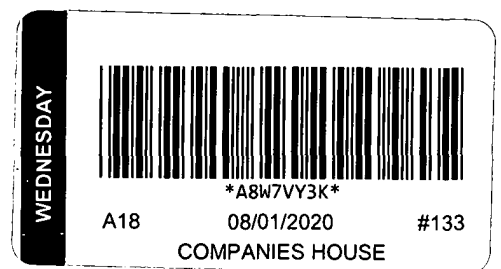


COMPANY REGISTRATION NO. 09200332 (ENGLAND AND WALES)

MINERVA LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019



MINERVA LEARNING TRUST

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MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr E Wydenbach
Mr K Aslam (resigned 4 November 2019)
Mr J Crossley Holland (resigned 5 September 2018)
Mr S Betts (resigned 4 October 2019)
Mr J Bowers
Mr J Evans (appointed 17 May 2019)
Mrs D Eaton (appointed 14 November 2019)
Mr R Salt (appointed 14 November 2019)

Trustees

Mr E Wydenbach (Chair)
Mr K Aslam
Mr D Burkinshaw
Mr S Chew
Mr I Robinson
Mr J McDonnell
Mrs G Bradley
Mr J Crossley Holland (Appointed 6 September 2018)
Mr S Wild (Appointed 14 November 2019)

MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Senior management team

- Chief Executive Officer & Accounting Officer	Ms A Quaile (resigned 31 October 2019)
- Chief Financial Officer	Ms A France
- HR Director	Mrs N Gregory
- Director of school Improvement	Ms B Matthews (appointed 1 September 2018)
- Chief Executive Officer & Accounting Officer (appointed 1 November 2019)	

Company registration number 09200332 (England and Wales)

Registered office 7 Shay House Lane
Stocksbridge
Sheffield
South Yorkshire
S36 1FD

Academies operated	Location	Head of School
Handsworth Grange Community Sports College	Sheffield	Mr N Parker
Stocksbridge High School	Sheffield	Mr A Ireland
Ecclesfield School	Sheffield	Mr R Walkden
High Storrs School	Sheffield	Ms C Tasker
Central Services	Sheffield	

Independent auditor UHY Hacker Young
6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

Bankers Lloyds Bank
Church Street
Sheffield
S1 1HP

Solicitors Irwin Mitchell
Imperial House
31 Temple Street
Birmingham
B2 5DB

MINERVA LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements and auditor's 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 academy trust operates four secondary academies in Sheffield City. Its academies have a combined pupil capacity of 5,314 and had a roll of 5,181 in the commencement of the academic year 2018. One establishment provides Post 16 education with numbers exceeding 400 students.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. Establishments in the trust operate under the following trading names;

Ecclesfield School
Handsworth Grange Community Sports College
High Storrs School
Stocksbridge High School

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

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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy Trust maintains trustee and governors liability insurance which gives appropriate cover for any legal action brought against those in governance roles. The cover is with Zurich Municipal. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Policy Number: TI-249005-8593 (Trustees) KSC-242094-9173 (Governors)
Limit of Indemnity: £5,000,000

Details of the insurance cover are provided in note 13 to the financial statements.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Method of recruitment and appointment or election of trustees

In accordance with the articles of association the number of directors (trustees) shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum. Recruitment thereafter of directors to the trust is as follows;

- The members may appoint up to 4 directors.
- There shall be a minimum of two parent directors unless there are Local Governing Bodies which include at least two parent members.
- The directors may appoint co-opted directors but may not co-opt an employee of the company.

During the period the trust has reviewed and developed the Trust Board membership to support the growth of the trust. Trustees are appointed with the skills and experience to significantly contribute to the strategic development of the trust. This includes expertise across legal, human resource, business and public sector bodies. The training and induction provided for new trustees is dependent on prior experience. All new trustees are inducted to the work of trust by the Chair having an opportunity to meet with trust staff and see schools in action.

