

**Company Registration Number: 10285015** (England & Wales)

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

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



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

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Councillor Mary Aspinall Mr Bob Mills Mrs Carol Bull Mr Philip Burgess
<b>Trustees</b>	Mrs Carol Bull (resigned 25 June 2019) <sup>1</sup> Mr Andrew Robinson (appointed 22 May 2019) <sup>2,3</sup> Mr John Butcher, Chair <sup>1,2,3</sup> Mrs Ciara Moran Mr Warren O'Riley (appointed 19 November 2018) <sup>2</sup> Mr Jonathan Bushby <sup>2,3</sup> Mr Adrian King <sup>2,3</sup> Mr Simon Spry <sup>1,2</sup> Mr Ambrose McDonough (appointed 18 July 2019) <sup>1</sup> Mr Stuart Edwards (resigned 19 November 2018) <sup>2</sup> Mrs Claire Fortey <sup>1</sup> Mrs Ruth Woodhouse (appointed 27 September 2018) <sup>1</sup>
	<sup>1</sup> Curriculum and standards committee <sup>2</sup> Finance and personnel committee <sup>3</sup> Audit committee
<b>Company registered number</b>	10285015
<b>Company name</b>	Learning Academies Trust
<b>Principal and registered office</b>	Prince Rock Primary School Embankment Road Plymouth Devon PL4 9JF
<b>Company secretary</b>	Mrs Kay Mabin
<b>Chief executive officer</b>	Mr Simon Spry
<b>Senior management team</b>	Mr Simon Spry, Chief Executive Officer Mrs Kay Mabin, Chief Finance Officer Mrs Amy Bosworth, HR/ Business Partner Mr Luke Pollard, ICT Lead Mr Nick Carter, Estates Lead
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

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FOR THE YEAR ENDED 31 AUGUST 2019**

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<b>Bankers</b>	Lloyds Bank Andover Devon BX1 1LT
<b>Solicitors</b>	Browne Jacobson LLP 1 Manor Court Dix's Field Exeter Devon EX1 1UP

**LEARNING ACADEMIES TRUST  
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2019**

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

The Trust operates 8 primary academies in Plymouth. Its academies have a combined pupil capacity of 2,940 and had a roll of 2,572 in the school census on 1 May 2019.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Learning Academies Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**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 they ceased to be a member.

**Trade union facility time**

There are no relevant union officials employed by the Trust.

**Trustees' Indemnities**

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.

**TRUSTEES**

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

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 5 Trustees who are appointed by the members
- up to 1 Parent Trustee who is appointed by the Trustee Board
- up to 5 Trustees who are appointed by the Trustee Board
- the CEO

Trustees are appointed for a four-year period, except that this time limit does not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

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

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies and chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to

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**TRUSTEES' REPORT (CONTINUED)  
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undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies. This year the chair has benefited from Trustee training provided by Ambitions Institute.

**Organisational Structure**

The Board of Trustees normally meets at least once each term and 5 times over the course of an academic year. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 3 main committees as follows;

- Finance and Personnel Committee - This meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the CEO and CFO, drafting the annual budget including setting staffing levels. It also incorporates the role of additional annual 'senior staff' pay committee.
- Curriculum and Standards Committee - This meets once a term or three times a year to monitor, evaluate and review MAT policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all safeguarding and pastoral issues.
- Audit Committee - This meets at least twice a year to receive and consider the annual audit report from the LATs external auditors, oversee the LATs general internal audit work and oversee and report on the LATs risk management.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteachers and Clerk to the Trustees, to approve the Annual MAT Improvement Plan and budget.

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

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Multi Academy Trust to the CEO, Headteachers and the 2 Senior Leadership Teams (SLTs). The MAT Executive SLT comprises both the 2 Executive Headteachers, 4 Headteachers and the CEO. The service lead SLT comprises the CEO alongside the CFO and the LAT HR, ICT and Estates Leads. The SLTs implement the policies laid down by the Trustees and report back to them on performance. There is a clear scheme of delegation in place.

The Academy Trust comprises 8 primary schools – Prince Rock, Woodfield, Salisbury Road, Mount Wise, Shakespeare, Knowle, Mayflower and Mount Street. Each school has its own Local Governing Body responsible for day to day operations and the oversight of the school's budget.

The Chief Executive Officer is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustees comprise the Board of Trustees and the senior leadership teams comprise the key management personnel of the MAT in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

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The pay of key management personnel is reviewed annually and normally increased in accordance with nationally agreed scales. The pay committee, a sub-committee of the finance committee, meet annually to review senior staff pay.

The Trustees continue to benchmark against pay levels in other Academies of a similar size. The CEO salary is set annually and is set within the nationally agreed Headteacher's Leadership salary range, after benchmarking against similar sized MATs.

**Connected Organisations, including Related Party Relationships**

The MAT has strong collaborative links with the Plymouth Teaching School Alliance (PTSA) as Prince Rock Primary is the joint lead school in the PTSA.

There are no related parties which either control or significantly influence the decisions and operations of Learning Academies Trust. There are no sponsors associated with the MAT.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing schools, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on supporting disadvantaged children and families.

The aims of the Academy during the period ended 31 August 2019 are summarised below:

- to continue to raise the standard of educational attainment and achievement of all pupils
- to provide a broad and balanced curriculum, including extra curricular activities
- to develop students as more effective learners
- to develop the Academies sites so that they enable students to achieve their full potential
- to ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review
- to maximise the number of students who achieve at or above Key Stage 2 outcome in reading, writing and maths
- to provide value for money from the funds expended
- to fulfil the role of a lead partner in the Plymouth Teaching School Alliance
- to develop greater coherence, clarity and effectiveness in school systems across the MAT
- to comply with all appropriate statutory and curriculum requirement
- to develop the Academy's capacity to manage change, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At the Learning Academies Trust we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Our work as a MAT is summed up in this list of 3 beliefs and 7 'We wills'.

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**TRUSTEES' REPORT (CONTINUED)  
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As a growing and significant Plymouth Primary School MAT, the 'Learning Academies Trust' has three core beliefs that underpin its work.

- We believe that every child in our Trust deserves an outstanding education.
- We believe that schools work best when they work together.
- We believe that every school is unique.

