Disability (SEND). Attainment on entry is significantly below average. An increasing population of students are new arrivals with language skills that require development and limited experience of education.

Educational performance remains strong with headline measures for Maths 5+ and English and Maths combined 5+ improving from the previous year, representing a pleasing improvement in the attainment of mathematics. This years' results were the first year for new GCSE specifications (other than English and Maths) which did result in some variation in results for some subjects. Combined with a particularly challenging cohort this resulted in overall progress that was average. Current cohort's progress is strong and therefore overall progress is expected to be positive for these groups.

The school had a very successful section 8 inspection in February 2018, which confirmed that the school remains good. Standards of achievement and behaviour were praised, as was the quality of leadership and management, teaching and the effectiveness of safeguarding. This confirmed the school's own self-evaluation and indicates that capacity for further improvement remains strong.

#### 12. Key Performance Indicators

Measure	2018 Outcomes (Provisional)	National Comparison %
Progress 8	-0.05	0.00
Attainment 8	41.9	44.30
% A* – C English and Mathematics (5+)	36.17	39.90
% Expected progress English	59.00	N/A
% Expected progress Mathematics	55.00	N/A
% Achieving English Baccalaureate (EBacc)	6.00	N/A
% Entered English Baccalaureate (EBacc)	13.00	35.1
EBacc average point score	3.22	3.83
% Sustained educational destination	95.00	94.00

#### 13. Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

## Trustees' Report (continued)

### 14. Financial Review

The majority of the academy trust's income is funding received in grants from the Department for Education, Education and Skills Funding Agency and Local Authority. The grants received during for the year ended 31 August 2018 and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy trust also receives grants for fixed assets from the Education and Skills Funding Agency. In accordance with the Charities SORP (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charged over the expected useful life of the assets concerned.

The total expenditure of £7,841k as at year ended 31 August 2018 was covered by grant funding from the Education and Skills Funding Agency together with other incoming resources. Total income in year was £7,726k.

This meant for the year 2017-2018 there was a deficit position of £115k, after allowance of depreciation and pension scheme adjustments.

The Trust's fund balances are as outlined in the table below:

Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
£000	£000	£000	£000
594	(2,505)	14,870	12,959

Total revenue reserves as at 31 August stand at £843k, split £594k unrestricted funds and £249k restricted funds.

The net book value of fixed assets as at year ended 31 August 2018 was £14,846k. There were no additions purchased within the period. The assets were used exclusively for providing education and associated support services to the students of the academy trust.

The trustees have decided that all unrestricted reserves will be utilised in helping the trust achieve its objectives.

The trustees will endeavour to keep an appropriate level of General Annual Grant (GAG) in reserve that it considers necessary for future operations and any capital projects or capital replacement.

The actuarial valuation of the pension scheme and the corresponding liability does not result in an immediate cash flow impact to the academy trust. The trustees are confident that any liabilities can be met as they fall due.

The current level of reserves is considered appropriate for the academy trust. The reserves policy is subject to annual review.

## Trustees' Report (continued)

### 15. Reserves Policy

#### 15.1 Reserves

The trustees review the reserve levels of the academy trust regularly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. For the year ended 31 August 2018, the academy trust met a cumulative minimum reserve of £594k, unrestricted funds. The restricted funds balance stands at £249k giving total reserves at £843k higher than the minimum requirement of the policy of 5% of gross income

Trustees consider the level of reserves held at year ended 31 August 2018 to be at the right level looking at the financial forecasts for the Trust going forward. At the moment the reserves policy is being reviewed in light of the balances held and financial forecasts moving forward.

#### 15.2 Capital

##### Purpose:

---

Academies within the academy trust are expected to create reserves from their annual General Annual Grant (GAG) funding. During the early years of operation, GAG funding levels create little opportunity to achieve a surplus. Currently, the Department for Education provides minimal funding in the way of Devolved Formula Capital grant. In addition, academies are able to bid for a share of the Academies Capital Maintenance Fund.

Leaders in Learning Multi Academy Trust requires each academy to identify projects and opportunities to acquire a capital reserve.

##### Scope:

The school business manager and/or finance manager within each academy, in conjunction with the headteacher, is responsible for ensuring compliance with academy trust policies and procedures.

