

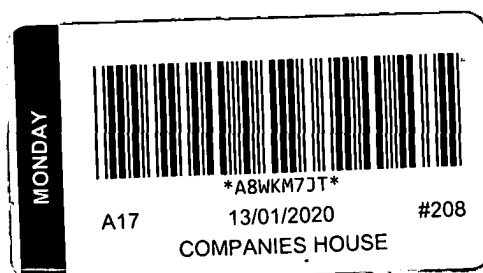
Company Registration Number: 04544722 (England & Wales)

**DJANOGLY LEARNING TRUST**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**For the Year Ended 31 August 2019**



**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

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**DJANOGLY LEARNING TRUST**  
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**Reference and Administrative Details**

<b>Members</b>	Mr Will Adderley Mr Ron Kenyon, OBE Sir John Peace Mrs Jean Gemmell (Resigned 4 February 2019) Mrs Christine Goldstraw, OBE, JP, DL
<b>Trustees</b>	Mr Timothy Slade, Chair Mr Ron Kenyon, OBE Mrs Liz Anderson, Chief Executive Officer Mr David Holdsworth, Staff Trustee (Resigned 31 August 2019) Mr Raphael Richards Mrs Christine Goldstraw OBE, JP, DL Dr Ken Maxwell Mr Duncan Howard Bain Professor Christopher Day Mr Paul Feenan Mr Kris Naidu
<b>Company registered number</b>	04544722
<b>Company name</b>	Djanogly Learning Trust
<b>Principal and registered office</b>	Sherwood Rise Nottingham Road Nottingham NG7 7AR
<b>Company secretary</b>	Mrs Janet Parker
<b>Chief executive officer</b>	Mrs Liz Anderson
<b>Strategic executive team</b>	Mrs Liz Anderson, Chief Executive Officer Mr David Holdsworth, Operations Consultant (resigned 31 August 2019) Mrs Emma Goodwin, Head of Finance and Chief Finance Officer (appointed Chief Finance Officer 1 September 2018) Mr Tim Jeffs, Executive Headteacher Miss Ceri Hathaway, Executive Headteacher Mr Derek Lisley, Head of Estates Mrs Janet Parker, Head of Governance and IT
<b>Independent auditors</b>	Smith Cooper Audit Limited Chartered Accountants and Statutory Auditors 2 Lace Market Square Nottingham NG1 1PB
<b>Bankers</b>	HSBC Bank plc Nottingham NG1 5DW

**DJANOGLY LEARNING TRUST**  
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**Reference and Administrative Details (continued)**  
**For the Year Ended 31 August 2019**

**Solicitors**

Knights PLC  
Midland House  
West Way  
Botley  
Oxford  
OX2 0PH

**DJANOGLY LEARNING 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 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The Trust operates four primary and one secondary academies in the City of Nottingham and two junior and one infant academies in Derbyshire. Its academies have a combined pupil capacity of 3,115 and had a roll of 2,719 in the school census in October 2019.

**Structure, governance and management**

**a. Constitution**

The Trust is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Trust.

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

The charitable company is known as Djanogly Learning Trust.

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

**b. Members' liability**

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

**c. Trustees' indemnities**

The Trustees have in place appropriate indemnities with unlimited cover on any one claim.

**d. Method of recruitment and appointment or election of Trustees**

Trustees, other than the executive staff or sponsor (should they be a trustee) are appointed for a term of four years. The executive employees are appointed for so long as they remain in office. At the end of their term, any Trustee may be reappointed, subject to eligibility. The present Trustees are set out on page 1.

**e. Policies adopted for the induction and training of Trustees**

The training and induction provided to new Trustees and Trustees will depend on their existing experience. Where necessary, induction will provide training on educational legal and financial matters. All new Trustees undergo a structured induction process. Training requirements are subject to on-going review.

**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**f. Organisational structure**

Djanogly Learning Trust comprises the following academies:

- Djanogly City Academy (DCA)
- Djanogly Northgate Academy (DNA)
- Djanogly Strelley Academy (DSA)
- Springfield Academy (SPA)
- Langley Mill Academy (LMA)
- Djanogly Sherwood Academy (DSH) on 1 September 2018 disaggregated from being a satellite campus to Northgate
- Laceyfields Academy (LFA) formerly Heanor Langley Infants School which academised on 1 January 2019
- Kensington Junior Academy (KJA) formerly Kensington Junior School which academised on 1 August 2019

The management structure of the Trust comprises; the Members, the Board of Trustees, the Strategic Executive Team, the Head of School or Principal and the Local Governing Body of each individual academy.

The Board of Trustees (the Board) meets as a minimum three times per year. Under the Articles of Association, the Board is able to establish committees, to whom it delegates specific authority as part of an agreed scheme of delegation. The principal committees are known as Local Governing Bodies, they are responsible through the scheme of delegation for the individual academies. These committees meet as a minimum six times per year.

There are also three committees within the main Board: Achievement, Standards & Wellbeing, Remuneration and Audit & Finance Committees (see below). The role and function of these committees are reviewed annually by the Board.

The Strategic Executive Team headed by the Chief Executive, are senior officers of the Trust tasked with the operational business of running the Trust on a day-to-day basis.

At academy level the individual academy leader is supported by their executive staff and Local Governing Bodies (LGB) to ensure effective control. For new academies, the initial governing body will generally be in the form of a Transition Governing Body (TGB) for the first year or exceptionally, an Interim Executive Board (IEB) where the previous governing body is not deemed appropriate to commence as a TGB.

**g. Arrangements for setting pay and remuneration of key management personnel**

The pay for key management personnel is set within ranges already agreed by the Remuneration Committee, having due regard to market pay and conditions for similar posts. Progress through the agreed salary range is dictated by the performance monitoring review (PMR) process, which is also reviewed by the Remuneration Committee.

**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Structure, governance and management (continued)**

**h. Related parties and other connected charities and organisations**

Four of the Members or Trustees of the Trust (Mr R Kenyon, OBE, W Adderley, Sir J Peace and Mr T Slade) are also Trustees of the Nottingham City Technology College Trust. The Trust has entered into leases to enable use of certain property and other assets owned by the NCTCT at a nominal rental.

The Trust also does business with C.T.C. Enterprises (Nottingham) Limited. Mr R C Kenyon, OBE and Mr D Holdsworth are also directors of that company. C.T.C Enterprises is a wholly owned subsidiary of N.C.T.C.T whose purpose is letting of educational property.

On 8 August 2019 the Trust incorporated Djanogly Lettings Limited as a wholly owned subsidiary of the Trust. It began to trade on 1 September 2019 conducting lettings business of Trust property when not in use by the Trust itself. Mr T Slade and Mrs E Goodwin are Directors and officers of the Trust and are responsible for the day to day management of the company.

**i. Trade Union Facility Time**

Under the Trade Union (Facility Time Publication Requirements) Regulations 2017, the Trust can report that it had no employees who were relevant union officials for any time during the period between 1 September 2018 and 31 August 2019.

**Objectives and activities**

**a. Objects and aims**

The principal object and aim of the Trust is to provide education for students of different abilities between the ages of 2 and 19 at the eight academies within the Trust.