Policies and procedures adopted for the induction and training of trustees

All trustees are provided with access to the National Governors Association and Learn Sheffield Governor services to support their development and access to appropriate CPD and resources to guide them in their role. In addition, copies of the Scheme of Delegation, Terms of Reference and minutes and policies together with other appropriate documentation to help trustees to fulfil the requirements of their role. Training and development opportunities are available to trustees from a variety of sources and overseen by the Chair of the Trust.

Organisational structure

The organisational structure consists of: the Minerva Learning Trust Board (members have oversight of the trust and appointment of trustees) and the Leadership Team for the trust which consists of the Chief Executive Officer (Accounting Officer), Chief Financial Officer, HR Director and School Improvement Director. The overarching Scheme of Delegation defines delegations across the Trust Board, Leadership Team and Local Governing Bodies. The leadership team is accountable to the Trust Board and has responsibility for the strategic oversight of schools, compliance and implementation of trust policies.

The Minerva Learning Trust Board is responsible for deciding the strategic direction of the trust. The Local Governing Body within the schools are responsible for oversight of operational activities and local, school specific policy.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel is by the board of trustees, taking HR advice and benchmarking against the market and the advice from professional associations. Pay and remuneration is aligned to performance management policy and procedure which is reviewed annually and agreed by the board of trustees.

Senior leadership salaries are linked closely to pay spines for teachers and NJC staff, giving trustees assurance that each individual has remuneration at an appropriate level. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and recognises that the trust receives funding under the terms of a funding agreement with the Secretary of State for Education. Therefore, remuneration of senior personnel provides value for money to the trust. The performance of senior leadership personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior leadership personnel is set out in note 11.

Trade union facility time

Relevant union officials:	Number of employees
Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	0.60

Percentage of time spent on facility time:

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

Pay bill spent on facility time:	£
Total cost of facility time	15,439
Total pay bill	21,559,551
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and other connected charities and organisations

The trust's work with other organisations includes collaboration across those schools already in the trust. In addition, the trust works in partnership with universities locally to provide access to Initial Teacher Training (ITT) students.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Details of related parties and related party transactions are detailed in note 23.

Objectives and activities

Objects and aims

The trust vision is to provide outstanding education for pupils who are from a wide variety of backgrounds across the city of Sheffield. Inclusion is very important to us. We do not allow disadvantage to be a barrier to learning and we support all of our pupils to be the very best. Our pupils show a high level of care for each other and respect each other's diversity.

There are four schools within the trust supporting the education of around 5,000 pupils. The trust resolutely believes that the trust is stronger together and that each school within the trust has individual strengths to be shared and celebrated. Our aim is for all schools within the trust to become 'outstanding'.

The trust ethos is one of collegiality across our schools with pupils at the centre of everything we do. The trust is set up to engage with those schools selecting to join us in pursuit of outstanding standards. We are a recognised Academy Sponsor, and will readily engage with schools in difficulty, providing the necessary level of support to those schools to bring about rapid and sustained school improvement.

A strong Trust Board which strategically leads and oversees the full business governs the Minerva Learning Trust. The board provides the strategic vision for our schools alongside effective challenge and support to ensure our growth aligns to our strong educational values and proven school improvement strategy.

Objectives, strategies and activities

The Minerva Learning Trust operated as single academy trust until December 2017. The trust expanded rapidly in the period December 2017 to March 2018, taking on three additional secondary schools. The principal objective and activity of the trust is the provision of education to pupils between the ages of 11 and 18 in the Sheffield City area.

We aim to develop and deliver a model of school improvement that is efficient and effective, and ensures that appropriate resources support the educational experience for our pupils. The strategic plan gives an insight to the Minerva Learning Trust and our vision for growth and development as we strive to serve the needs and education of those pupils in our care.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Overall objectives

The trust has a clear strategic aim which underpins its vision and values and the three year plan sets out the key objectives to ensure that all stakeholders can be confident in the approach to secure school improvement. The key areas for securing that improvement are;

- Leadership and governance
- School improvement and effectiveness
- Performance and standards
- Corporate business and services.

Leadership and Governance

Our commitment to continuous improvement starts at the trust. During the year the trust leadership commissioned external reviews to support the ongoing development of the trust. The outcomes from these reviews have been the platform for future year developments.