##### Procedure:

- The school business manager and/or finance manager should propose a capital reserve schedule to the board of trustees identifying the need to replace assets and the related sums required.
- Trustees should agree the value of capital reserves to be created in a year as part of the budget approval process.
- Funds should be identified as a capital reserve within the accounts at such a time that is clear that to do so would not create a deficit cash flow situation.
- Spend of the capital reserve fund should only occur as agreed budgeted spend, which is approved by the trustees as part of the budget process.

## Trustees' Report (continued)

### 15.3 Revenue

#### Purpose:

Academies are expected to hold contingency reserves from their annual GAG funding or other income.

Leaders in Learning Multi Academy Trust require a revenue reserve to be created in each academy to fund future expenditure related to the strategic long-term aims and developments.

#### Scope:

The school business manager and/or finance manager within each academy, in conjunction with the headteacher, is responsible for ensuring compliance with academy trust policies and procedures.

#### Procedure:

Policy of the academy trust is to carry forward a prudent level of resources designed to meet the long-term cyclical needs of renewal and any other unforeseen contingencies, subject to the constraint that the level of resources does not exceed the level permitted by the Department for Education and Education and Skills Funding Agency, if such a level is published for each relevant year.

### 16. Investment Policy

The academy trust Articles gives trustees the power to expend the funds of the trust in such manner as they shall consider most beneficial for the achievement of the Objects and to invest in the name of the trust such part of the funds as they may see fit and to direct the sale or transposition of any such investments and to expend the proceeds of any such sale in furtherance of the Objects. In the exercise of their powers and functions, the trustees may consider any advice given by the chief executive officer to the extent he or she is not a trustee and any other executive officer.

In accordance with the academy trust's financial rules and procedures, investments must be made only in accordance with the written approval of the trustees. All investments must be recorded in sufficient detail to identify the investment and to enable the current market value to be calculated.

Additional procedures may be required to ensure any income receivable from the investment is received.

### 17. Principal Risks and Uncertainties

Trustees have identified and put in place control measures to terminate, treat, transfer or tolerate the following major risks:

- Failure to meet education objectives
- Deficit budget and inability to meet financial obligations
- Failure to comply with statutory legislation
- Failure to insure and indemnify against insurable risks
- Maintenance of student numbers, as funding is linked directly to student numbers

## Trustees' Report (continued)

During the year, following a review by the internal auditor in July 2017 and reviewed internally in November 2017 the Trust has put in place a number of actions and process improvements to increase the level of segregation of duties and to improve the overall management of financial risk.

The Business Manager is developing a Risk Management strategy which will rank, on a scoring system, risks for monitoring and management. This will highlight not only financial risks but other risks the Trust faces as mentioned above. The action plan in place at the moment is being redeveloped to focus on High and Medium level risks, with actions agreed with the Headteacher and Trustees and monitored accordingly.

It is proposed for an independent Internal audit to be conducted annually to assess the risk management process.

### 18. Fundraising

The majority of the academy trust's income is funding received in grants from the Department for Education, Education and Skills Funding Agency and Local Authority.

Additional funding is received via grant applications, voluntary donations from individuals to cover specific areas of the Academy's work as a teaching and learning establishment.

All fundraising conforms to recognised standards and monitored as such, no complaints have been received during the year and there are no areas of fundraising that place undue pressure on others to donate.

### 19. Plans for Future Periods

In order to sustain the current success of Winterhill School, the following four key areas remain the basis of the 2018/2019 school improvement plan:

#### 19.1 Leadership and Management

- Vision and ethos
- Governance
- Personalised Continuing Professional Development (CPD) – leadership development

#### 19.2 Teaching, Learning and Assessment

- Personalised CPD – teacher improvement
- Teaching and Learning strategies
- Short, Medium and Long Term planning
- Assessment policy – marking and feedback

#### 19.3 Curriculum, Assessment and Standards

- Assessment policy – data, tracking and intervention
- Within School Variation (WSV)
- Closing gaps



## Trustees' Report (continued)

### 19.4 Personal Development, Behaviour and Welfare (PDBW)

- Behaviour
- Attendance and Punctuality
- Access curriculum
- Spiritual, Moral, Social and Cultural Education

The growth strategy for the academy trust can be summarised as follows:

**Short term:** Seek strong partners committed to the values of Leaders in Learning Multi Academy Trust. Initially, this may be some of our partner primary schools. In addition, there should be engagement with another secondary school (either as a converter or standalone academy) to provide support and challenge. This will include opportunities to strengthen the Trust Board.