**b. Objectives, strategies and activities**

The main objectives of the Trust are summarised below:

- to raise the standard of educational achievement of all students and pupils;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Trust by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct its business in accordance with the highest standards of integrity, probity and openness.

Our strategies and activities will be aligned to ensure these objectives are met.

**c. Public benefit**

In setting our objectives and planning our activities, the Trustees have considered the Charity Commission's general guidelines on public benefit. As well as the public benefit generated through its principal object, the Trust looks to promote for the benefit of the local community: the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the community.

**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report**

**Achievements and performance**

**a. Key performance indicators**

KPIs for the performance of each academy (as part of the Head of School's report) and the Trust as a whole are brought before the Local Governing Body and the Board on a regular basis. They provide academy specific contextual information about cohort make up and details about exam results, progress measures, behaviours and attendance. Further data are maintained on staff absence, turnover, PMR results, observations, staff surveys.

**Secondary Academy - Djanogly City Academy**

<b>Contextual information from October 2019 Census</b>	
Current Ofsted grade	Good (May 2018)
Numbers on roll	781
Pupil Premium %	27%
EAL %	69.1%
SEND %	7.8%

EAL = English as Additional Language  
SEND = Special Educational Needs and Disability

**Results**

<b>Progress 8</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>National 2019</b>	<b>DCA disadvantaged 2019</b>
	0.60	0.46	0.72	0.0	0.37

<b>Attainment 8</b>	<b>Overall</b>	<b>English</b>	<b>Maths</b>	<b>E.Bacc</b>	<b>Open</b>
<b>2018</b>	43.0	9.0	7.9	12.3	13.8
<b>2019</b>	43.8	8.9	8.8	13.2	12.9
<b>National</b>	46.5	10.2	9.2	13.8	13.3



**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**2019 Provisional**

<b>GCSE</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>National</b>
<b>Obtaining English &amp; Maths at grade 4 or better</b>	50%	58%	56%	64%
<b>Obtaining English &amp; Maths at grade 5 or better</b>	36%	39%	37%	43%

The quality of educational provision at Djanogly City Academy continues to improve year on year. The school was judged 'Good' by Ofsted in May 2018. Outcomes in 2019 built on the success of previous years, with a Progress 8 score of +0.73, significantly higher than national expectations and putting us highest for progress in the local authority area. Progress for disadvantaged pupils was also strong at +0.37, with actions in place to narrow this gap in 2020. Attainment continues to improve and grow closer to national averages. 37% achieved GCSEs at 5+ including English and maths (against 40% nationally) with 55% achieving GCSEs at 4+ including English and maths (against 60% nationally). Attainment % are both higher than the local authority average.

**Primary Academies**

The Trust provides education to over 2,000 primary school aged children and around 300 early years children across Nottingham and Derbyshire; areas of significantly higher social deprivation than the national average.

Contextual Information: DNA, DSA and DSH (as part of DNA) are Ofsted rated Good. The other primary academies are awaiting inspection since academisation.

<b>Contextual information from October 2019 Census</b>				
	<b>Numbers on roll</b>	<b>Pupil Premium %</b>	<b>EAL %</b>	<b>SEN %</b>
DNA	406	28.8%	47.5%	14.8%
DSA	428	38.6%	26.4%	24.3%
SPA	210	48.1%	9.5%	26.7%
LMA	258	37.6%	1.9%	19.0%
DSH	313	18.5%	48.6%	13.1%
LFA	106	30.2%	1.9%	9.4%
KJA	217	26.7%	4.6%	18.0%
<b>Trust Primaries</b>	<b>1938</b>	<b>32.4%</b>	<b>25.5%</b>	<b>18.5%</b>
National	280	23.0%	21.0%	12.6%

**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

The overall KS2 (reading, writing & maths combined) data for the 6 primary academies for 2018 is as follows:

	2017	2018	2019
DNA	69%	72%	71%
DSA	62%	62%	68%
SPA	30%	55%	59%
LMA	52%	64%	52%
DSH	*	*	64%
KJA	**	**	**49%
National	61%	64%	65%

\* DSH previously reported as part of DNA

\*\* KJA KS2 results excluded as prior to joining the Trust  
 Being an infant school LFA does not have Key Stage 2 students.

Northgate originally joined with City Academy in August 2011 to form the MAT. Subsequent primaries that have joined the Trust have been in challenging circumstances with less than 'Good' Ofsted judgements and below national outcomes. School improvement expertise has been shared, expectations have been raised, leadership and governance have been challenged and supported in equal measure, all leading to significant improvements in quality of provision and outcomes for children. Disengaged communities have been re-engaged with the majority of parents taking a more active and informed role in their children's education.

**b. Going concern**

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue 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 accounting policies.

**c. Disabled employees and employee involvement**

The Trust's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered bearing in mind the aptitudes and abilities of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that employment with the Trust continues and where necessary, appropriate training is arranged. It is the Trust's policy that training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees in a similar position.

During the financial year the Trustees have continued to consult with employees so that their views can be taken into account in making decisions which are likely to affect their interests. In the staff survey 75% of respondents said they had confidence in their leadership skills of the leaders and 86% believed that there is a clear and consistent set of values. 83% of staff said that they felt proud to work for Djanogly Learning Trust.

**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**d. Financial review**

Most of the Trust's income in the year was obtained from the ESFA (Education and Skills Funding Agency, an executive agency of the DfE) in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received during the year and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

In accordance with Accounting and Reporting by Charities – Statement of Recommended Practice ("SORP2015"), grants and donations for capital are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned. The change of status from registered to exempt charity does not change the requirement to report under the SORP above as that is dictated by the funding agreement.

At 31 August 2019 the net book value of fixed assets was £62,780,000 (2018: £59,441,000 - as restated) and movements in tangible fixed assets are shown in note 14 to the financial statements.

The assets are used exclusively for providing education and associated support services to the students of the Trust.

At 31 August 2019 the pension scheme deficit was £12,341,000 (2018: £6,879,000) and movements in pension fund are shown in note 25 to the financial statements.

The Trust also held fund balances at 31 August 2019 of £52,182,000 (2018: £54,686,000 - as restated) comprising £51,231,000 (2018: £54,143,000 - as restated) of restricted funds and £951,000 (2018: £543,000) of unrestricted funds. The Trustees believe the fund balances are adequate to fulfil the obligations of the Trust and to provide a balance for most reasonably foreseeable future events. To achieve the development plan objectives and for other major capital projects the Trust remains dependent on the provision of additional fixed asset grants from both the ESFA and commercial sponsors.

The Trust's exposure to risk is largely bank balances, cash and trade creditors, with limited trade and other debtor balances.

The Trust has inherited the Local Government defined benefit pension scheme deficit for associate staff, which has increased in line with actuarial valuations as prepared by Barnett Waddingham and Hymans Robertson (the scheme's actuary for Nottinghamshire County Council and Derbyshire County Council respectively).