Every school in the Learning Academies Trust has its own individual mission statement and agreed set of individual school aims and values, however every school in the Trust is signed up and committed to the following values. The seven Learning Academies Trust 'We wills':

And finally, the unique ingredient that makes the LAT a very special place to both learn in and work in:

- We will strive for the highest possible academic standards and do everything we can to improve the life chances of the children in our care
- We will aim to develop our children as responsible, rounded citizens
- We will do everything we can to develop our children's love of enquiry and perseverance and encourage them to be truly 'lifelong learners'
- We will provide a rich and stimulating curriculum for all our children, which is both broad and balanced as well as exciting and relevant
- We will establish an inspirational environment in every classroom in every school
- We will all work hard and try our very best every day to be 'outstanding' in everything we do and strive to be truly 'world class'
- We will not let social disadvantage be an obstacle to success. We know that with great leadership, inspirational teaching, caring pastoral support and hard work, every child in every one of our schools can succeed

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our MAT 'Improvement Plan', which is available from the MAT Office. Improvement focuses identified for this year and our successes include:

- Develop a new MAT wide curriculum, designed collaboratively by our staff, to successfully meet the needs of our learners. This is now ready and has been launched
- Prepare all of our stakeholders for the new Ofsted inspection framework. We are now ready and awaiting 2 'overdue' visits
- Ensure our children perform at least in line with, or above their peers nationally by the time they leave the LAT, in reading, writing and maths. We went up 9% across the LAT, moving from 5% below national, to 3% above
- Provide pupil premium pupils with opportunities and quality teaching to ensure they achieve in line with non pupil premium children. We planned to close gaps across the MAT and gaps are closing across a number of year groups
- Develop robust monitoring and evaluation cycles and an aligned assessment framework across the MAT to ensure consistency and accountability. These have now been established in all 8 schools
- Embed the teaching of 'Oracy' across the MAT. This is going very well
- Develop a MAT school council. This is now firmly established
- Develop a range of career path structures to recruit/attract the best possible staff and make the LAT the employer of choice in the city. This will include embedding and developing our successful NQT, NQT+1 and middle leader courses, as well as growing and developing more senior leaders through NPQs. This is going very well as our pool of talent continues to grow and develop
- Prioritise the development of staff well-being across the MAT. An exciting new LAT wide strategy has now been launched
- Develop the central LAT team to support the growth of the MAT. This is developing well and all 4 service



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leads are now firmly in place.

**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

**STRATEGIC REPORT**

**Achievements and Performance**

The Multi Academy Trust is in its third year of operation and as of May 2019 it had 2572 students. This included 173 pupils at Woodfield, 513 at Salisbury Road and 403 at Prince Rock. In the 3 new schools that joined in April 2018 there are 401 children at Shakespeare, 307 at Knowle and 217 at Mount Wise. These figures do not include any nursery children. Mayflower has 395 children and Mount Street has 163.

In terms of the current Ofsted grades of our 8 schools, 2 are 'outstanding', 3 are 'good' and 2 'require Improvement'. Our good and outstanding schools are currently full or oversubscribed, but our 3 'RI' schools are currently not.

**July 2019 combined RWM data with last year's scores and actuals**

Key overall LAT combined year 6 RWM data headlines

In terms of academic performance this year, there are a number of strengths / reasons to celebrate LAT wide:

- Year 1 phonics - We are above national as a MAT
- Year 6 KS 2 SATs attainment - We are above national in all areas as a MAT
- Narrowing 'internal' school PP (Pupil Premium) to non PP gaps almost everywhere as a MAT
- Maths progress data (not shown below, but clearly visible from FFT early access data in 6/8 LAT schools)
- Overall RWM combined has gone from 59% to 68%, up by 9%
- We have gone from 5% below national to 3% above national
- Our combined GD (greater depth) data has stayed the same as last year at 10%
- We were the same as national for GD last year. This year's national is not out yet
- Our combined PP (pupil premium) data has risen 10% from 50% to 60%
- We were 2% above national for PP last year. This year's national data is not out yet
- Our internal PP to non PP gap this year has dropped to 8%. Last year it was 9%
- Our data has gone up by 9% overall, but our internal PP gap has narrowed by 1%

This overall combined year 6 RWM data is very positive and has improved in all areas!

During the year, the MAT secured 2 Condition Improvement Grants to upgrade the windowsills and weatherproofing at Salisbury Road and to replace the flat roof at Mount Street.

During the year, a number of senior / middle leaders have benefited from external National Professional Qualification training, others undertook internal 'aspirant leader' training and a number of NQT's were given bespoke training in addition to their basic induction. We also ran a very successful NQT +1 programme for our teachers in their second year with us.

The MAT continues to play a key role in the work of the Plymouth Teaching School Alliance. The MAT has an active NLE (National Leader of Education), two LLE (Local Leader of Education), and a number of SLEs (Specialist leaders of Education) and PLEs (Plymouth Lead Educators). All of these staff contribute to support the work of the MAT and children across the city of Plymouth.

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COMBINED RWM % - Last year's data and final July 19 scores	Number on roll in year 6	Last year's actual RWM scores %	This year June 19 actual %	Last year's actual GD %	This year June 19 actual GD %	Last year's actual PP %	This year June 19 actual PP %
Woodfield	20	63	80	0	5	60	80
Salisbury Road	85	67	61	2	5	54	54
Prince Rock	56	63	68	14	16	65	63
Knowle	39	49	53	10	8	41	50
Shakespeare	56	48	54	5	2	48	46
Mount Wise	34	38	85	3	9	19	83
Mayflower	55	84	78	25	9	81	68
Mount Street	23	60	61	17	22	33	33
LAT average	46	59	68	10	10	50	60
National		64	65	10		48	

**Key Performance Indicators**

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers on the October 2018 census were 2582, a decrease of 25 compared to 2017. It is anticipated that this number will continue to rise in future years.

The following KPI's were set at the start of the year:

These KPI's are monitored monthly and reported to the Finance Committee and Trust Board.

	Target	Actual
GAG as a % to total income	76.0%	78.0%
Staff costs as a % of total income	78.0%	73.0%
Staff costs as a % of total expenditure	72.0%	74.0%
Average teacher cost	£40,000	£45,976
Average non teacher cost	£22,076	£21,036
Leadership team costs as a % of total staff costs	7.0%	2.0%
Pupil teacher ratio	20.1	18.1
Average class size	28.0	27.0

**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 Going concern policy.

**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

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**TRUSTEES' REPORT (CONTINUED)  
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During the year ended 31 August 2019, the Academy received total income of £21,251,617 and incurred total expenditure of £16,332,755. The excess of income over expenditure for the year was £4,918,862, however this includes the balances of schools transferring into the Trust.

At 31 August 2019 the net book value of fixed assets was £31,648,370 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the 1st October 2018 convertor/transferor school's budget share £472,360 was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 27 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy and Financial Procedures Manual which lays out the framework for financial management, including financial responsibilities of the Board, Chief Executive Officer, Executive/Head Teacher, Chief Finance Officer, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included the Reserves Policy.

**Reserves Policy**

The Trustees have determined that the appropriate level of free reserves to cover all 8 schools should not exceed £1,750,000. The reason for this is to provide sufficient working capital to cover the equivalent of 2 months salaries and invoices and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Total reserves of the academy amount to £24,612,735, although £23,293,637 of this is invested in fixed assets, pension reservers, designated funds or non GAG restricted funds. The remaining £1,319,098 (representing £720,864 unrestricted funds and £598,234 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 2 months of normal recurring expenditure.

The Trustees have reviewed the future plans of the Academy and have set designated reserves as follows:

- £25,000 towards an central LAT office/nursery facility within Salisbury Road.
- £100,000 has been earmarked to fund the new school improvement post, which aims to increase knowledge and provide support to the teaching staff within the LAT from research.
- £24,650 to support the Trust's internal teacher absence insurance scheme.
- £150,000 towards building Trust capacity.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy Trust.

**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Chief Finance Officer within strict guidelines approved by the Board of Trustees.

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**TRUSTEES' REPORT (CONTINUED)  
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**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. These are outlined and available in a separate Risk Register.