The Trust Board has agreed to seek formal collaboration with a local good, stand-alone Academy and a due diligence process is currently taking place. Discussions continue with partner primary schools.

**Medium term:** The secondary partnership should develop sufficient capacity by this stage to support other schools. The Trust will develop strong informal partnerships with local Trusts that share our values. The Trust Board should be fully reviewed and strengthened in-line with the academy trust structure.

**Long term:** The Trust comprises of a mixed phase core of strong schools with sufficient capacity to formally support other schools (through sponsorship arrangements if necessary). This may be through amalgamation of existing trusts. A central executive team will be fully established. It is the clear aim that all schools improve faster as a result of targeted improvement work and that all schools maintain improvements and move onto the next level.

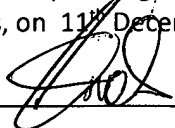
## 20. Auditor

Insofar as the trustees are aware:

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11<sup>th</sup> December 2018 and signed on the board's behalf by:

Sign:



Print name: A Hinds

Date:

11-12-18

**GOVERNANCE STATEMENT****1. Scope of Responsibility**

As trustees we acknowledge we have overall responsibility for ensuring that Leaders in Learning Multi 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 (appointed as headteacher in November 2016), 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 Leaders in Learning Multi 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.

**2. 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 six times during the year ended 31 August 2018. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Booth	6	6
R Cater-Whitham, resigned 13 <sup>th</sup> March 2018	0	3
A Hinds	6	6
S Rhodes (staff trustee)	6	6
J Staveley, appointed 13 <sup>th</sup> March 2018	3	3

S Rhodes is headteacher and accounting officer.

**3. Governance Reviews**

Due to the current number of trustees, the board continues to meet in its entirety for the purposes of audit, finance and general purposes. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
A Booth	6	6
R Cater-Whitham, resigned 13 <sup>th</sup> March 2018	0	3
A Hinds	6	6
S Rhodes (staff trustee)	6	6
J Staveley, appointed 13 <sup>th</sup> March 2018	3	3

Upon formation, the board sought independent, consultancy advice on processes and procedures. This advice provided suitable guidance for the first phase of operation as an academy trust.

The board has actively been seeking to recruit additional trustees, to gain a broader range of skills and experience, to ensure that appropriate and robust challenge of academies is achieved. As the Trust looks to develop further it will see further strengthening at Trust Board level in terms of profile and expertise throughout 2018 and 2019.

## **Governance Statement (continued)**

### **4. 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 appropriate. The accounting officer for the academy trust has continued to deliver improved value for money during the year by:

- Curriculum led financial planning: the school continues to use best practice benchmarks from other successful trusts and professional bodies such as the Association of School and College Leaders (ASCL) on curriculum delivery. Key Performance Indicators (KPIs) such as student/teacher ratios, staff contact ratio and average class size, influence curriculum design and timetabling, which is reviewed annually.
- The Trust has, throughout the year looked at staffing structures and has been able to reduce staffing costs by adopting different processes and strategies. For example the Trust now shares a business manager with another Academy, this has enhanced some existing roles in the Trust, but has also seen a saving of 40 % of the business manager's salary for the last 3 months of the year.
- Income generation: The Trust has taken over the conference facilities on site and income is now being generated that, not only covers the costs associated, is now making net income. The usage continues to grow and allows the Trust to have an extra income stream not seen before.

### **5. The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Leaders in Learning Multi Academy Trust for the year ended August 2018 and up to the date of approval of the annual report and financial statements.

### **6. 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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 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.

### **7. 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:

**Governance Statement (continued)**

- 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, audit and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes.
- Setting targets to measure financial and other performance.
- Clearly defined purchasing (asset purchase or capital investment) guidelines.
- Delegation of authority and segregation of duties.
- Identification and management of risks.

The board of trustees considered the need for a specific internal audit function and decided to appoint Mazars LLP as internal auditor.