**a. Reserves policy**

The total free reserves at 31 August 2019 amounted to £1,743,000 (2018: £2,143,000 - as restated). The policy of the Trust is to carry forward a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects. Three and five year financial plans are prepared as part of the annual cycle (and to inform budgeting), which help to initiate mitigating strategies for any years for which a gap has been identified.

**DJANOGLY LEARNING TRUST**  
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**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Strategic report (continued)**

**(continued)**

**b. Investment policy**

The Trust does not consciously make investments or manage any cash surpluses in a way that could carry a risk. Consequently, any current account balances above a threshold level are placed in a recognised bank's higher interest deposit account until required. The overall policy position being to obtain the best interest rates consistent with the requirements for stability and pro-active customer service from the bank(s) in question.

**c. Principal risks and uncertainties**

The strategic risks for the Trust are reviewed regularly by the risk management group who report back regularly to the Trustees as part of an embedded risk management process.

The Trust has a range of risk management policies especially in operational areas relating to teaching, safeguarding, financial control, health and safety and school trips. Consideration of risk is carried out at strategic trust level as well as at individual academy level.

The principal risk highlighted in the latest Strategic Risk Register is the financial risk to the Trust of the unbudgeted and not completely funded pay rises and the significant increase in employer contributions to the Teachers Pension Scheme.

Future uncertainties for the Trust from further changes in government policy regarding teachers' pay and the roll out of the National Funding Formulae continue to be monitored and the risks to the finances of the Trust will be raised as they become more informed.

**d. Risk management**

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust and its finances. The Trustees have implemented a number of procedures to control and minimise risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trust has an effective system of internal financial controls and this is explained in more detail below.

**Fundraising**

The Trustees can report that under the provisions of the Charities (Protection and Social Investment) Act 2016, there has been no work during 2018/19 with fundraisers nor does the Trust get involved in fundraising. Any commercial income (i.e. not directly or indirectly received from the Government) is generated through the Trust's own staff by means of letting of property. The Trust does not use external fundraisers.

**Plans for future periods**

The Trust is committed to further managed growth. The Trust is beginning to benefit from economies of scale with 8 academies and just under 3,000 school-aged pupils, but know that the Trust is not yet at critical mass. The Trust is driving cost savings through a procurement strategy but the Trustees know that this could be even more effective as a medium to large sized Trust. The 5 year ambition is 15 to 20 academies and 5,000 to 8,000 pupils. The Trustees have a long proven track record in school improvement in primary so growth to date has been in the primary sector. The secondary academy now has 3 years of strong outcomes and has been judged Ofsted 'Good'. The Trustees know that professional collaboration is crucial in improving quality of provision and are therefore now looking to grow in terms of secondary as well.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Trustees' Report (continued)**  
**For the Year Ended 31 August 2019**

**Funds held as custodian**

There are no Funds Held as Custodian Trustee on behalf of others.

**Disclosure of information to auditors**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on *20/12/19* and signed on its behalf by:



Mr Timothy Slade  
Chair of Trustees

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Governance Statement**

**Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 Djanogly Learning 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 4 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 Liz Anderson, Chief Executive Officer	4	4
Mr Duncan Howard Bain	3	4
Professor Christopher Day	4	4
Mr Paul Feenan	3	4
Mrs Christine Goldstraw OBE, JP, DL	4	4
Mr David Holdsworth, Staff Trustee	4	4
Mr Ron Kenyon, OBE	4	4
Dr Ken Maxwell	4	4
Mr Kris Naidu	4	4
Mr Raphael Richards	4	4
Mr Timothy Slade, Chair	4	4

The Board of Trustees met on 4 occasions during the year ended 31 August 2019. This meets the requirements of the Academies Financial Handbook (AFH) to meet "at least three times a year". For the year ended 31 August 2019, "larger" trusts were also asked to consider meeting more regularly.

There has been a high level of engagement from the Trustees in the year to 31 August 2019. Attendance at meetings has been regular, and there has been review and challenge of data presented to the Trustees from the finance and data teams, head teachers and Trust leadership team. Four Trustees are also part of the Audit and Finance committee which met three times during the year.

Management accounts were made available to Trustees via the Trust's online governance portal during the year.

Taking into account the current size and geography of the Trust, the support and challenge provided by the Audit and Finance Committee and the level of reporting that is actively reviewed by Trustees on a regular basis, the Board are satisfied that it has been able to maintain effective oversight with 4 Board meetings in the year to 31 August 2019.

The Audit and Finance Committee is a subcommittee of the main Board of Trustees. Its purpose is to take delegated responsibility on behalf of the Board of Trustees for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk management; and for ensuring the Trust is complying with all aspects of the law, relevant regulations and good practice.

**DJANOGLY LEARNING TRUST**  
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**Governance Statement (continued)**

**Governance (continued)**

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Duncan Bain	3	3
Christine Goldstraw	2	3
Kris Naidu	3	3
Raphael Richards	1	3

**Review of value for money**

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate.

The efficient and effective procurement of goods and services to support the Trust in meeting its objectives is essential. The Trust's central team promotes procurement professionalism to support academy staff in engaging with suppliers and ensuring that procurement processes and procedures are appropriate and effective in order to encourage innovation, promote sustainability and ultimately deliver value for money. Whilst commodity pricing is readily compared. Value will not always just be about commodity or transactional pricing – e.g. where service or niche capability is important, this must be accounted for in considering best value.

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Djanogly Learning 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 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 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.

**DJANOGLY LEARNING TRUST**  
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**Governance Statement (continued)**

**The risk and control framework**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Audit Limited as internal auditor.

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

- testing of purchases
- testing of payroll
- testing of expense claims
- testing of credit card transactions
- testing of bank and cash
- testing of other income
- testing of connected party transactions
- testing of financial reporting and control account reconciliations
- testing of submission of ESFA returns and other compliance matters

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

The Board of Trustees confirm that the internal auditor has delivered their schedule of work as planned.

**Review of effectiveness**

As Accounting Officer, the Chief Executive 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 executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

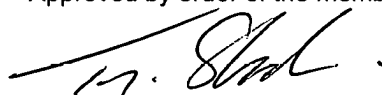
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.



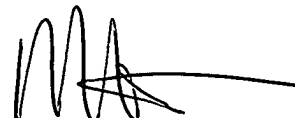
**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Governance Statement (continued)**

Approved by order of the members of the Board of Trustees on 20/12/19 and signed on their behalf by:



Mr Timothy Slade  
Chair of Trustees



Mrs Liz Anderson  
Accounting Officer

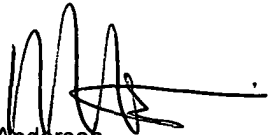
**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Statement on Regularity, Propriety and Compliance**

As Accounting Officer of Djanogly Learning Trust I have considered my responsibility to notify the 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 Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

  
Mrs Liz Anderson  
Accounting Officer

Date: 20.12.19

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Statement of Trustees' responsibilities**  
**For the Year Ended 31 August 2019**

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:

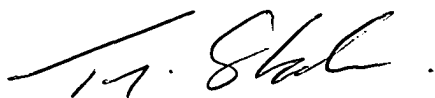
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 and signed on its behalf by:



Mr Timothy Slade

Chair of Trustees

Date:

20/12/19

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Djanogly Learning Trust**

**Opinion**

We have audited the financial statements of Djanogly Learning Trust (the '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 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 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 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.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Djanogly Learning Trust**  
**(continued)**

**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 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.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Auditors' Report on the financial statements to the Members of Djanogly Learning Trust**  
**(continued)**

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the 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 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 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 charitable 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 charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Sarah Flear Audit limited*

Sarah Flear (Senior Statutory Auditor)  
for and on behalf of  
**Smith Cooper Audit Limited**  
Chartered Accountants and Statutory Auditors  
2 Lace Market Square  
Nottingham  
NG1 1PB

Date: 20/12/19.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Djanogly Learning Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 23 August 2019 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 Djanogly Learning 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 Djanogly Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Djanogly Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Djanogly Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of Djanogly Learning Trust's funding agreement with the Secretary of State for Education dated 1 September 2014 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 Trust's income and expenditure.