School Improvement and effectiveness

At the heart of our school improvement model is a commitment to working in deep partnerships and supporting all schools within a self-improving school-led system that promotes and secures:

- Positive progress for all pupils, with many pupils achieving outstanding outcomes
- High quality teaching
- Effective leadership and governance in all schools
- Entitlement to high quality professional development for all staff and stakeholders that enables sustained and continual improvement
- Innovative succession planning and talent management which is in line with identified future needs
- Opportunities for the identification and dissemination of effective practice and engagement in academic research and development opportunities
- High quality ITT training in order to ensure access to a highly skilled supply of future teachers and leaders in the future
- Effective and strategic external partnerships which positively contribute towards improving the quality of education
- Affordability and value for money

Performance and Standards

- Progress towards trust wide targets through the Trust Data Dashboards
- Individual school performance information following summer results and data collections
- Progress towards Individual School Action Plans
- Performance of individual schools - to include strengths and areas for development
- Any actions to be taken in response to any areas of underachievement or concern

Corporate and Business Services

Develop those services which support the delivery of learning to our pupils.

Review procurement strategy for the trust to work towards efficiencies across the contracts and services.

Identify and develop systems and processes that ensure compliance with regulatory bodies.

Develop and implement systems to support the work of business and operational teams within our schools.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Public benefit

The trust meets its duty with regard to the public benefit requirements of the Charity Commission by providing an education provision that is inclusive and does not allow disadvantage to be a barrier to learning and we support all of our pupils to be the very best.

Strategic report

Achievements and performance

The trust is committed to ensuring that pupils continue to receive a good quality education and support.

Through the development of a trust wide school improvement model supported by collaboration the trust has secured improvements particularly in our schools where intensive support has been undertaken during the academic year. The trust is confident that this upward move will continue into future years as we aim for all of our schools to become outstanding over time.

Key performance indicators

The key performance headlines and trends for the summer 2019 results have seen a positive Progress 8 and Attainment 8 across schools and the trust is confident that this trend will continue into future years.

	Ecclesfield School	Handsworth Grange Community Sports College	High Storrs School	Stocksbridge High School
Context Pupil Premium	29.2	34.1	8.3	20.5
Progress 8	0.00	0.34	0.33	-0.06
Attainment 8	45.5	45.6	56.22	47.14
English & Maths 4+ %	58	59	82	67
English & Maths 5+ %	45	37	67	46
EBacc Standard Pass %	37	16	53	14

The trust and its schools report KPI information as follows;

Staffing % of revenue income

Staffing % of total expenditure (all occupational groups)

Non-pay % total revenue Income

Non-pay % total expenditure

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the trust's recurrent income is obtained from the General Annual Grant (GAG), the use of which is restricted to particular purposes. The GAG received during the period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities. The total incoming resources for the period ended 31 August 2019 was £27,950,197.

During the period ended 31 August 2019, total expenditure was £29,211,819. After GAG funding and other incoming resources the excess of income over expenditure for the year (excluding restricted fixed asset funds and pension reserve) was £316,673. The Trust is currently subsidising its GAG income from its trading activities and other income. The trust closely monitors this income and is working to ensure that funds from the General Annual Grant cover the costs of its educational provision.

At 31 August 2019, the net book value of fixed assets was £68,095,105 and movements in tangible fixed assets are shown in note 14 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the constituent academies.

Reserves policy

The trustees have reviewed the reserve levels of the academy trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The value of unrestricted reserves at 31 August 2019 is £2,063,710 with restricted reserves being £54,871,343.

Under FRS 102 projected deficits on the Local Government Pension Scheme (LGPS) provided for non-teaching staff have to be charged to a specific restricted reserve. As at 31 August 2019 the deficit on this reserve was £13,635,000. Contributions to the pension scheme are being increased over the next few years in order to help reduce the deficit.