**8. Review of Effectiveness**

As accounting officer, the headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question, the review has been informed by:

- The work of the internal auditor
- The work of the external auditor
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the board of trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Sign:   
A Hinds  
Trustee

Date: 11-12-18

Sign:   
S Rhodes  
Accounting Officer

Date: 11/12/18

**STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

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

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

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

Sign: 

Print name: S Rhodes

Date: 

**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who act as governors of Leaders in Learning Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency (ESFA), United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.
- Make judgments and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees on 11<sup>th</sup> December 2018 and signed on its behalf by:

Sign:



Print name: A Hinds

Date:

11-12-18

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF LEADERS IN LEARNING MULTI ACADEMY TRUST**

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs 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 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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF LEADERS IN LEARNING MULTI ACADEMY TRUST - Continued****Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Annual Report including the incorporated strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report including the incorporated strategic report has been prepared in accordance with applicable legal requirements.

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

In 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' Annual 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE TRUSTEES OF LEADERS IN LEARNING MULTI ACADEMY TRUST - Continued****Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 22, the Trustees (who are directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

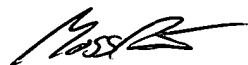
**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of the audit report**

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



**Ross Preston (Senior Statutory Auditor) for and on behalf of Mazars LLP**  
Chartered Accountants and Statutory Auditor  
5<sup>th</sup> Floor  
3 Wellington Place  
Leeds  
LS1 4AP

Date 14 December 2018

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADERS IN LEARNING MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2018 and further to the requirements of the Education and 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 Leaders in Learning Multi Academy Trusts 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 Leaders in Learning Multi Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Leaders in Learning Multi Academy Trust and the ESFA those matters we are required to state to it 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 Leaders in Learning Multi Academy Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Leaders in Learning Multi Academy Trust's Accounting Officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of Leaders in Learning Multi Academy Trust's funding agreement with the Secretary of State for Education dated 1 December 2014 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 and the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEADERS IN LEARNING MULTI ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY - Continued**

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.

The work undertaken to draw to our conclusion includes:

- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluded on procedures carried out.

**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.



**Reporting Accountant**

**Mazars LLP**

Date 14 December 2018

<b>STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2018</b> <b>(INCLUDING INCOME AND EXPENDITURE ACCOUNT)</b>
---

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2018	Total 2017
		£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	24	24	24
<b>Charitable activities:</b>						
Funding for the academy trust's educational operations	3	14	7,627	-	7,641	7,942
Other trading activities	4	59	-	-	59	9
Investments	5	2	-	-	2	3
<b>Total</b>		<b>75</b>	<b>7,627</b>	<b>24</b>	<b>7,726</b>	<b>7,978</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Academy trust educational operations	7	31	7,515	295	7,841	8,188
Other		-	-	-	-	24
<b>Total</b>		<b>31</b>	<b>7,515</b>	<b>295</b>	<b>7,841</b>	<b>8,212</b>
<b>Net income / (expenditure)</b>		<b>44</b>	<b>112</b>	<b>(271)</b>	<b>(115)</b>	<b>(234)</b>
<b>Other recognised gains (losses):</b>						
Actuarial gains on defined benefit pension schemes	22	-	563	-	563	184
<b>Net movement in funds</b>		<b>44</b>	<b>675</b>	<b>(271)</b>	<b>448</b>	<b>(50)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		550	(3,180)	15,141	12,511	12,562
<b>Total funds carried forward</b>		<b>594</b>	<b>(2,505)</b>	<b>14,870</b>	<b>12,959</b>	<b>12,511</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

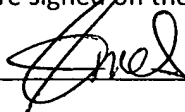
The notes on pages 31 to 49 form part of these financial statements.