The work undertaken to draw our conclusions included the following:

- Planned our assurance procedures including identifying key risks;
- Carried out a program of substantive testing, including review of the program of work and findings in relation to internal scrutiny;
- Undertook controls testing where considered appropriate;
- Concluded on the procedures undertaken.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Independent Reporting Accountant's Assurance Report on Regularity to Djanogly Learning Trust and the Education & Skills Funding Agency (continued)**

**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.

Smith Cooper Audit Limited

**Smith Cooper Audit Limited**  
2 Lace Market Square  
Nottingham  
NG1 1PB

Date: 20/12/19



**DJANOGLY LEARNING TRUST**  
(A Company Limited by Guarantee)

**Statement of financial activities (incorporating income and expenditure account)**  
**For the Year Ended 31 August 2019**

		<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>As restated Total Funds 2018 £000</i>
	<b>Note</b>					
<b>Income from:</b>						
Donations and capital grants:	3					
Transfer from local authority on conversion		265	(459)	4,425	4,231	1,857
Other donations and capital grants		48	-	161	209	232
Charitable activities:		104	14,846	-	14,950	13,551
Other trading activities		259	57	-	316	196
Investments	6	7	-	-	7	4
<b>Total income</b>		<b>683</b>	<b>14,444</b>	<b>4,586</b>	<b>19,713</b>	<b>15,840</b>
<b>Expenditure on:</b>						
Raising funds		-	144	-	144	166
Charitable activities:		275	16,007	1,598	17,881	15,784
<b>Total expenditure</b>		<b>275</b>	<b>16,151</b>	<b>1,598</b>	<b>18,024</b>	<b>15,950</b>
<b>Net income/(expenditure)</b>		<b>408</b>	<b>(1,707)</b>	<b>2,988</b>	<b>1,689</b>	<b>(110)</b>
Transfers between funds	19	-	(351)	351	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>408</b>	<b>(2,058)</b>	<b>3,339</b>	<b>1,689</b>	<b>(110)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	25	-	(4,193)	-	(4,193)	2,523
<b>Net movement in funds</b>		<b>408</b>	<b>(6,251)</b>	<b>3,339</b>	<b>(2,504)</b>	<b>2,413</b>

**DJANOGLY LEARNING 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	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
	2019	2019	2019	2019	2018
Note	£000	£000	£000	£000	£000
<b>Reconciliation of funds:</b>					
Total funds brought forward - as restated	543	(5,298)	59,441	54,686	52,273
Net movement in funds	408	(6,251)	3,339	(2,504)	2,413
<b>Total funds carried forward</b>	<b>951</b>	<b>(11,549)</b>	<b>62,780</b>	<b>52,182</b>	<b>54,686</b>

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

The notes on pages 28 to 58 form part of these financial statements.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**  
**Registered number: 04544722**

**Balance Sheet**  
**As at 31 August 2019**

	Note	2019 £000	As restated 2018 £000
<b>Fixed assets</b>			
Tangible assets	14	62,780	59,441
		<u>62,780</u>	<u>59,441</u>
<b>Current assets</b>			
Debtors	15	1,145	832
Cash at bank and in hand		2,259	3,052
		<u>3,404</u>	<u>3,884</u>
Creditors: amounts falling due within one year	16	(1,661)	(1,741)
<b>Net current assets</b>		<u>1,743</u>	<u>2,143</u>
<b>Total assets less current liabilities</b>		<u>64,523</u>	<u>61,584</u>
Creditors: amounts falling due after more than one year	17	-	(19)
<b>Net assets excluding pension liability</b>		<u>64,523</u>	<u>61,565</u>
Defined benefit pension scheme liability	25	(12,341)	(6,879)
<b>Total net assets</b>		<u><u>52,182</u></u>	<u><u>54,686</u></u>
<b>Funds of the Trust</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	62,780	59,441
Restricted income funds	19	792	1,581
		<u>63,572</u>	<u>61,022</u>
Restricted funds excluding pension asset	19	63,572	61,022
Pension reserve	19	(12,341)	(6,879)
<b>Total restricted funds</b>	19	<u>51,231</u>	<u>54,143</u>
<b>Unrestricted income funds</b>	19	<u>951</u>	<u>543</u>
<b>Total funds</b>		<u><u>52,182</u></u>	<u><u>54,686</u></u>

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Balance Sheet (continued)**  
**As at 31 August 2019**

The financial statements on pages 23 to 58 were approved by the Trustees, and authorised for issue on 20/12/19 and are signed on their behalf, by:



**Mr Timothy Slade**  
Chair of Trustees

The notes on pages 28 to 58 form part of these financial statements.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Statement of Cash Flows**  
**For the Year Ended 31 August 2019**

		<b>2019</b>	<i>As restated</i>
	<b>Note</b>	<b>£000</b>	<b>2018</b>
			<b>£000</b>
<b>Cash flows from operating activities</b>			
Net cash (used in)/provided by operating activities	21	(714)	892
<b>Cash flows from investing activities</b>	22	(79)	91
<b>Change in cash and cash equivalents in the year</b>		(793)	983
Cash and cash equivalents at the beginning of the year		3,052	2,069
<b>Cash and cash equivalents at the end of the year</b>	23	<u>2,259</u>	<u>3,052</u>

The notes on pages 28 to 58 form part of these financial statements

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the 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.

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

The financial statements are prepared in sterling which is the functional currency of the Trust rounded to the nearest £1,000.

**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 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 Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**1.3 Income**

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

• **Grants**

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.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.3 Income (continued)**

- **Donations**

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

- **Other income**

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

- **Transfer on conversion**

Where assets and liabilities 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 risks 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' to the net assets received.

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Taxation**

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

**DJANOGLY LEARNING TRUST**  
**(A Company Limited by Guarantee)**

**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.6 Tangible fixed assets**

Assets costing £1,500 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 basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold land	- over the length of the lease
Long-term leasehold property	- 1.67% - 20% straight line
Furniture and equipment	- 10% - 33.3% straight line
Computer equipment	- 20% - 33.3% straight line

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

**1.7 Debtors**

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

**1.8 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.

**1.9 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 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.



<p style="text-align: center;"><b>DJANOGLY LEARNING TRUST</b> <b>(A Company Limited by Guarantee)</b></p>
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.10 Provisions**

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

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

**1.11 Financial instruments**

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the 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 15. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**1.12 Operating leases**

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

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**1. Accounting policies (continued)**

**1.13 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. the contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. 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 the scheme introductions, benefit charges, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**1.14 Fund accounting**

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

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.