Investment policy

The trust has no other investments other than cash balances. These are monitored regularly to ensure there are always sufficient funds to meet our financial commitments, and to decide when, how much and for how long cash can be transferred into higher interest deposit accounts.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The trustees have assessed the major risks to which the academy trust is exposed and this is recorded in the corporate risk register. In particular those risks relating specifically to teaching, provision of facilities and other operational areas of the academy trust, and its finances. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy trust has effective systems of internal financial controls and this is supported by policy and procedure.

The main risks that the academy is exposed to are summarised below.

The significant risks to the trust are identified in detail in the risk register and include;

- Local Government Pension Deficit Liability. The trust contributes to the fluctuating deficit each year with the current annual value being £13,635,000
- Recruitment and retention of good and outstanding teachers, particularly across the core subjects, is key to success of the trust
- The implementation of the National Formula Funding framework being confirmed
- The trust manages the risk of negative cash flows through rigorous standard operating procedures, internal controls and monitoring.

Fundraising

The trust and its schools engage in fundraising activities for the benefit of the trust's overall aims and objectives or for other beneficiaries. Where such fundraising is engaged, schools must ensure fundraising purpose and beneficiary are clearly communicated to target audiences to conform to standards. Any proceeds from fundraising should, on completion, be passed to the beneficiary (where external to the organisation) within 14 days of the fundraising event. All fundraising activity is accounted for appropriately within accounting systems.

Fundraising activities within the trust will meet the 6 principles of charity fundraising as follows;

- Plan the event effectively
- Be supervised and authorised by senior leadership at school level to ensure that the activity is carried out appropriately and in the best interests of the trust
- Senior leaders in their duty must protect the trust's reputation, money and other interests when engaging in fundraising activities
- Identify and ensure compliance with laws and regulations
- Ensure that fundraising activities follow the codes of practices (rule books) as defined by the Fundraising Regulator
- Being accountable and open by meeting reporting and accounting requirements.

Plans for future periods

The trust's priorities are;

- To pursue excellence in everything that we do
- To deliver the highest levels of achievement for all our pupils by having an uncompromising drive and commitment to outstanding teaching and learning
- To achieve financial health and place the trust in a strong position for growth.

Following this initial growth the trust is now focussing on embedding systems and processes and ensuring financial health and efficiency. The future for the trust will hopefully see growth.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Employee consultation and disabled employees

The trust has approved a recruitment policy to ensure data is collected regarding disability and access needs. The policy is explicit around avoidance of discrimination in the recruitment process and that role information is objective and non-discriminatory. During the year the trust has implemented a Joint Consultative and Negotiating Committee. This group considers matters of employment, equality, training and development and health and safety of employees. Representation at the committee are unions together with the leadership team of the trust.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 December 2019 and signed on its behalf by:



Mr E Wydenbach
Chair

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Minerva 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 Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Minerva 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 3 times during the year. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr E Wydenbach (Chair)	3	3
Mr K Aslam	2	3
Mr D Burkinshaw	3	3
Mr I Robinson	2	3
Mr J McDonell	3	3
Mrs G Bradley	2	3
Mr J Holland (Appointed 6.11.18)	3	3
Mr S Chew	3	3
Mr S Wild (Appointed 14.11.19)	0	0

Governance reviews:

The board of trustees implemented the scheme of delegation with significant change to reflect the changing needs of trust. The trust board continues to develop its expertise to support the strategic work of the trust. The board is continually self-evaluating its effectiveness lead by the Chairperson who is a National Leader of Governance. In addition, the trustees commissioned an ICFP review, external MAT review and a School Resource Management Assistant Review in the year. The combination of these external reviews has allowed the trust board and senior team to focus on the key priorities to further develop the trust.

The **Finance and Audit Committee** is a sub-committee of the trust. Its purpose is to ensure the trust fulfils its statutory responsibilities in relation to the Academies Financial Handbook and Charities law and compliance to the Trust Funding Agreement. In addition it ensures internal controls are appropriate and that assurance can be provided to the Accounting Officer that they meet with the required standards of regularity, propriety and compliance. The committee receives financial performance information with appropriate challenge to the senior team to ensure the trust continues to be financially sustainable. The Chair of the Trust Board and the Chair of the Finance and Audit Committee also receive monthly performance reports giving further assurance that the trust is operating within the requirements of the handbook and Charities law.