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

**Financial** - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 62% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. The Trustees are also aware of the need to both train Trustees and recruit new ones.

**Reputational** - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed. The MAT is also aware of the need to grow slowly and carefully and to consider its capacity to support the schools who may wish to join.

**Safeguarding, child protection and health and safety** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

**Staffing** - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning. The Trustees are also aware of the need to retain the current senior leaders while developing and preparing the next phase of middle leaders to succeed them.

**Fraud and mismanagement of funds** - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 27 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

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**PLANS FOR FUTURE PERIODS**

Full details of our plans for the future are given in our MAT Improvement Plan, which is available on our website or from the Clerk to the Trustees.

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools and the Plymouth Teaching School Alliance to improve the educational opportunities for students in the MAT and the wider community of Plymouth.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

On all application forms, we have the following statement:

"Our aim is to appoint the best person for the job. We believe in equal opportunities and wherever possible, reasonable adjustments will be made to help accommodate applications from those with additional needs. If you do require some assistance, please contact the HR team [ria.croot@learningat.uk](mailto:ria.croot@learningat.uk)"

In order to support a diverse workforce, all of our policies refer to reasonable adjustments, appropriate targets/CPD to allow for, and accommodate individual needs.

Employee Wellbeing Group

We have an employee forum with representation from each of the 8 schools plus the central team who meet 6 times per year. Following an anonymous employee survey based on the Public Health England template, the group are addressing the areas highlighted.

Employee Newsletter

We have an employee newsletter that is sent out to all staff 6 times per year which is designed to communicate, inform and engage the employee group, allowing them to also have a voice to share good news and successes across the Trust.

Joint Consultative Committee

Meeting at least 4 times per year, the Joint Consultative Committee has been formalised with Trade Union Representatives and is another avenue for employees to voice their thoughts through their professional representation.

**TRUSTEES INDEMNITIES**

As the Trustees are Directors, disclosure is required of whether there were any third party indemnity provisions during the year or at the date of approval of the Trustees' report.

**Disclosure of information to auditors**

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustees are aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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**TRUSTEES' REPORT (CONTINUED)  
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**Auditors**

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 12.12.19 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'J Butcher', is written over the text of the signature line.

**Mr John Butcher  
(Chair)**

**LEARNING ACADEMIES TRUST  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Learning Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs Carol Bull	4	5
Mr Andrew Robinson	1	1
Mr John Butcher, Chair	5	5
Mrs Ciara Moran	1	5
Mr Warren O'Riley	5	5
Mr Jonathan Bushby	4	4
Mr Adrian King	2	5
Mr Simon Spry	5	5
Mr Ambrose McDonough	1	1
Mr Stuart Edwards	0	5
Mrs Claire Fortey	3	5
Mrs Ruth Woodhouse	4	5

Although only 5 Trust Board meetings have taken place during the year, we also meet regularly with our directors/Trustees through our committee meetings to discuss all areas that affect the Trust: finance, risk, assurance, curriculum, HR and strategic planning. From 2019/20, we will ensure we meet the requirements of the AFH for 6 Trust Board meetings and 3 audit committee meetings.

Carol Bull resigned as Chair of the Trust Board on 25th June 2019 and John Butcher agreed to take over as interim Chair. Jonathan Bushby joined us in November 2018 and took on the role of Chair of Finance, Ruth Woodhouse and Carol Fortey were both appointed to the Board in September 2018 followed by Andrew Robinson in May 2019 and Ambrose McDonough in July 2019. Due to a change in personal circumstances, Stuart Edwards resigned in November 18, having only joined us in May 2018.

The Finance and Personnel Committee is a sub-committee of the main Board of Trustees. Its purpose is to deal with Finance and Personnel issues.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**GOVERNANCE (CONTINUED)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Spry - attendance only - non voting	5	5
Jonathan Bushby	5	5
John Butcher	5	5
Warren O'Riley	4	5
Adrian King	4	5
Andrew Robinson	2	2

The Audit Committee is also a sub-committee of the main Board of Trustees. Its purpose is to deal with external and internal audit and to provide assurance to the Trust Board over the suitability of, and compliance with, its financial systems and operational controls, and to ensure that risks are being adequately identified and managed.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Simon Spry	2	2
Jonathan Bushby	2	2
John Butcher	2	2
Adrian King	2	2
Andrew Robinson	1	1

**REVIEW OF VALUE FOR MONEY**

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

The accounting officer considers how the Academy 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 delivered improved value for money during the year by:

- Print contract tendered and awarded to Ricoh - saving £100,000 over 5 years.
- Internal teachers staff absence insurance scheme developed so Trust 'self insures'. All unspent funds in the scheme remain in the scheme and are still available to the Trust, not the external insurance company. £25,000 surpluses in 2018/19.
- New MIS system, Arbor procured for installation early 2019/20. Total savings across the Trust £28,000 per annum.



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

**GOVERNANCE STATEMENT (CONTINUED)**

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**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learning Academies Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

The Board of Trustees has reviewed the key risks to which the 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 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Bishop Fleming (bought in service) as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

The internal auditor reports to the Board of Trustees through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

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

**GOVERNANCE STATEMENT (CONTINUED)**

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**REVIEW OF EFFECTIVENESS**

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

- the work of the internal auditor;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the Chief Financial Officer and Senior Leaders 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 Audit Committee 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 <sup>12.12.19</sup> and signed on their behalf by:



**Mr John Butcher**  
Chair of Trustees



**Mr Simon Spry**  
Accounting Officer

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


**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As accounting officer of Learning Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of all 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 2018.

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



Mr Simon Spry  
Accounting Officer  
Date: 12.12.19

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

**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees (who 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 & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of Trustees on and signed on its behalf by:



12.12.19

**Mr John Butcher**  
Chair of Trustees

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LEARNING ACADEMIES TRUST**

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**OPINION**

We have audited the financial statements of Learning Academies Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LEARNING ACADEMIES TRUST (CONTINUED)**

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**OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. 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.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report including the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF  
LEARNING ACADEMIES TRUST (CONTINUED)**

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**RESPONSIBILITIES OF TRUSTEES**

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

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

**AUDITORS' 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 Auditors' 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 Auditors' report.