**1.15 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 Laceyfields Academy and Kensington Academy to an 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 Donations - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 24.

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**2. Critical accounting estimates and areas of judgment**

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

**Critical accounting estimates and assumptions**

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

**Local Government Pension Scheme**

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 25, 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 pension 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 judgment:**

The Trustees consider that there are no critical areas of judgment with the exception of the pension valuation noted above.

**3. Income from donations and capital grants**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	As restated Total funds 2018 £000
Donations	49	-	49	55
Grants	-	161	161	177
Transfer from local authority on conversion	264	3,966	4,230	1,857
	313	4,127	4,440	2,089
<i>Total 2018</i>	123	1,966	2,089	

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**4. Funding for the Academy Trust's educational operations**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	12,167	12,167	11,065
Start up grants	-	42	42	50
Other DfE Group grants	-	1,752	1,752	1,525
	-	13,961	13,961	12,640
<b>Other government grants</b>				
Local authority grants	-	885	885	808
	-	885	885	808
<b>Other income from the academy trust's educational operations</b>				
Other income	104	-	104	103
	104	-	104	103
	104	14,846	14,950	13,551
<i>Total 2018</i>	<i>103</i>	<i>13,448</i>	<i>13,551</i>	

**5. Income from other trading activities**

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Catering income	28	-	28	17
Residential/trip income	-	57	57	43
Income from other charitable activities	231	-	231	136
	259	57	316	196
<i>Total 2018</i>	<i>153</i>	<i>43</i>	<i>196</i>	

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**6. Investment income**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Total funds 2019 £000</b>	<b>Total funds 2018 £000</b>
Investment income - Short term deposits	7	-	7	4

**7. Expenditure**

	<b>Staff Costs 2019 £000</b>	<b>Premises 2019 £000</b>	<b>Other 2019 £000</b>	<b>Total 2019 £000</b>	<i>As restated Total 2018 £000</i>
Expenditure on raising funds:	-	-	144	144	166
Academy trust's education operations:					
Direct costs	10,234	1,386	1,065	12,685	10,935
Allocated support costs	2,956	945	1,294	5,195	4,849
	<u>13,190</u>	<u>2,331</u>	<u>2,503</u>	<u>18,024</u>	<u>15,950</u>
<i>Total 2018</i>	<u>11,469</u>	<u>1,651</u>	<u>2,830</u>	<u>15,950</u>	

**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £000</b>	<b>Support costs 2019 £000</b>	<b>Total funds 2019 £000</b>	<i>As restated Total funds 2018 £000</i>
Academy trust's educational operations	12,685	5,195	17,880	15,784
<i>Total 2018</i>	<u>10,935</u>	<u>4,849</u>	<u>15,784</u>	

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**8. Analysis of expenditure by activities (continued)**

**Analysis of direct costs**

	<b>Total funds 2019 £000</b>	<i>As restated Total funds 2018 £000</i>
Staff costs	9,829	8,351
Depreciation	1,386	1,250
Other direct costs	1,087	1,044
Agency staff costs	384	290
	<u>12,685</u>	<u>10,935</u>

**Analysis of support costs**

	<b>Total funds 2019 £000</b>	<i>Total funds 2018 £000</i>
Staff costs	2,956	2,776
Depreciation	185	222
Other support costs	814	745
Premises costs	759	760
Governance costs	86	55
Technology costs	396	291
	<u>5,195</u>	<u>4,849</u>

**DJANOGLY LEARNING TRUST**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019</b>	<i>As restated</i> <b>2018</b>
	<b>£000</b>	<b>£000</b>
Operating lease rentals	<b>38</b>	<b>21</b>
Depreciation of tangible fixed assets	<b>1,572</b>	<b>1,488</b>
Fees paid to auditors for:		
- audit	<b>22</b>	<b>14</b>
- other services	<b>3</b>	<b>7</b>
	<b><u>3</u></b>	<b><u>7</u></b>

During the year there were no individual transactions exceeding £5,000 falling under the following headings:

- Gifts made by the Trust
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

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**Notes to the Financial Statements**  
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**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	2019 £000	2018 £000
Wages and salaries	9,768	8,335
Social security costs	862	748
Pension costs	2,156	2,044
	<u>12,786</u>	<u>11,127</u>
Agency staff costs	383	290
Staff restructuring costs	21	52
	<u>13,190</u>	<u>11,469</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Redundancy payments	8	8
Severance payments	14	44
	<u>22</u>	<u>52</u>

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

Included within staff restructuring costs are non statutory/non contractual severance payments totalling £14,000 (2018: £44,000) in respect of 4 employees. 1 employee recieved an amount in excess of £5,000; this amounted to £6,600.

**c. Staff numbers**

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

	2019 No.	2018 No.
Teachers	130	125
Administration and support	253	208
Management	34	27
	<u>417</u>	<u>360</u>



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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**10. Staff costs (continued)**

**d. Higher paid staff**

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	<b>6</b>	<b>4</b>
In the band £70,001 - £80,000	<b>3</b>	<b>2</b>
In the band £80,001 - £90,000	<b>-</b>	<b>2</b>
In the band £90,001 - £100,000	<b>2</b>	<b>1</b>
In the band £130,001 - £140,000	<b>-</b>	<b>1</b>
	<b>=====</b>	<b>=====</b>

**e. Key management personnel**

The key management personnel of the Trust comprise the Trustees and Strategic Executive Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £452,613 (2018: £371,730).

**DJANOGLY LEARNING TRUST**  
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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**11. Central services**

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

- Financial services: financial planning, budgeting, management accounts, full payroll services, cash and banking, auditing and a central system for on-line authorisation of both orders and invoices
- Human resources: policy review, union consultation and communication, central HR system, support advice and guidance for employment law issues including tribunals, dismissals etc
- Marketing: PR management, communications advice and guidance, press relationships, marketing strategy development
- Operational support: health and safety coordination, risk management, estates strategy and project management development
- Clerking services for local governing bodies and their sub committees
- ICT support for infrastructure, local networks and hardware (servers to tablets)
- Legal services provided through insurers and professional advisers

The Trust charges for these services on the following basis:

The charge for this service across the Trust was 5% of GAG, not including Pupil Premium, commercial income or any other specific grants or allowances.

The actual amounts charged during the year were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Djanogly City Academy	<b>349</b>	<b>224</b>
Djanogly Northgate Academy*	<b>97</b>	<b>154</b>
Djanogly Strelley Academy	<b>98</b>	<b>96</b>
Springfield Academy	<b>46</b>	<b>49</b>
Langley Mill Academy	<b>52</b>	<b>28</b>
Laceyfields Academy	<b>16</b>	<b>-</b>
Djanogly Sherwood Academy*	<b>69</b>	<b>-</b>
<b>Total</b>	<b>727</b>	<b>551</b>

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**Notes to the Financial Statements**  
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**11. Central services (continued)**

\*In the prior year, Djanogly Northgate Academy and Djanogly Sherwood Academy were disclosed in aggregate. They were disaggregated at 1 September 2018. Djanogly Sherwood Academy and Djanogly Northgate Academy remain aggregated in the comparative information here.