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr E Wydenbach (Chair)	4	4
Mr K Aslam	2	4
Mr D Burkinshaw	4	4
Mr I Robinson	1	4
Mr J McDonell	2	4

Review of value for money

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

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

- Employment of a dedicated Director of School Improvement who has given strategy leadership and intensive support in the two schools in the trust that are both in categories of Requires Improvement and Special Measures and, ensuring that appropriate resource has been placed to make significant and rapid change. The pupil outcomes for 2019 indicate this has been effective in raising standards
- Continuing to develop and implement strategies which meet the individual needs of disadvantaged pupils and enable schools within the trust to close their achievement gap and target our Pupil Premium funding effectively
- Embedding quality data tracking systems to track the progress of pupils and different categories of pupil such as disadvantaged, most able, English as a second language etc. This enables targeted intervention and additional learning sessions to be provided to those groups or individuals at risk of not achieving their potential, thereby improving educational outcomes
- Standardising approaches to school improvement across the expanded trust
- Reviewing system needs and implementing more appropriate financial systems that meet the changing and growing needs of the trust and better value for money
- Review of the central service offer of the trust.

The purpose of the system of internal control

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

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees
- Regular reviews by the Finance and Audit 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 external accountants to undertake our internal audit function.

The internal auditors role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

In particular the checks carried out in the current period included;

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/ bank reconciliations.

The Finance and Audit Committee have reviewed the reports received from the internal auditors covering the above areas, and no material control issues were found.

Review of effectiveness

As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by;

- The work of the internal auditor
- The work of the external auditor
- The school resource management process and the MAT Review
- The work of the executive leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

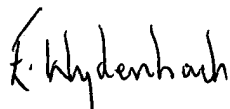
MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Audit Committee, and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 10 December 2019 and signed on its behalf by:



Mr E Wydenbach
Chair



Ms B Matthews
Accounting officer

MINERVA LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

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

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



Ms B Matthews
Accounting Officer

10 December 2019

MINERVA LEARNING TRUST

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 Directive published issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

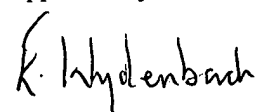
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 10 December 2019 and signed on its behalf by:



Mr E Wydenbach
Chair

MINERVA LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Minerva Learning 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 notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

MINERVA LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

MINERVA LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Auditor's responsibilities for the audit of the accounts

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

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

Use of our report

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

Roland Givans (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

16 December 2019

Chartered Accountants
Statutory Auditor

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

MINERVA LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 21 August 2015 and further to the requirements of the Education and 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 Minerva Learning Trust during the period 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 Minerva 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 Minerva Learning Trust and the 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 Minerva Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Minerva Learning Trust's funding agreement with the Secretary of State for Education dated 30 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 period 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 the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

MINERVA LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to our conclusion includes:

- Planned our assurance procedures including identifying key risks,
- Carried out sample testing of controls,
- Carried out substantive testing including analytical review, and
- Concluded on procedures carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.

Reporting Accountant

UHY Hacker Young

Dated: 16 December 2019

MINERVA LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted funds:		Total 2019	Total 2018
	Notes	£	General £	Fixed asset £	£	£
Income and endowments from:						
Donations and capital grants	3	-	19,045	666,448	685,493	1,547,274
Donations - transfer from local authority on conversion		-	-	-	-	39,810,365
Donations - transfer of existing academy into the trust		-	-	-	-	13,807,740
Charitable activities:						
- Funding for educational operations	4	35,799	26,123,058	-	26,158,857	18,539,678
Other trading activities	5	1,092,643	10,879	-	1,103,522	601,778
Investments	6	2,325	-	-	2,325	1,621
Total		<u>1,130,767</u>	<u>26,152,982</u>	<u>666,448</u>	<u>27,950,197</u>	<u>74,308,456</u>
Expenditure on:						
Raising funds	7	709,376	483	-	709,859	382,352
Charitable activities:						
- Educational operations	9	160,857	27,126,360	1,214,743	28,501,960	20,436,033
Total	7	<u>870,233</u>	<u>27,126,843</u>	<u>1,214,743</u>	<u>29,211,819</u>	<u>20,818,385</u>
Net income/(expenditure)		260,534	(973,861)	(548,295)	(1,261,622)	53,490,071
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(3,499,000)	-	(3,499,000)	676,000
Net movement in funds		260,534	(4,472,861)	(548,295)	(4,760,622)	54,166,071
Reconciliation of funds						
Total funds brought forward		1,803,176	(9,090,472)	68,982,971	61,695,675	7,529,604
Total funds carried forward		<u>2,063,710</u>	<u>(13,563,333)</u>	<u>68,434,676</u>	<u>56,935,053</u>	<u>61,695,675</u>