**USE OF OUR REPORT**

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



**Pamela Tuckett FCA DChA (Senior statutory auditor)**  
for and on behalf of

**Bishop Fleming LLP**

Chartered Accountants  
Statutory Auditors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

Date: 18/12/19

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

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARNING ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 31 July 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learning Academies Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF LEARNING ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Learning Academies Trust's funding agreement with the Secretary of State for Education dated 1 September 2017 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



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

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

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**CONCLUSION**

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Bishop Fleming LLP*

**Pamela Tuckett FCA DChA**

**Bishop Fleming LLP**

Salt Quay House  
4 North East Quay  
Sutton Harbour  
Plymouth  
PL4 0BN

Date:

*18/12/19*

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>INCOME FROM:</b>						
Donations and capital grants:	3					
Transfers on Conversion		472,360	(1,572,000)	7,094,888	5,995,248	8,909,440
Other donations and capital grants		44,782	159,682	398,025	602,489	240,067
Charitable activities	4	975,918	13,323,529	-	14,299,447	7,933,319
Other trading activities		343,403	-	-	343,403	173,582
Investments	6	11,030	-	-	11,030	1,395
<b>TOTAL INCOME</b>		<b>1,847,493</b>	<b>11,911,211</b>	<b>7,492,913</b>	<b>21,251,617</b>	<b>17,257,803</b>
<b>EXPENDITURE ON:</b>						
Raising funds		22,663	-	-	22,663	6,214
Charitable activities		1,236,356	14,131,663	942,073	16,310,092	9,448,466
<b>TOTAL EXPENDITURE</b>		<b>1,259,019</b>	<b>14,131,663</b>	<b>942,073</b>	<b>16,332,755</b>	<b>9,454,680</b>
<b>NET INCOME/ (EXPENDITURE)</b>		<b>588,474</b>	<b>(2,220,452)</b>	<b>6,550,840</b>	<b>4,918,862</b>	<b>7,803,123</b>
Transfers between funds	20	(102,661)	(82,401)	185,062	-	-
<b>OTHER RECOGNISED GAINS/(LOSSES):</b>						
Actuarial losses on defined benefit pension schemes	27	-	(1,771,000)	-	(1,771,000)	1,355,000
<b>NET MOVEMENT IN FUNDS</b>		<b>485,813</b>	<b>(4,073,853)</b>	<b>6,735,902</b>	<b>3,147,862</b>	<b>9,158,123</b>

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	555,318	(4,052,302)	24,961,857	21,464,873	12,306,750
Net movement in funds	485,813	(4,073,853)	6,735,902	3,147,862	9,158,123
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>1,041,131</b>	<b>(8,126,155)</b>	<b>31,697,759</b>	<b>24,612,735</b>	<b>21,464,873</b>

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 27 to 59 form part of these financial statements.

**LEARNING ACADEMIES TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER:10285015**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Tangible assets	15	31,648,370	24,972,029
<b>CURRENT ASSETS</b>			
Debtors	16	832,924	774,157
Cash at bank and in hand		2,272,285	1,115,069
		<u>3,105,209</u>	<u>1,889,226</u>
Creditors: amounts falling due within one year	17	(1,349,099)	(952,967)
<b>NET CURRENT ASSETS</b>		<u>1,756,110</u>	<u>936,259</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>33,404,480</u>	<u>25,908,288</u>
Creditors: amounts falling due after more than one year	18	(19,745)	(26,415)
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>		<u>33,384,735</u>	<u>25,881,873</u>
Defined benefit pension scheme liability	27	(8,772,000)	(4,417,000)
<b>TOTAL NET ASSETS</b>		<u><u>24,612,735</u></u>	<u><u>21,464,873</u></u>
<b>FUNDS OF THE ACADEMY TRUST</b>			
<b>Restricted funds:</b>			
Fixed asset funds	20	31,697,759	24,961,857
Restricted income funds	20	645,845	364,698
		<u>32,343,604</u>	<u>25,326,555</u>
Restricted funds excluding pension liability	20	32,343,604	25,326,555
Pension reserve	20	(8,772,000)	(4,417,000)
<b>Total restricted funds</b>	20	<u>23,571,604</u>	<u>20,909,555</u>
<b>Unrestricted income funds</b>	20	<u>1,041,131</u>	<u>555,318</u>
<b>TOTAL FUNDS</b>		<u><u>24,612,735</u></u>	<u><u>21,464,873</u></u>

The financial statements on pages 24 to 59 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by: 12.12.19

Mr John Butcher  
 (Chair of Trustees)



The notes on pages 27 to 59 form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES**

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

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

**1.2 GOING CONCERN**

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

**1.3 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 is recognised in full in the Statement of financial activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 INCOME (CONTINUED)**

- **Transfer on conversion**

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within income from donations and capital grants.

- **Transfer of existing academies into the Academy Trust**

Where assets are received on the transfer of an existing academy into the Academy Trust, the transferred assets are measured at fair value and recognised in the Balance sheet at the point when the risks and rewards of ownership pass to the Academy Trust. An equal amount of income is recognised for the transfer of an existing academy into the Academy Trust within 'Income from Donations and Capital Grants' to the net assets acquired.

**1.4 EXPENDITURE**

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

- **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.

**1.5 INTEREST RECEIVABLE**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy Trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

**1.6 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.

**LEARNING ACADEMIES TRUST  
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**1. ACCOUNTING POLICIES (continued)**

**1.7 TANGIBLE FIXED ASSETS**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Freehold property	- Land: not depreciated, Buildings: 50 years
Long-term leasehold property	- Land: 125 years/Lease term, Buildings: 50 years
Furniture and equipment	- 4 years straight line
Computer equipment	- 3 years straight line

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.

**1.8 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.9 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.10 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.

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**1. ACCOUNTING POLICIES (continued)**

**1.11 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 bases 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 16. Prepayments are not financial instruments. 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 notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**1.12 PENSIONS**

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. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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



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**1. ACCOUNTING POLICIES (continued)**

**1.13 CONVERSION TO AN ACADEMY TRUST**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Mount Street Primary School to the Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance sheet categories, with a corresponding amount recognised in Income from Donations and Capital Grants in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 26.

**1.14 FUND ACCOUNTING**

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the 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 Group.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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**3. INCOME FROM DONATIONS AND CAPITAL GRANTS**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfers on conversion and transfer	472,360	5,522,888	5,995,248	8,909,440
Donations	44,782	159,682	204,464	127,973
Capital Grants	-	398,025	398,025	112,094
	<u>517,142</u>	<u>6,080,595</u>	<u>6,597,737</u>	<u>9,149,507</u>
<b>TOTAL 2018</b>	<u>385,274</u>	<u>8,764,233</u>	<u>9,149,507</u>	

**4. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Education	158,648	13,313,529	13,472,177	7,580,255
Nursery	817,270	10,000	827,270	353,064
<b>TOTAL 2019</b>	<u>975,918</u>	<u>13,323,529</u>	<u>14,299,447</u>	<u>7,933,319</u>
<b>TOTAL 2018</b>	<u>385,028</u>	<u>7,548,291</u>	<u>7,933,319</u>	

**LEARNING ACADEMIES TRUST  
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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. FUNDING FOR THE ACADEMY TRUST'S EDUCATION**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA GRANTS</b>				
General Annual Grant	-	10,856,113	10,856,113	6,008,785
Other DfE Group grants	-	2,189,075	2,189,075	1,295,424
	-	13,045,188	13,045,188	7,304,209
<b>Other government grants</b>				
High Needs	-	170,619	170,619	65,695
Other government grants non capital	-	97,722	97,722	178,387
	-	268,341	268,341	244,082
<b>Other funding</b>				
Income for hosting trainee teachers	23,703	-	23,703	9,032
Sales to students	106,875	-	106,875	14,679
Other	8,236	-	8,236	8,253
Internal catering income	19,834	-	19,834	-
	158,648	13,313,529	13,472,177	7,580,255
<b>TOTAL 2018</b>	31,964	7,548,291	7,580,255	

**6. INVESTMENT INCOME**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	11,030	11,030	1,395

All prior year funds relate to unrestricted.