**12. Trustees' remuneration and expenses**

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		<b>2019</b>	<b>2018</b>
		<b>£000</b>	<b>£000</b>
Mr David Holdsworth	Remuneration	<b>35 - 40</b>	<b>75 - 80</b>
Mrs Liz Anderson	Remuneration	<b>95 - 100</b>	<b>85 - 90</b>
	Pension contributions paid	<b>15 - 20</b>	<b>10 - 15</b>

During the year ended 31 August 2019, expenses totalling £3,743 were reimbursed or paid directly to 2 Trustees (2018 - £375 to 2 Trustees) in relation to travel and subsistence.

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the 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 £10,000,000 on any one claim. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**14. Tangible fixed assets**

	Long-term leasehold property £000	Furniture and equipment £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>				
At 1 September 2018 (as restated)	34,428	2,561	6,342	43,331
Prior Year Adjustment	30,606	-	-	30,606
At 1 September 2018 (as restated)	65,034	2,561	6,342	73,937
Additions	98	51	363	512
Transferred on conversion	4,425	-	-	4,425
Disposals	(67)	(1,818)	(5,976)	(7,861)
At 31 August 2019	69,490	794	729	71,013
<b>Depreciation</b>				
At 1 September 2018 (as restated)	7,095	2,205	6,147	15,447
Prior Year Adjustment	(952)	-	-	(952)
At 1 September 2018 (as restated)	6,143	2,205	6,147	14,495
Charge for the year	1,391	84	97	1,572
On disposals	(44)	(1,817)	(5,973)	(7,834)
At 31 August 2019	7,490	472	271	8,233
<b>Net book value</b>				
At 31 August 2019	62,000	322	458	62,780
At 31 August 2018 (as restated)	58,891	356	194	59,441

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**14. Tangible fixed assets (continued)**

During the year the ownership of existing school land, buildings and other assets were transferred to the Trust from the Local Education Authority, at no cost and has been included in the Financial Statements at Depreciated Replacement Cost (DRC).

The Trustees regard the value of the Laceyfields Academy and Kensington Academy land and buildings transferred to the Trust from the Local Education Authority to be so significant as to warrant a full external valuation as at January and August 2019 respectively. The valuation was undertaken by FHP Property Consultants, an independent RICS qualified surveyor on a DRC basis. The DRC valuation includes all estimated costs of replacing the assets including finance costs. The DRC valuation of freehold land and buildings recognised in the Financial Statements is £4,425,000.

The valuations have been obtained for the purposes of the opening balance sheet only. The assets will therefore be held at their opening value and depreciated over their remaining useful economic life. A policy of revaluation will not be adopted.

The brought forward values have been restated in the year. Please see note 18 for details.

**15. Debtors**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
<b>Due within one year</b>		
Trade debtors	<b>28</b>	<i>63</i>
Other debtors	<b>25</b>	<i>80</i>
Prepayments and accrued income	<b>654</b>	<i>503</i>
Tax recoverable	<b>438</b>	<i>186</i>
	<b>1,145</b>	<i>832</i>

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**16. Creditors: Amounts falling due within one year**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>As restated</i>
		<i>£000</i>
Trade creditors	298	301
Other taxation and social security	227	184
Other creditors	324	324
Accruals and deferred income	812	932
	<u>1,661</u>	<u>1,741</u>
	<b>2019</b>	<i>As restated</i>
	<b>£000</b>	<i>2018</i>
		<i>£000</i>
Deferred income at 1 September 2018	172	292
Resources deferred during the year	430	172
Amounts released from previous periods	(172)	(292)
	<u>430</u>	<u>172</u>

At the balance sheet date, the Trust was holding funds received in advance for Universal Free School Meals, Higher Level Needs, Additional Inclusion Allowance, Pupil Number Adjustments, Rates Adjustments and Growth Funding.

**17. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Other loans	-	19

**18. Prior year adjustments**

It has been identified that certain property costs have not been capitalised completely and accurately in previous years as follows:

- Certain land and buildings on long term leases had not been capitalised
- Land held on long term leases had not been depreciated
- Certain land and buildings and associated asset lives had not been reflected on the balance sheet at an accurate depreciated replacement cost.

This has resulted in an adjustment to increase prior year opening fixed asset funds by £28,684,000, an adjustment to increase prior year fixed assets funds by £3,233,000 and increase prior year depreciation charge of £360,000. The net adjustment for the year ended 31 August 2018 being £2,873,000.

An adjustment has been made to increase restricted income by £97,000 in the year ended 31 August 2018 to correct the treatment of certain capital funding received in the year.

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**Notes to the Financial Statements**  
**For the Year Ended 31 August 2019**

**19. Statement of funds**

	As restated Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
Unrestricted funds	543	683	(275)	-	-	951
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,484	12,167	(12,537)	(351)	-	763
Start up grants	-	42	(42)	-	-	-
Pupil premium	-	1,282	(1,282)	-	-	-
Other grants	97	1,355	(1,422)	-	-	30
Other income	-	57	(57)	-	-	-
Pension reserve	(6,879)	(459)	(810)	-	(4,193)	(12,341)
Other restricted general funds	-	-	(1)	-	-	(1)
	<u>(5,298)</u>	<u>14,444</u>	<u>(16,151)</u>	<u>(351)</u>	<u>(4,193)</u>	<u>(11,549)</u>
<b>Restricted fixed asset funds</b>						
DfE/ESFA capital grants	14,931	161	(183)	-	-	14,909
Capital expenditure from GAG	1,921	-	(24)	351	-	2,248
Transfer on conversion	42,589	4,425	(1,391)	-	-	45,623
	<u>59,441</u>	<u>4,586</u>	<u>(1,598)</u>	<u>351</u>	<u>-</u>	<u>62,780</u>
<b>Total Restricted funds</b>	<u>54,143</u>	<u>19,030</u>	<u>(17,749)</u>	<u>-</u>	<u>(4,193)</u>	<u>51,231</u>
<b>Total funds</b>	<u><u>54,686</u></u>	<u><u>19,713</u></u>	<u><u>(18,024)</u></u>	<u><u>-</u></u>	<u><u>(4,193)</u></u>	<u><u>52,182</u></u>

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**19. Statement of funds (continued)**

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

Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Trustees;

Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the Trust;

Pension Reserve represents the Local Government Pension Scheme liability;

Other restricted reserve represents funds which are restricted by the donor including school trip income;

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

The Pension Reserve is a fund in deficit as this relates to the Local Government Pension Scheme, the Trustees review the deficit on a regular basis and are advised by an external actuary.

Transfers between funds represent movement of funds in relation to the purchase of fixed assets.