MINERVA LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Income and endowments from:					
Donations and capital grants	3	-	4,520	1,542,754	1,547,274
Donations - transfer from local authority on conversion		793,890	(3,426,000)	42,442,475	39,810,365
Donations - transfer of existing academy into the trust		1,475,887	(3,114,000)	15,445,853	13,807,740
Charitable activities:					
- Funding for educational operations	4	23,392	18,516,286	-	18,539,678
Other trading activities	5	597,014	4,764	-	601,778
Investments	6	1,621	-	-	1,621
Total		<u>2,891,804</u>	<u>11,985,570</u>	<u>59,431,082</u>	<u>74,308,456</u>
Expenditure on:					
Raising funds	7	382,128	224	-	382,352
Charitable activities:					
- Educational operations	9	895,056	18,666,621	874,356	20,436,033
Total	7	<u>1,277,184</u>	<u>18,666,845</u>	<u>874,356</u>	<u>20,818,385</u>
Net income/(expenditure)		1,614,620	(6,681,275)	58,556,726	53,490,071
Transfers between funds	18	-	(27,950)	27,950	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	20	-	676,000	-	676,000
Net movement in funds		1,614,620	(6,033,225)	58,584,676	54,166,071
Reconciliation of funds					
Total funds brought forward		188,556	(3,057,247)	10,398,295	7,529,604
Total funds carried forward		<u>1,803,176</u>	<u>(9,090,472)</u>	<u>68,982,971</u>	<u>61,695,675</u>

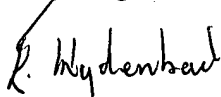
MINERVA LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	14		68,095,105		68,502,683
Current assets					
Debtors	15	619,140		668,967	
Cash at bank and in hand		3,250,231		2,855,146	
		<u>3,869,371</u>		<u>3,524,113</u>	
Current liabilities					
Creditors: amounts falling due within one year	16	(1,394,423)		(1,225,121)	
Net current assets			<u>2,474,948</u>		<u>2,298,992</u>
Net assets excluding pension liability			<u>70,570,053</u>		<u>70,801,675</u>
Defined benefit pension scheme liability	20		(13,635,000)		(9,106,000)
Total net assets			<u><u>56,935,053</u></u>		<u><u>61,695,675</u></u>
Funds of the academy trust:					
Restricted funds	18				
- Fixed asset funds			68,434,676		68,982,971
- Restricted income funds			71,667		15,528
- Pension reserve			(13,635,000)		(9,106,000)
Total restricted funds			<u>54,871,343</u>		<u>59,892,499</u>
Unrestricted income funds	18		<u>2,063,710</u>		<u>1,803,176</u>
Total funds			<u><u>56,935,053</u></u>		<u><u>61,695,675</u></u>

The accounts on pages 23 to 51 were approved by the trustees and authorised for issue on 10 December 2019 and are signed on their behalf by:



Mr E Wydenbach
Chair

Company Number 09200332

MINERVA LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	21	533,477	6,295
Cash funds transferred on conversion		-	2,294,744
		<u>533,477</u>	<u>2,301,039</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,325	1,621
Capital funding received from sponsors and others		666,448	1,542,754
Capital funding transferred on conversion			10,801
Purchase of tangible fixed assets		(807,165)	(1,602,809)
Net cash used in investing activities		<u>(138,392)</u>	<u>(47,633)</u>
Net increase in cash and cash equivalents in the reporting period		<u>395,085</u>	<u>2,253,406</u>
Cash and cash equivalents at beginning of the year		2,855,146	601,740
Cash and cash equivalents at end of the year		<u><u>3,250,231</u></u>	<u><u>2,855,146</u></u>