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**7. INCOME FROM OTHER TRADING ACTIVITIES**

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	19,165	19,165	8,301
Sales of other goods and services	16,686	16,686	-
Consultancy	176,565	176,565	75,208
Fees received	130,987	130,987	90,073
<b>TOTAL 2019</b>	<b>343,403</b>	<b>343,403</b>	<b>173,582</b>

**8. EXPENDITURE**

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	22,663	22,663	6,214
Education:					
Direct costs	9,198,579	740,506	683,513	10,622,598	6,179,232
Support costs	2,499,734	450,027	1,903,242	4,853,003	3,063,435
Nursery					
Direct costs	674,676	19,034	6,867	700,577	196,708
Support costs	48,681	45,737	39,496	133,914	9,091
	<b>12,421,670</b>	<b>1,255,304</b>	<b>2,655,781</b>	<b>16,332,755</b>	<b>9,454,680</b>
<b>TOTAL 2018</b>	<b>6,877,489</b>	<b>1,032,710</b>	<b>1,544,481</b>	<b>9,454,680</b>	

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**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES**

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	10,622,598	4,853,003	15,475,601	9,242,667
Nursery	700,577	133,914	834,491	205,799
	<u>11,323,175</u>	<u>4,986,917</u>	<u>16,310,092</u>	<u>9,448,466</u>
TOTAL 2018	<u>6,375,940</u>	<u>3,072,526</u>	<u>9,448,466</u>	

**Analysis of direct costs**

	Education 2019 £	Nursery 2019 £	Total funds 2019 £	Total funds 2018 £
Pension finance costs	60,000	-	60,000	50,000
Staff costs	9,012,209	674,676	9,686,885	5,474,030
Depreciation	723,118	19,033	742,151	373,810
Educational supplies	312,342	4,083	316,425	147,177
Examination fees	-	-	-	45
Staff development	81,252	-	81,252	49,743
Other costs	104,445	-	104,445	50,836
Supply teachers	211,472	2,785	214,257	144,814
Technology costs	117,760	-	117,760	85,485
	<u>10,622,598</u>	<u>700,577</u>	<u>11,323,175</u>	<u>6,375,940</u>
TOTAL 2018	<u>6,179,232</u>	<u>196,708</u>	<u>6,375,940</u>	

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**9. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)**

**Analysis of support costs**

	<b>Education 2019 £</b>	<b>Nursery 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Pension finance costs	92,000	-	92,000	42,000
Staff costs	2,499,734	48,681	2,548,415	1,289,107
Depreciation	172,638	41,670	214,308	352,618
Other costs	31,976	422	32,398	9,144
Recruitment and support	31,300	403	31,703	8,795
Maintenance of premises and equipment	194,515	3,807	198,322	79,136
Cleaning	59,755	232	59,987	50,260
Rent and rates	79,604	2,832	82,436	64,547
Energy costs	189,840	-	189,840	81,605
Insurance	67,815	-	67,815	38,377
Security and transport	62,067	-	62,067	71,722
Catering	656,493	1,973	658,466	359,058
Technology costs	184,625	81	184,706	138,771
Office overheads	147,160	31,467	178,627	64,437
Legal and professional	351,324	2,346	353,670	366,139
Bank interest and charges	1,469	-	1,469	148
Governance costs	30,688	-	30,688	56,662
	<u>4,853,003</u>	<u>133,914</u>	<u>4,986,917</u>	<u>3,072,526</u>
<b>TOTAL 2018</b>	<u>3,063,435</u>	<u>9,091</u>	<u>3,072,526</u>	

**10. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Operating lease rentals	45,916	33,101
Depreciation of tangible fixed assets	954,813	726,428
Fees paid to auditors for:		
- audit	16,350	14,975
- other services	6,455	5,190

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. STAFF COSTS**

**a. STAFF COSTS**

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	9,032,563	4,972,275
Social security costs	748,986	400,064
Pension costs	2,360,702	1,340,572
	<u>12,142,251</u>	<u>6,712,911</u>
Agency staff costs	186,370	114,352
Staff restructuring costs	93,049	50,226
	<u>12,421,670</u>	<u>6,877,489</u>
	2019 £	2018 £
Redundancy payments	57,207	39,862
Severance payments	14,100	10,364
Other restructuring costs	21,742	-
	<u>93,049</u>	<u>50,226</u>

**b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS**

Included in staff restructuring costs are non-statutory/ non-contractual severance payments totalling £14,100 (2018: £10,364). Individually payments were £10,600 and £3,500.

**c. STAFF NUMBERS**

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

	2019 No.	2018 No.
Teachers	160	116
Educational support	276	232
Administration and clerical	35	38
Management	14	21
	<u>485</u>	<u>407</u>



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**11. STAFF COSTS (CONTINUED)**

**c. STAFF NUMBERS (CONTINUED)**

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	136	96
Educational support	158	123
Administration and clerical	24	23
Management	13	21
	<u>331</u>	<u>263</u>

**d. HIGHER PAID STAFF**

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	2	1
In the band £100,001 - £110,000	-	1
In the band £110,001 - £120,000	1	-
	<u>1</u>	<u>1</u>

**e. KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and The Senior Management team as listed on Page 1. The total benefits (including employer pension contributions and national insurance) received by key management personnel for their services to the Academy Trust was £286,225 (2018: £306,310).

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in Note 13 has not been included in the total benefits received by key management above.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. CENTRAL SERVICES**

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

- Finance and accountancy team
- HR Lead and Business Partner – HR and Wellbeing
- Estates Manager
- ICT Network Manager and ICT team
- School Improvement Support including National Leaders of Education (NLE's) and Senior Leaders of Education (SLE's) support and Maths and English leads
- National Foundation for Educational Research resources
- Payroll services including pension scheme administration
- Legal services
- Accountancy support
- Internal audit function
- Access to British Council grants - overseas staff secondment opportunities
- Property and Compliance membership fees and support, including Health & Safety
- Trust wide investment in ICT infrastructure
- Finance and budgeting software
- Governor Services - Effective School Governance for school/LAB's
- MAPA trained staff
- Media Management
- ICO registration
- Data Protection Officer
- Access to staff training budget
- Access to training budget
- ILG service
- The Key for School Leaders
- Fixed Asset register/inventory software
- Access to property consultants and MAT support with CIF bids for large capital projects
- Access to in house staff absence insurance scheme

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

The cost of provision of central services is recharged to the academies on a % of income basis, and also certain costs recharged on an individual basis dependant on usage.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Prince Rock Primary School	139,211	88,668
Salisbury Road Primary School	171,131	115,971
Woodfield Primary School	74,428	47,226
Mount Wise Community Primary School	58,226	19,361
Shakespeare Primary School	111,575	35,295
Knowle Primary School	97,524	31,329
Mount Street Primary School	47,417	-
Mayflower Primary School	112,826	-
	<b>812,338</b>	<b>337,850</b>

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**13. TRUSTEES' REMUNERATION AND EXPENSES**

The CEO and other Staff Trustees only received remuneration in respect of services they provide undertaking the roles of CEO and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy Trust in respect of their role as Trustees. The value of Trustee' remuneration and other benefits was as follows: Mr S Spry: Remuneration £110,000 - £115,000 (2018: £105,000 - £110,000), Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000), Mrs C Moran: Remuneration £70,000 - £75,000 (2018: £65,000 - £70,000), Employer's pension contributions £10,000 - £15,000 (2018: £10,000 - £15,000).