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	<i>As restated</i>
	<b>£000</b>	<b>2018</b>
		<b>£000</b>
Djanogly City Academy	1,043	1,378
Djanogly Northgate Academy*	335	365
Djanogly Strelley Academy	242	204
Springfield Academy	(51)	(45)
Central Services	(298)	17
Langley Mill Academy	97	147
Laceyfields Academy	48	-
Kensington Academy	177	-
Djanogly Sherwood Academy*	150	58
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,743	2,124
Restricted fixed asset fund	62,780	59,441
Pension reserve	(12,341)	(6,879)
	<hr/>	<hr/>
<b>Total</b>	<b>52,182</b>	<b>54,686</b>
	<hr/>	<hr/>



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**For the Year Ended 31 August 2019**

**19. Statement of funds (continued)**

\*In the prior year, Djanogly Northgate Academy and Djanogly Sherwood Academy were disclosed in aggregate. They were disaggregated at 1 September 2018. The comparative information has been restated to reflect this here.

Springfield Academy is a single-form entry school that is practically full (30 per year) apart from year 6 where there are only 18 pupils. From September 2020, the effect of this small cohort will fall out of the funding calculations and Springfield will return to a position where an operating surplus can be achieved.

The Board are content that in the short term there will be a deficit in the Central Services funds. However the Trustees also recognise that as the Trust expands, it will not be necessary to take on additional staff and the deficit will be removed over the medium term as the overall contribution to central costs increases in line with the Trust's expansion.

The following academies are carrying a net deficit on their portion of the funds as follows:

	<b>Deficit £000</b>
Springfield Academy	<b>51</b>
Central Services	<b>298</b>
	<hr/> <hr/>

Springfield Academy is a single-form entry school that is practically full (30 per year) apart from year 6 where there are only 18 pupils. From September 2020, the effect of this small cohort will fall out of the funding calculations and Springfield will return to a position where an operating surplus can be achieved.

The Board are content that in the short term there will be a deficit in the Central Services funds. However, the Trustees also recognise that as the Trust expands, it will not be necessary to take on additional staff and the deficit will be removed over the medium term as the overall contribution to central costs increases in line with the Trust's expansion.

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**Notes to the Financial Statements**  
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**19. 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 £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	Total 2018 £000
Djanogly City Academy	3,235	555	71	1,090	4,951	5,203
Djanogly Northgate Academy*	1,525	386	86	281	2,278	3,727
Djanogly Strelley Academy	1,635	490	61	322	2,508	2,530
Springfield Academy	841	195	40	220	1,296	1,444
Central Services	807	824	83	303	2,017	759
Langley Mill Academy	808	233	35	238	1,314	815
Laceyfields Academy	287	72	30	83	472	-
Kensington Academy	53	17	4	17	91	-
Djanogly Sherwood Academy*	1,021	205	54	246	1,526	-
<b>Trust</b>	<b>10,212</b>	<b>2,977</b>	<b>464</b>	<b>2,800</b>	<b>16,453</b>	<b>14,478</b>

\*In the prior year, Djanogly Northgate Academy and Djanogly Sherwood Academy were disclosed in aggregate. They were disaggregated at 1 September 2018. Djanogly Sherwood Academy and Djanogly Northgate Academy remain aggregated in the comparative information here.

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**19. Statement of funds (continued)**

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

	<i>As restated Balance at 1 September 2017 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>As restated Balance at 31 August 2018 £000</i>
<b>Unrestricted funds</b>						
Unrestricted funds	475	385	(317)	-	-	543
<b>Restricted general funds</b>						
General Annual Grant (GAG)	1,323	11,065	(10,801)	(104)	-	1,483
Start up grants	-	50	(50)	-	-	-
Pupil premium	-	1,168	(1,168)	-	-	-
Other grants	-	1,232	(1,232)	-	-	-
Pension reserve	(8,203)	(289)	(910)	-	2,523	(6,879)
Other income	-	98	-	-	-	98
	(6,880)	13,324	(14,161)	(104)	2,523	(5,298)
<b>Restricted fixed asset funds</b>						
DfE/ESFA Capital grants	15,203	80	(352)	-	-	14,931
Capital expenditure from GAG	1,861	-	(44)	104	-	1,921
Transfer on conversion	38,380	4,908	(699)	-	-	42,589
	55,444	4,988	(1,095)	104	-	59,441
<b>Total Restricted funds</b>	48,564	18,312	(15,256)	-	2,523	54,143
<b>Total funds</b>	49,039	18,697	(15,573)	-	2,523	54,686

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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019 £000</b>	<b>Restricted funds 2019 £000</b>	<b>Restricted fixed asset funds 2019 £000</b>	<b>Total funds 2019 £000</b>
Tangible fixed assets	-	-	62,780	<b>62,780</b>
Current assets	951	2,453	-	<b>3,404</b>
Creditors due within one year	-	(1,661)	-	<b>(1,661)</b>
Provisions for liabilities and charges	-	(12,341)	-	<b>(12,341)</b>
<b>Total</b>	<b>951</b>	<b>(11,549)</b>	<b>62,780</b>	<b>52,182</b>

**Analysis of net assets between funds - prior year**

	<b>Unrestricted funds 2018 £000</b>	<b>As restated Restricted funds 2018 £000</b>	<b>As restated Restricted fixed asset funds 2018 £000</b>	<b>As restated Total funds 2018 £000</b>
Tangible fixed assets	-	-	59,441	<b>59,441</b>
Current assets	543	3,341	-	<b>3,884</b>
Creditors due within one year	-	(1,742)	-	<b>(1,742)</b>
Creditors due in more than one year	-	(19)	-	<b>(19)</b>
Provisions for liabilities and charges	-	(6,879)	-	<b>(6,879)</b>
<b>Total</b>	<b>543</b>	<b>(5,299)</b>	<b>59,441</b>	<b>54,685</b>

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**21. Reconciliation of net income/(expenditure) to net cash flow from operating activities**

	<b>2019</b>	<i>As restated</i> <b>2018</b>
	<b>£000</b>	<b>£000</b>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	<b>1,689</b>	<b>(110)</b>
<b>Adjustments for:</b>		
Depreciation	<b>1,571</b>	<b>1,471</b>
Investment income	<b>(7)</b>	<b>(4)</b>
Decrease/(increase) in debtors	<b>(313)</b>	<b>500</b>
Increase/(decrease) in creditors	<b>(99)</b>	<b>159</b>
Capital grants from DfE and other capital income	<b>(161)</b>	<b>(177)</b>
Defined benefit pension scheme cost less contributions payable	<b>625</b>	<b>697</b>
Net (loss) on assets and liabilities from local authority on conversion	<b>(4,690)</b>	<b>(2,146)</b>
Defined benefit pension scheme obligation inherited	<b>459</b>	<b>289</b>
Defined benefit pension scheme finance cost	<b>184</b>	<b>213</b>
Loss on disposal of fixed assets	<b>28</b>	<b>-</b>
<b>Net cash (used in)/provided by operating activities</b>	<b>(714)</b>	<b>892</b>