**BALANCE SHEET AS AT 31 AUGUST 2018****Company Number 01234567**

	Note	2018 £000	2018 £000	2017 £000	2017 £000
<b>Fixed assets</b>					
Tangible assets	11		14,846		15,141
<b>Current assets</b>					
Debtors	12	215		234	
Cash at bank and in hand	20	943		1,035	
		<u>1,158</u>		<u>1,269</u>	
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	13	(291)		(573)	
<b>Net current assets</b>			<u>867</u>		<u>696</u>
<b>Total assets less current liabilities</b>			<u>15,713</u>		<u>15,837</u>
<b>Net assets excluding pension liability</b>			<u>15,713</u>		<u>15,837</u>
Defined benefit pension scheme liability	22		(2,754)		(3,326)
<b>Total assets</b>			<u>12,959</u>		<u>12,511</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	14	14,870		15,141	
Restricted Income fund		249		146	
Pension reserve	14	(2,754)		(3,326)	
<b>Total restricted funds</b>			<u>12,365</u>		<u>11,961</u>
<b>Unrestricted income funds</b>	14		<u>594</u>		<u>550</u>
<b>Total funds</b>			<u>12,959</u>		<u>12,511</u>

The financial statements on pages 28 to 49 were approved by the trustees and authorised for issue on the 11<sup>th</sup> December 2018 and are signed on their behalf by:

Sign:



Print name: A Hinds

Date:

11-12-18

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

	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash (used in) / provided by operating activities	17	(118)	49
<b>Cash flows from investing activities</b>	19	26	3
<b>Change in cash and cash equivalents in the reporting period</b>		(92)	52
<b>Cash and cash equivalents at 1 September 2017</b>		1,035	983
<b>Cash and cash equivalents at 31 August 2018</b>	20	943	1035

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018****1. STATEMENT OF ACCOUNTING POLICIES**

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

**Basis of Preparation**

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

Leaders in Learning Multi Academy Trust meets the definition of a public benefit entity under FRS 102.

**Going Concern**

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

**Income**

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

**Grants**

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

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 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 is 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 no performance related conditions) where the receipt is probable and the amount can be reliably measured.

### Other Income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the 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

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

### Expenditure

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

### Expenditure on Raising Funds

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.



## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 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. All resources expended are inclusive of irrecoverable VAT.

### Tangible Fixed Assets

Assets costing £5,000 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 the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

- |                                    |          |
|------------------------------------|----------|
| • Freehold buildings               | 60 years |
| • Long leasehold buildings         | 60 years |
| • Fixtures, fittings and equipment | 5 years  |
| • Computer hardware                | 3 years  |
| • Motor vehicles                   | 4 years  |

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings. 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.

### 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.

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### Provisions

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

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

### Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

### Financial Instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 13. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

### Taxation

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

### 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.

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.

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore, treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

### Fund Accounting

Unrestricted income funds represent those resources which may be used toward 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 funders where the asset acquired or created is held for a specific purpose.

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

### Critical Accounting Estimates and Areas of Judgement

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 period are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability.

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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.

### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital Grants	-	24	24	24
	-	24	24	24

### 3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	6,959	6,959	7,134
Education Services Grant (ESG)	-	19	19	92
Other DfE/ESFA grants	-	477	477	500
	-	7,455	7,455	7,726
<b>Other Government grants</b>				
Local authority grants	-	65	65	73
		65	65	73
Other income from the academy trust's educational operations	14	107	121	143
	14	7,627	7,641	7,942

### 4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Hire of facilities	59	-	59	9
	59	-	59	9

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****5. INVESTMENT INCOME**

	Unrestricted Funds	Restricted Funds	Total 2018	Total 2017
	£000	£000	£000	£000
Short term deposits	2	-	2	3
	<u>2</u>	<u>-</u>	<u>2</u>	<u>3</u>

**6. EXPENDITURE**

	Staff Costs	Non Pay Expenditure		Total 2018	Total 2017
		Premises	Other		
	£000	£000	£000	£000	£000
Academy's educational operations:					
. Direct costs	4,613	-	715	5,328	5,781
. Allocated support costs	881	1,175	457	2,513	2,407
	<u>5,494</u>	<u>1,175</u>	<u>1,172</u>	<u>7,841</u>	<u>8,188</u>

Net income/(expenditure) for the period includes:

	2018 £000	2017 £000
Operating lease rentals	15	5
Depreciation	295	299
Fees payable to auditor for:		
audit	12	12
other services	<u>1</u>	<u>1</u>

Included within the expenditure are the following transactions.