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**14. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £25,000,000 on any one claim and the cost for all insurances for the year ended 31 August 2019 was £68,378 (2018 - £38,377).

**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
<b>COST OR VALUATION</b>					
At 1 September 2018	5,164,320	19,919,431	614,086	463,162	26,160,999
Additions	102,633	263,496	19,227	152,555	537,911
Transfers on conversion	2,421,888	4,519,000	69,240	84,760	7,094,888
At 31 August 2019	7,688,841	24,701,927	702,553	700,477	33,793,798
<b>DEPRECIATION</b>					
At 1 September 2018	127,177	561,608	231,045	269,140	1,188,970
Charge for the year	122,651	462,592	140,510	230,705	956,458
At 31 August 2019	249,828	1,024,200	371,555	499,845	2,145,428
<b>NET BOOK VALUE</b>					
At 31 August 2019	7,439,013	23,677,727	330,998	200,632	31,648,370
At 31 August 2018	5,037,143	19,357,823	383,041	194,022	24,972,029

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**15. TANGIBLE FIXED ASSETS (CONTINUED)**

The value of land not depreciated is £1,593,103 (2018: £1,084,507).

The Academy Trust was granted the freehold on land and buildings transferred from the Local Authority for Mount Street Primary School.

**16. DEBTORS**

	2019 £	2018 £
<b>DUE WITHIN ONE YEAR</b>		
Trade debtors	9,439	83,444
VAT recoverable	-	6
Prepayments and accrued income	768,282	584,814
VAT recoverable	55,203	105,893
	<u>832,924</u>	<u>774,157</u>

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

	2019 £	2018 £
Trade creditors	283,042	179,750
Other taxation and social security	179,814	135,031
Other creditors	176,338	138,228
Accruals and deferred income	709,905	499,958
	<u>1,349,099</u>	<u>952,967</u>

**DEFERRED INCOME**

	2019 £	2018 £
Deferred income at 1 September 2018	242,328	92,097
Resources deferred during the year	357,185	242,328
Amounts released from previous years	(242,328)	(92,097)
<b>Deferred income at 31 August 2019</b>	<u><b>357,185</b></u>	<u><b>242,328</b></u>

At the balance sheet date the Academy Trust was holding funds received in advance for trips booked in the Autumn term 2019, Universal Infant Free School Meal funding in advance of 19/20, rates relief funding in advance of 19/20 and amounts invoiced for teachers time.

**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019 £	2018 £
ESFA loans	<u>19,745</u>	<u>26,415</u>

Included within ESFA loans is a Salix loan of £19,745 repayable in six monthly instalments over 3 years with an applicable interest rate of 0%.

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**19. FINANCIAL INSTRUMENTS**

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through income and expenditure	2,272,285	1,115,069
Financial assets measured at amortised cost	552,182	514,835
	<u>2,824,467</u>	<u>1,629,904</u>
	2019 £	2018 £
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(991,914)</u>	<u>(710,637)</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise of debtors (other than prepayments).

Financial liabilities measured at amortised cost comprise of creditors (other than deferred income).

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**20. STATEMENT OF FUNDS**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
Salisbury Road classrooms	100,000	-	-	(75,000)	-	25,000
School Improvement	30,000	-	(18,011)	88,011	-	100,000
Internal staff insurance	-	-	-	24,650	-	24,650
Building Trust capacity	-	-	-	150,000	-	150,000
	<u>130,000</u>	<u>-</u>	<u>(18,011)</u>	<u>187,661</u>	<u>-</u>	<u>299,650</u>
<b>GENERAL FUNDS</b>						
General funds	413,725	1,847,493	(1,226,626)	(313,728)	-	720,864
Fixed assets	11,593	-	(14,382)	23,406	-	20,617
	<u>425,318</u>	<u>1,847,493</u>	<u>(1,241,008)</u>	<u>(290,322)</u>	<u>-</u>	<u>741,481</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>555,318</u>	<u>1,847,493</u>	<u>(1,259,019)</u>	<u>(102,661)</u>	<u>-</u>	<u>1,041,131</u>
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	204,421	10,856,113	(10,030,185)	(432,115)	-	598,234
Start up grants	69,975	70,000	(139,975)	-	-	-
High Needs	(7,319)	170,619	(372,883)	209,583	-	-
Pupil Premium	26,970	1,530,648	(1,673,447)	131,102	-	15,273
Sports and PE Grant	3,463	149,835	(155,196)	8,775	-	6,877
UIFSM	-	299,486	(296,710)	-	-	2,776
PAN Expansion	-	94,583	(94,583)	-	-	-
Other	67,188	311,927	(356,684)	254	-	22,685
Pension reserve	(4,417,000)	(1,572,000)	(1,012,000)	-	(1,771,000)	(8,772,000)
	<u>(4,052,302)</u>	<u>11,911,211</u>	<u>(14,131,663)</u>	<u>(82,401)</u>	<u>(1,771,000)</u>	<u>(8,126,155)</u>

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**20. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion and transfer	24,680,915	7,094,888	(840,057)	-	-	30,935,746
Fixed assets purchased from GAG and other restricted funds	112,568	-	(42,978)	148,158	-	217,748
DfE/ESFA Capital grants	43,461	175,970	(49,910)	(25,813)	-	143,708
Condition Improvement Fund	151,328	222,055	(9,128)	56,047	-	420,302
Shakespeare - Salix loan	(26,415)	-	-	6,670	-	(19,745)
	<u>24,961,857</u>	<u>7,492,913</u>	<u>(942,073)</u>	<u>185,062</u>	<u>-</u>	<u>31,697,759</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>20,909,555</u>	<u>19,404,124</u>	<u>(15,073,736)</u>	<u>102,661</u>	<u>(1,771,000)</u>	<u>23,571,604</u>
<b>TOTAL FUNDS</b>	<u>21,464,873</u>	<u>21,251,617</u>	<u>(16,332,755)</u>	<u>-</u>	<u>(1,771,000)</u>	<u>24,612,735</u>

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

**Designated Funds**

Details of designated funds are included within the Reserves Policy of the Trustees' Report.

**Restricted Funds**

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy Trust, including education and support costs.

Start Up and Growth Funding – This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an academy.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.



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**20. STATEMENT OF FUNDS (CONTINUED)**

Pupil Premium - Pupil premium represents funding received from the ESFA for children that qualify for free school meals to enable the Academy Trust to address the current underlying inequalities between those children and their wealthier peers.

Sports and PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Universal Infant Free School Meals (UIFSM) - this represents funding from the ESFA for the provision of free school meals for infants.

PAN expansion - This represents funding from the Local Authority to support the increase in the Academy Trust's published admission number.

Other - This represents all other funding from restricted sources.

Pension reserve – This represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy Trust is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**Restricted Fixed Asset Funds**

Fixed assets transferred on conversion and transfer - This represent the buildings and equipment donated to the Academy Trust from the Local Authority on conversion to an academy or transferred from another academy trust.