**22. Cash flows from investing activities**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Dividends, interest and rents from investments	<b>7</b>	<b>4</b>
Purchase of tangible fixed assets	<b>(512)</b>	<b>(184)</b>
Capital grants from DfE Group	<b>161</b>	<b>177</b>
Cash transferred on conversion to an academy trust	<b>265</b>	<b>94</b>
<b>Net cash (used in)/provided by investing activities</b>	<b>(79)</b>	<b>91</b>

**23. Analysis of cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>2,259</b>	<b>3,052</b>
<b>Total cash and cash equivalents</b>	<b>2,259</b>	<b>3,052</b>

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**24. Conversion to an academy trust**

On 1 January 2019 Laceyfields Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Djanogly Learning Trust from Derbyshire County 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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	1,425	1,425
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	78	-	-	78
<b>Non-current liabilities</b>				
LGPS pension surplus/(deficit)	-	(172)	-	(172)
<b>Net assets/(liabilities)</b>	<u>78</u>	<u>(172)</u>	<u>1,425</u>	<u>1,331</u>

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**24. Conversion to an academy trust (continued)**

On 1 August 2019 Kensington Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Djanogly Learning Trust from Derbyshire County 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 £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	3,000	3,000
<b>Current assets</b>				
Cash - representing budget surplus on LA funds	186	-	-	186
<b>Non-current liabilities</b>				
LGPS pension surplus/(deficit)	-	(287)	-	(287)
<b>Net assets/(liabilities)</b>	<u>186</u>	<u>(287)</u>	<u>3,000</u>	<u>2,899</u>

**25. Pension commitments**

The 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 Nottinghamshire County Council and Derbyshire 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.

As described in note 24 the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who are eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Contributions amounting to £183,000 were payable to the schemes at 31 August 2019 (2018 - £148,000) and are included within creditors.

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**25. 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS has been undertaken and employer contribution rates have been reassessed and will be payable from 1 September 2019 at 23.68%.

The employer's pension costs paid to TPS in the year amounted to £923,000 (2018 - £712,000).

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

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



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**25. 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 £683,000 (2018 - £593,000), of which employer's contributions totalled £497,000 (2018 - £431,000) and employees' contributions totalled £186,000 (2018 - £162,000). The agreed contribution rates for future years are 12 - 18.3% per cent for employers and 5.5 - 5.9% 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	2.15-2.80	2.80-3.80
Rate of increase for pensions in payment/inflation	2.30-3.65	2.30
Discount rate for scheme liabilities	1.90	2.65-2.85

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	21.9-22.8	21.9-22.7
Females	24.4-25.8	24.4-25.6
<i>Retiring in 20 years</i>		
Males	23.9-25.0	23.9-24.9
Females	26.5-28.1	26.5-28.0

**Sensitivity analysis**

	2019 £000	2018 £000
Discount rate +0.1%	(679)	(456)
Discount rate -0.1%	694	469
Pension increase rate +0.1%	611	422
Pension increase rate -0.1%	(538)	(412)

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**25. Pension commitments (continued)**

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

	<b>At 31 August 2019 £000</b>	<i>At 31 August 2018 £000</i>
Equities	7,828	6,684
Gilts	345	399
Corporate bonds	1,397	1,012
Property	1,558	1,381
Cash and other liquid assets	451	224
Other	1,012	647
<b>Total market value of assets</b>	<b>12,591</b>	<b>10,347</b>

The actual return on scheme assets was £560,000 (2018: £595,000).

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

	<b>2019 £000</b>	<i>2018 £000</i>
Current service cost	(1,120)	(1,125)
Interest cost	(184)	(213)
Administrative expenses	(3)	(3)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(1,307)</b>	<b>(1,341)</b>

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

	<b>2019 £000</b>	<i>2018 £000</i>
<b>At 1 September</b>	<b>17,226</b>	<b>16,871</b>
Conversion of academy trusts	1,613	911
Current service cost	1,120	1,125
Interest cost	477	455
Employee contributions	186	162
Actuarial losses/(gains)	4,460	(2,170)
Benefits paid	(150)	(128)
<b>At 31 August</b>	<b>24,932</b>	<b>17,226</b>

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**25. Pension commitments (continued)**

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

	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
<b>At 1 September</b>	<b>10,347</b>	<i>8,668</i>
Conversion of academy trusts	<b>1,154</b>	<i>622</i>
Interest income	<b>293</b>	<i>242</i>
Actuarial gains	<b>267</b>	<i>353</i>
Employer contributions	<b>497</b>	<i>431</i>
Employee contributions	<b>186</b>	<i>162</i>
Benefits paid	<b>(150)</b>	<i>(128)</i>
Administrative expenses	<b>(3)</b>	<i>(3)</i>
<b>At 31 August</b>	<b>12,591</b>	<i>10,347</i>

**26. Operating lease commitments**

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

	<b>Trust</b>	<i>Trust</i>
	<b>2019</b>	<i>2018</i>
	<b>£000</b>	<i>£000</i>
Not later than 1 year	<b>37</b>	<i>32</i>
Later than 1 year and not later than 5 years	<b>82</b>	<i>95</i>
	<b>119</b>	<i>127</i>

**27. 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.

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**28. Related party transactions**

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trust has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period:

The Trust has entered into leases with the Nottingham City Technology College Trust (NCTCT) to use certain property and other assets owned by NCTCT at a nominal rental. These leases are approved by the DfE. Mr T Slade and Mr R Kenyon are Trustees of NCTCT as well as being Trustees of the Trust. Officers of the Trust administer the business of NCTCT on their behalf. At 31 August 2019 the Trust owed NCTCT £14,000 (2018: £16,000) in respect of transactions totalling £2,000 (2018: £4,000).

The Trust has also entered into transactions with C.T.C. Enterprises (Nottingham) Limited. Mr R Kenyon and Mr D Holdsworth are Trustees of the Trust and Directors of that company. At 31st August 2019 C.T.C. Enterprises (Nottingham) Limited owed the Trust £22,000 (2018: £55,000) in respect of work carried out totalling £109,000 (2018: £138,000).

The Trust received £Nil (2018: £43,000) from WA Capital Limited in the year. Mr W Adderley is a Member of the Trust and a Director of WA Capital Limited. Mr T Slade is a Trustee of the Trust and a consultant for WA Capital Limited. At 31st August 2019, the Trust owed WA Capital £Nil (2018: £Nil).

The Trust hires sports pitches from Nottingham Forest in the Community. Sir John Peace is a Member of the Trust and a Patron of that company. During the year pitches were hired at a cost of £5,000 (2018: £5,000). There were no balances outstanding at the year end (2018: £Nil).

The Trust has an agreement with Nova Education Trust (Nova) for the provision of educational leadership consultancy at Djanogly City Academy. Mr D Hooker transferred to the employment of NOVA Education Trust on 1 September 2018 whilst continuing to act as an advisor to the Principal at Djanogly City Academy during the year ended 31st August 2019 and is also a Trustee of Nova. As at 31st August 2019, the Trust owed Nova £89,000 (2018: £152,000) and Nova owed the Trust £Nil (2018: £61,000) in respect of work carried out totalling £271,000 (2018: £152,000).