	Total	Individual Items above £5,000	
		Amount £	Reason
Compensation payment	£10,000	£10,000	Agreed compensation

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****7. CHARITABLE ACTIVITIES**

	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
<b>Direct costs – educational operations</b>	<b>5,328</b>	<b>5,805</b>
<b>Support costs – educational operations</b>	<b>2,513</b>	<b>2,407</b>
	<b>7,841</b>	<b>8,212</b>

<b>Analysis of support costs</b>	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
Support staff costs	881	598
Depreciation	295	299
Premises costs	1,175	1,117
Other support costs	149	381
Governance costs	13	12
<b>Total support costs</b>	<b>2,513</b>	<b>2,407</b>

**8. STAFF****a. Staff costs**

Staff costs during the period were:

	<b>Total 2018 £000</b>	<b>Total 2017 £000</b>
Wages and salaries	4,231	4,533
Social security costs	409	441
Pension costs	854	674
	<b>5,494</b>	<b>5,648</b>
Supply staff costs	102	129
Other staff costs	-	4
Staff restructuring costs	39	-
	<b>5,635</b>	<b>5,781</b>
Staff restructuring costs comprise:		
Severance payments	39	12
	<b>39</b>	<b>12</b>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £38,500 (2017: £11,600). Individually, the payments were: £30,000 made on 26<sup>th</sup> April 2018, £2,500 and £6,000 made on 26<sup>th</sup> September 2018 (which have been paid post year end and are shown as creditors in these financial statements).

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	69	80
Administration and support	86	91
Management	8	8
	<b>163</b>	<b>179</b>

### d. Higher paid staff

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

	2018	2017
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,001 - £110,000	-	-

### e. Key management personnel

The key management personnel of the academy trust comprise of the senior leadership team listed on page 3 of this report.

The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £678,390. (2017: £ 505,900)

## 9. RELATED PARTY TRANSACTIONS – TRUSTEES’ REMUNERATION AND EXPENSES

One trustee has been paid remuneration or received other benefits from an employment with the academy trust. The headteacher only receives remuneration in respect of services he provides undertaking the role of headteacher.

The value of trustee’ remuneration and other benefits are as follows :

S Rhodes (headteacher and trustee): Remuneration £95,000 - £100,000 (2017: £90,000- £95,000).  
Employer’s pension contributions paid £15,000 - £20,000 (2017: £15,000 - £20,000)

There are no remuneration contributions to report. No travel and subsistence expenses have been made by trustees or the headteacher and trustee.

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****10. TRUSTEES AND OFFICERS INSURANCE**

In accordance with normal commercial practice, the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 is included in the total insurance cost.

**11. TANGIBLE FIXED ASSETS**

	Leasehold Land and Buildings £000	Motor Vehicles £000	Total £000
<b>Cost</b>			
At 1 September 2017	15,600	15	15,615
At 31 August 2018	15,600	15	15,615
<b>Depreciation</b>			
At 1 September 2017	462	12	474
Charged in year	292	3	295
At 31 August 2018	754	15	769
<b>Net book values</b>			
At 1 September 2017	15,138	3	15,141
At 31 August 2018	14,846	-	14,846

**12. DEBTORS**

	2018 £000	2017 £000
Trade debtors	14	14
VAT recoverable	65	110
Other debtors		
Prepayments and accrued income	136	110
	<b>215</b>	<b>234</b>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £000	2017 £000
Trade creditors	51	327
Other taxation and social security	98	109
Other creditors	84	84
Accruals and deferred income	58	53
	<b>291</b>	<b>573</b>



**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****14. FUNDS**

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2018 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	146	6,959	(6,891)		214
Education service grant	-	19	(19)		-
Pupil premium	-	392	(392)		-
Other grants	-	150	(150)		-
Other Generated Income	-	107	(72)		35
Pension reserve	(3,326)		9	563	(2,754)
	<b>(3,180)</b>	<b>7,627</b>	<b>(7,515)</b>	<b>563</b>	<b>(2,505)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	15,141	-	(295)		14,846
DfE/ESFA capital grants	-	24			24
	<b>15,141</b>	<b>24</b>	<b>(295)</b>		<b>14,870</b>
<b>Total restricted funds</b>	<b>11,961</b>	<b>7,651</b>	<b>(7,810)</b>	<b>563</b>	<b>12,365</b>
<b>Total unrestricted funds</b>	<b>550</b>	<b>75</b>	<b>(31)</b>		<b>594</b>
<b>Total funds</b>	<b>12,511</b>	<b>7,726</b>	<b>(7,841)</b>	<b>563</b>	<b>12,959</b>

The restricted fixed asset fund balance includes the unspent capital grant of £23,879, carried forward to 2018-2019

The specific purposes for which the funds are to be applied are as outlined in the fund accounting policy.