Fixed assets purchased from GAG and other restricted funds - this represents the net book value of fixed assets funded using the General Annual Grant from the ESFA.

DfE/ESFA Capital grants - This represents funding from the ESFA to cover the maintenance and purchase of the Academy Trust's assets.

Condition Improvement Fund - This represents funding from the ESFA to upgrade mechanical and electrical systems at the schools.

Shakespeare Salix Loan - This represents a salix energy efficiency loan held by Shakespeare primary school

**Other information**

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

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**20. STATEMENT OF FUNDS (CONTINUED)**

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Prince Rock Primary School	256,379	150,322
Salisbury Road Primary School	137,607	132,379
Woodfield Primary School	51,989	58,192
Knowle Primary School	156,766	52,426
Shakespeare Primary School	109,808	180,845
Mount Wise Community Primary School	180,628	153,040
Central function	281,856	192,812
Mount Street Primary School	68,044	-
Mayflower Academy	443,899	-
Total before fixed asset funds and pension reserve	1,686,976	920,016
Restricted fixed asset fund	31,697,759	24,961,857
Pension reserve	(8,772,000)	(4,417,000)
<b>TOTAL</b>	<b>24,612,735</b>	<b>21,464,873</b>

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**20. STATEMENT OF FUNDS (CONTINUED)**

**TOTAL COST ANALYSIS BY ACADEMY**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Prince Rock Primary School	1,228,268	235,437	61,367	352,825	1,877,897	1,884,904
Salisbury Road Primary School	1,572,905	288,412	38,007	414,134	2,313,458	2,259,741
Woodfield Primary School	666,468	148,701	18,380	369,004	1,202,553	1,258,596
Knowle Primary School	1,041,876	241,310	43,965	368,064	1,695,215	795,905
Shakespeare Primary School	1,296,264	295,955	44,893	554,965	2,192,077	882,623
Mount Wise Community Primary School	748,202	144,506	24,484	403,157	1,320,349	506,866
Central function	225,052	241,144	14,080	229,837	710,113	551,617
Mount Street Primary School	590,969	143,038	22,218	209,426	965,651	-
Mayflower Academy	1,227,205	316,231	55,579	487,968	2,086,983	-
<b>ACADEMY TRUST</b>	<b>8,597,209</b>	<b>2,054,734</b>	<b>322,973</b>	<b>3,389,380</b>	<b>14,364,296</b>	<b>8,140,252</b>

**LEARNING ACADEMIES TRUST**  
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**20. STATEMENT OF FUNDS (CONTINUED)**

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>UNRESTRICTED FUNDS</b>						
<b>DESIGNATED FUNDS</b>						
Salisbury Road classrooms	70,000	-	-	30,000	-	100,000
School Improvement	30,000	-	-	-	-	30,000
	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>130,000</u>
<b>GENERAL FUNDS</b>						
General funds	216,332	945,279	(438,241)	(309,645)	-	413,725
Fixed assets	23,267	-	(11,674)	-	-	11,593
	<u>239,599</u>	<u>945,279</u>	<u>(449,915)</u>	<u>(309,645)</u>	<u>-</u>	<u>425,318</u>
<b>TOTAL UNRESTRICTED FUNDS</b>	<u>339,599</u>	<u>945,279</u>	<u>(449,915)</u>	<u>(279,645)</u>	<u>-</u>	<u>555,318</u>
<b>RESTRICTED GENERAL FUNDS</b>						
General Annual Grant (GAG)	132,431	6,008,785	(6,066,229)	129,434	-	204,421
Start up grants	69,975	75,000	(75,000)	-	-	69,975
High Needs	-	65,695	(114,592)	41,578	-	(7,319)
Pupil Premium	-	818,711	(792,934)	1,193	-	26,970
Sports and PE Grant	-	80,374	(88,953)	12,042	-	3,463
UIFSM	-	184,384	(184,384)	-	-	-
PAN Expansion	-	155,836	(155,836)	-	-	-
Other	54,651	247,075	(224,083)	(10,455)	-	67,188
Pension reserve	(2,596,000)	(2,588,000)	(588,000)	-	1,355,000	(4,417,000)
	<u>(2,338,943)</u>	<u>5,047,860</u>	<u>(8,290,011)</u>	<u>173,792</u>	<u>1,355,000</u>	<u>(4,052,302)</u>

**LEARNING ACADEMIES TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. STATEMENT OF FUNDS (CONTINUED)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion and transfer	14,171,326	11,182,320	(672,731)	-	-	24,680,915
Fixed assets purchased from GAG and other restricted funds	12,996	5,000	(7,946)	102,518	-	112,568
DfE/ESFA Capital grants	27,625	47,992	(32,156)	-	-	43,461
Condition Improvement Fund	94,147	59,102	(1,921)	-	-	151,328
Shakespeare - Salix loan	-	(29,750)	-	3,335	-	(26,415)
	<u>14,306,094</u>	<u>11,264,664</u>	<u>(714,754)</u>	<u>105,853</u>	<u>-</u>	<u>24,961,857</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>11,967,151</u>	<u>16,312,524</u>	<u>(9,004,765)</u>	<u>279,645</u>	<u>1,355,000</u>	<u>20,909,555</u>
<b>TOTAL FUNDS</b>	<u>12,306,750</u>	<u>17,257,803</u>	<u>(9,454,680)</u>	<u>-</u>	<u>1,355,000</u>	<u>21,464,873</u>

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	20,827	-	31,627,543	31,648,370
Current assets	1,030,304	1,769,873	305,032	3,105,209
Creditors due within one year	-	(1,134,028)	(215,071)	(1,349,099)
Creditors due in more than one year	-	-	(19,745)	(19,745)
Provisions for liabilities and charges	(3,286,000)	(5,486,000)	-	(8,772,000)
<b>TOTAL</b>	<u>1,041,131</u>	<u>(8,126,155)</u>	<u>31,697,759</u>	<u>24,612,735</u>

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**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	11,593	-	24,960,436	24,972,029
Current assets	436,536	1,349,921	102,769	1,889,226
Creditors due within one year	107,189	(985,223)	(74,933)	(952,967)
Creditors due in more than one year	-	-	(26,415)	(26,415)
Provisions for liabilities and charges	-	(4,417,000)	-	(4,417,000)
<b>TOTAL</b>	<b>555,318</b>	<b>(4,052,302)</b>	<b>24,961,857</b>	<b>21,464,873</b>

**22. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2019 £	2018 £
Net income for the year (as per Statement of financial activities)	<b>4,918,862</b>	7,803,123
<b>ADJUSTMENTS FOR:</b>		
Depreciation	<b>956,456</b>	726,428
Capital grants from DfE and other capital income	<b>(398,025)</b>	(107,094)
Interest receivable	<b>(11,030)</b>	(1,395)
Defined benefit pension scheme obligation inherited	<b>1,572,000</b>	2,588,000
Defined benefit pension scheme cost less contributions payable	<b>(209,000)</b>	496,000
Defined benefit pension scheme finance cost	<b>152,000</b>	92,000
Decrease/(increase) in debtors	<b>163,288</b>	(294,524)
Increase in creditors	<b>174,403</b>	538,551
Net income on assets and liabilities on conversion/transfer	<b>(6,494,244)</b>	(11,527,190)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>824,710</b>	313,899

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**23. CASH TRANSFERRED ON CONVERSION TO AN ACADEMY TRUST**

	2019 £	2018 £
Cash transferred from converting/transferring schools	468,356	344,870
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>468,356</b>	<b>344,870</b>

**24. CASH FLOWS FROM INVESTING ACTIVITIES**

	2019 £	2018 £
Interest receivable	11,030	1,395
Purchase of tangible fixed assets	(322,850)	(205,165)
Capital grants from DfE Group	175,970	107,094
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(135,850)</b>	<b>(96,676)</b>

**25. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash in hand	2,272,285	1,115,069

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**26. CONVERSION TO AN ACADEMY TRUST**

On 01/10/2018 Mount Street Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learning Academies Trust from Plymouth City Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of financial activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
<b>TANGIBLE FIXED ASSETS</b>				
Freehold land and buildings	-	-	2,421,888	2,421,888
Other tangible fixed assets	-	-	16,000	16,000
<b>CURRENT ASSETS</b>				
Cash - representing budget surplus on LA funds	77,272	-	-	77,272
<b>NON-CURRENT LIABILITIES</b>				
Defined benefit pension scheme liability	-	(503,000)	-	(503,000)
<b>NET ASSETS/(LIABILITIES)</b>	<u>77,272</u>	<u>(503,000)</u>	<u>2,437,888</u>	<u>2,012,160</u>

**27. PENSION COMMITMENTS**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. 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 £173,700 were payable to the schemes at 31 August 2019 (2018 - £135,172) and are included within creditors.



**27. PENSION COMMITMENTS (CONTINUED)**

**TEACHERS' PENSION SCHEME**

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

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

**VALUATION OF THE TEACHERS' PENSION SCHEME**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 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 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £870,353 (2018 - £496,591).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS  
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27. PENSION COMMITMENTS (CONTINUED)

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 2019 was £798,252 (2018 - £442,055), of which employer's contributions totalled £498,367 (2018 - £101,790) and employees' contributions totalled £ 185,679 (2018 - £101,790). The agreed contribution rates for future years are 15.3 per cent for employers and 5-12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
RATE OF INCREASE IN SALARIES	3.65	3.8
RATE OF INCREASE FOR PENSIONS IN PAYMENT/INFLATION	2.15	2.3
DISCOUNT RATE FOR SCHEME LIABILITIES	1.9	2.7

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

	2019 Years	2018 Years
<i>RETIRING TODAY</i>		
MALES	22.5	23.5
FEMALES	24.4	25.6
<i>RETIRING IN 20 YEARS</i>		
MALES	24.2	25.8
FEMALES	26.2	28.0

Sensitivity analysis

	2019 £000	2018 £000
DISCOUNT RATE +0.1%	13,949	3,932
DISCOUNT RATE -0.1%	14,811	4,173
MORTALITY ASSUMPTION - 1 YEAR INCREASE	14,895	4,180
MORTALITY ASSUMPTION - 1 YEAR DECREASE	13,869	3,926
CPI RATE +0.1%	14,769	4,155
CPI RATE -0.1%	13,989	3,951

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**27. PENSION COMMITMENTS (CONTINUED)**

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

	At 31 August 2019 £	At 31 August 2018 £
EQUITIES	3,446,000	1,983,000
GILTS	1,087,000	167,000
PROPERTY	488,000	297,000
CASH AND OTHER LIQUID ASSETS	75,000	51,000
OTHER	505,000	789,000
<b>TOTAL MARKET VALUE OF ASSETS</b>	<b>5,601,000</b>	<b>3,287,000</b>

The actual return on scheme assets was £218,000 (2018 - £176,000).

The amounts recognised in the Statement of financial activities are as follows:

	2019 £	2018 £
CURRENT SERVICE COST	(1,293,000)	(844,000)
PAST SERVICE COST	(199,000)	(30,308)
INTEREST INCOME	130,000	55,000
INTEREST COST	(282,000)	(147,000)
BENEFIT CHANGES, GAIN/(LOSS) ON CURTAILMENT AND GAIN/(LOSS) ON SETTLEMENT	(1,572,000)	-
<b>TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES</b>	<b>(3,216,000)</b>	<b>(966,308)</b>

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

	2019 £	2018 £
<b>AT 1 SEPTEMBER</b>	<b>7,704,000</b>	<b>4,051,000</b>
CURRENT SERVICE COST	1,293,000	844,000
INTEREST COST	282,000	147,000
EMPLOYEE CONTRIBUTIONS	186,000	-
ACTUARIAL LOSSES/(GAINS)	1,857,000	(1,235,000)
BENEFITS PAID	(65,000)	-
PAST SERVICE COSTS	199,000	-
EFFECTS OF NON-ROUTINE SETTLEMENTS	2,917,000	-
<b>AT 31 AUGUST</b>	<b>14,373,000</b>	<b>3,807,000</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
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**27. PENSION COMMITMENTS (CONTINUED)**

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>AT 1 SEPTEMBER</b>	<b>3,287,000</b>	<b>1,455,000</b>
INTEREST INCOME	132,000	-
ACTUARIAL GAINS	86,000	120,000
EMPLOYER CONTRIBUTIONS	632,000	348,000
EMPLOYEE CONTRIBUTIONS	186,000	-
BENEFITS PAID	(65,000)	-
EFFECTS OF NON-ROUTINE SETTLEMENTS	1,345,000	-
ADMINISTRATION EXPENSE	(2,000)	-
<b>AT 31 AUGUST</b>	<b>5,601,000</b>	<b>1,923,000</b>

**28. OPERATING LEASE COMMITMENTS**

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	25,212	26,670
Later than 1 year and not later than 5 years	50,331	13,718
	<b>75,543</b>	<b>40,388</b>

**29. 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.

**30. GENERAL INFORMATION**

Learning Academies Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Embankment Road, Plymouth, Devon, PL4 9JF.

**LEARNING ACADEMIES TRUST**  
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**31. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 13.

**32. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST**

**MAYFLOWER ACADEMY**

	Value reported by transferring trust £	Fair value adjustments £	Transfer in recognised £
<b>TANGIBLE FIXED ASSETS</b>			
Long-term leasehold property	4,519,000	-	4,519,000
Furniture and equipment	43,000	-	43,000
Plant and machinery	16,000	-	16,000
Computer equipment	79,000	-	79,000
<b>CURRENT ASSETS</b>			
Stocks	8,000	-	8,000
Debtors due within one year	118,043	(13,823)	104,220
Cash at bank and in hand	344,082	-	344,082
<b>LIABILITIES</b>			
Creditors due within one year	(61,214)	-	(61,214)
<b>PENSIONS</b>			
Pensions - pension scheme assets	951,000	-	951,000
Pensions - pension scheme liabilities	(2,020,000)	-	(2,020,000)
<b>NET ASSETS</b>	<u>3,996,911</u>	<u>(13,823)</u>	<u>3,983,088</u>