Leaders in Learning Multi Academy Trust sets no limits as to the amount of GAG carried forward from one year to the next. It is the trustees' intention to allocate all funds granted to the pursuit of its objects and use their allocated current funding for the full benefit of their current students, save a contingency and/or reserves policy in accordance with the academy trust's accounting policies.

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)**

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
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	7,134	(6,988)	-	146
Education service grant	-	92	(92)	-	-
Pupil premium	-	437	(437)	-	-
Other grants	-	137	(137)	-	-
Pension reserve	(3,298)	277	(489)	184	(3,326)
	<b>(3,298)</b>	<b>8,077</b>	<b>(8,143)</b>	<b>184</b>	<b>(3,180)</b>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	15,441	-	(300)	-	15,141
DfE/ESFA capital grants	-	-	-	-	-
	<b>15,441</b>		<b>(300)</b>	<b>-</b>	<b>15,141</b>
<b>Total restricted funds</b>	<b>12,143</b>	<b>8,077</b>	<b>(8,443)</b>	<b>184</b>	<b>11,961</b>
<b>Total unrestricted funds</b>	<b>419</b>	<b>131</b>	<b>-</b>	<b>-</b>	<b>550</b>
<b>Total funds</b>	<b>12,562</b>	<b>8,208</b>	<b>(8,443)</b>	<b>184</b>	<b>12,511</b>

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	14,846	14,846
Current assets	594	564	-	1,158
Current liabilities	-	(291)	-	(291)
Pension scheme liability	-	(2,754)	-	(2,754)
<b>Total net assets</b>	<b>594</b>	<b>(2,479)</b>	<b>14,846</b>	<b>12,959</b>

Comparative figures for 31 August 2017 are:

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Tangible fixed assets	-	-	15,141	15,141
Current assets	550	719	-	1,269
Current liabilities	-	(573)	-	(573)
Pension scheme liability	-	(3,326)	-	(3,326)
<b>Total net assets</b>	<b>550</b>	<b>(3,180)</b>	<b>15,141</b>	<b>12,511</b>

**16. 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	10	5
Amounts due between one and five years	12	2
	<b>22</b>	<b>7</b>

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****17. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018	2017
	£000	£000
Net income for the reporting period (as per the Statement of Financial Activities)	(115)	(234)
Adjusted for:		
Depreciation charges (note 11)	295	300
Capital grants from DfE and other capital income	(24)	(24)
Interest receivable (note 5)	(2)	(3)
Defined benefit pension scheme obligation inherited		
Defined benefit pension scheme cost less contributions payable (note 22)	(90)	169
Defined benefit pension scheme finance cost (note 22)	81	66
Decrease in debtors	18	81
Decrease in creditors	(282)	(306)

**Net cash (used in) / provided by Operating Activities**

**(118)**

**49**

**18. CASH FLOWS FROM FINANCING ACTIVITIES**

There are no financing activities for the year ended 31 August 2018.

**19. CASH FLOWS FROM INVESTING ACTIVITIES**

	2018	2017
	£000	£000
Dividends, interest and rents from investments	2	3
Capital grants from DfE/ESFA	24	0
<b>Net cash provided by / (used in) investing activities</b>	<b>26</b>	<b>3</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

**Analysis cash and cash equivalents**

	2018	2017
	£000	£000
Cash in hand and at bank	943	1,035
<b>Total cash and cash equivalents</b>	<b>943</b>	<b>1,035</b>

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

### 21. MEMBERS LIABILITY

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

### 22. 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 South Yorkshire Pension Authority. Both are multi-employer defined benefit schemes.

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

Contributions amounting to £76,889 were payable to the schemes at 31 August 2018 (2017:£83,681) and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2014). Membership is automatic for full-time teachers in academies and from 01 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).

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

- 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 employer's pension costs paid to TPS in the period amounted to £453,519 (2017: £495,402). 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 a 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.

### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £566,226 (period end 31 August 2017: £256,012), of which employer's contributions totalled £490,062 (2017: £178,279) and employees' contributions totalled £76,163 (2017: £77,732).

The Trust took the decision to pay in April 2018 a single lump sum of £244,000 to represent the two years deficit payments required to March 2010. The agreed contribution rates for future years are 14% for employers and for employees:

Pay bands	Contribution rate
Up to £14,100	5.5%
£14,101 - £22,000	5.8%
£22,001 - £35,700	6.5%
£35,701 - £45,200	6.8%
£45,201 - £63,100	8.5%
£63,101 - £89,400	9.9%
£89,401 - £105,200	10.5%
£105,201 - £157,800	11.4%
Over £157,801	12.5%

## Notes to the Financial Statements for the year ended 31 August 2018 (continued)

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.

<b>Principal actuarial assumptions</b>	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
Rate of increase in salaries	3.45%	3.45%
Rate of increase for pensions in payment/inflation	2.30%	2.20%
Discount rate for scheme liabilities	2.90%	2.50%
Inflation assumption (CPI)	2.20%	2.20%
Commutation of pensions to lump sums	50.00%	50.00%
The current mortality assumptions include sufficient allowance for future improvements in mortality rates.		
The assumed life expectations on retirement age 65 are:		

	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
<i>Retiring today</i>		
Males	23.0	23.0
Females	25.8	25.7
<i>Retiring in 20 years</i>		
Males	25.2	25.4
Females	28.1	28.5

<b>Sensitivity Analysis</b>	<b>At 31 August 2018</b>	<b>At 31 August 2017</b>
	£000	£000
Discount Rate +0.1%	(133)	(133)
Mortality Assumption – 1 year increase	92	92
CPI rate +0.1%	137	137

The academy trust's share of the assets in the scheme were:

	<b>31 August 2018</b>	<b>31 August 2017</b>
	£000	£000
Equity instruments - equities	1,329	1,179
Cash	115	39
Other	273	145
Debt instruments - other bonds	183	132
Government bonds	358	267
Property	243	176
<b>Total market value of assets</b>	<b>2,501</b>	<b>1,938</b>

The actual return on scheme assets was £104,000 (2017: £371,000).

**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****Amount recognised in the Statement of Financial Activities**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Current service cost (net of employee contributions)	<b>(401)</b>	<b>(418)</b>
Net interest cost	<b>(76)</b>	<b>(66)</b>
Benefit changes, loss on curtailment and loss on settlement	<b>(5)</b>	<b>(5)</b>
Total amount recognised in the SOFA	<b>(482)</b>	<b>(489)</b>

**Changes in the present value of defined benefit obligations were as follows:**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2017</b>	<b>5,264</b>	<b>6,101</b>
Current service cost	<b>401</b>	<b>418</b>
Interest cost	<b>130</b>	<b>129</b>
Employee contributions	<b>77</b>	<b>78</b>
Actuarial (gain)/loss	<b>(514)</b>	<b>(1,461)</b>
Benefits paid	<b>(103)</b>	<b>(1)</b>
<b>At 31 August</b>	<b>5,255</b>	<b>5,264</b>

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

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>At 1 September 2017</b>	<b>1,938</b>	<b>2,803</b>
Interest income	<b>54</b>	<b>63</b>
Actuarial gain/(loss)	<b>49</b>	<b>(1,277)</b>
Employer contributions	<b>491</b>	<b>277</b>
Employee contributions	<b>77</b>	<b>78</b>
Benefits paid	<b>(103)</b>	<b>(1)</b>
Administration expenses	<b>(5)</b>	<b>(5)</b>
<b>At 31 August</b>	<b>2,501</b>	<b>1,938</b>

On 26 October, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, ('GMP'). The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes



**Notes to the Financial Statements for the year ended 31 August 2018 (continued)****23. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures.

No related party transactions took place during the period.

**24. CENTRAL SERVICES**

No central services were provided by the academy trust to its academy during the period and no central charges arose. Leaders in Learning Multi Academy Trust currently consists of one academy; Winterhill School.

**25. MULTI ACADEMY TRUST FUNDS**

As Leaders in Learning Multi Academy Trust currently consists of one academy, please refer to note 15 contained within this report.