MINERVA LEARNING TRUST

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), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

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

1.3 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, 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 period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Sponsorship income

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

Donations

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

Other income

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

Donated goods, facilities and services

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

Donated fixed assets

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

1.4 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Charitable activities

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

1.5 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Leasehold land and buildings	2% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	25% reducing balance

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

1.6 Liabilities

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

1.7 Leased assets

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

1.8 Financial instruments

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Financial assets

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

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

Financial liabilities

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

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

1.9 Taxation

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

1.10 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

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

1.11 Fund accounting

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

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

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

For 2018-19 there have been some specific issues which have impacted on the actuarial assumptions and closing pension scheme liability of all LGPS employers:

Critical assumptions for LGPS

(1) The "McCloud/Sargeant judgement". This relates to legal rulings regarding age discrimination arising from public sector pension scheme transitional arrangements. Actuarial evidence suggested that the impact of making an allowance for this judgement would be material, and so the academy trust asked the actuary to make an allowance in the figures.

In order to quantify the constructive obligation the actuary has made calculations using an approximate approach. One critical assumption under this method is that salaries will increase at least CPI plus 1.5%. Further, the approximate approach does not take into account the specific age profile of the employer's pension scheme members.

The impact of McCloud/Sargeant has been to increase the constructive obligation at 31 August 2019 by 2.9% of annualised pensionable pay over the accounting period ending 31 August 2019. This is reflected as a past service cost, within staff costs, and detailed in note 20, of £562,000.

There will also be an increase in the cost of benefits from 1 September 2019.

(2) Guaranteed Minimum Pension (GMP). GMP is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension between 6 April 1978 and 6 April 1997. In October 2018 the High Court ruled in the Lloyds Bank case that equalisation for the effect of unequal GMPs between genders is required. As a result of an on-going debate on how this impacts on public service pension schemes, there has been national debate about the point at which a past service cost is triggered. Briefing notes provided by the actuary have indicated that a 'trigger event' is yet to occur for the LGPS and so no allowance has been made for GMP in the LGPS liability included within these financial statements. It is, in any case, considered likely that any impact would be immaterial.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

(Continued)

(3) *Discount rates.* There has been a change in financial assumptions over the period, including the discount rate. The discount rate has been reduced significantly which has resulted in a less positive balance sheet position than if the discount rate at the start of the period had been used. The impact comes through as part of the actuarial movement shown on Statement of Financial Activities.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	666,448	666,448	1,542,754
Other donations	-	19,045	19,045	4,520
	-	685,493	685,493	1,547,274

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	24,236,841	24,236,841	17,325,777
Start up grants	-	-	-	15,528
Other DfE group grants	-	1,112,117	1,112,117	893,699
	-	25,348,958	25,348,958	18,235,004
Other government grants				
Local authority grants	-	249,930	249,930	62,433
Special educational projects	-	523,328	523,328	136,496
	-	773,258	773,258	198,929
Other funding				
Other incoming resources	35,799	842	36,641	105,745
Total funding	35,799	26,123,058	26,158,857	18,539,678

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	223,230	-	223,230	143,684
Exam fees	-	10,879	10,879	4,764
Other income	869,413	-	869,413	453,330
	<u>1,092,643</u>	<u>10,879</u>	<u>1,103,522</u>	<u>601,778</u>

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	<u>2,325</u>	<u>-</u>	<u>2,325</u>	<u>1,621</u>

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	151,342	29,646	528,871	709,859	382,352
Academy's educational operations					
- Direct costs	17,779,442	-	1,501,215	19,280,657	13,843,406
- Allocated support costs	4,298,970	3,604,003	1,318,330	9,221,303	6,592,627
	<u>22,229,754</u>	<u>3,633,649</u>	<u>3,348,416</u>	<u>29,211,819</u>	<u>20,818,385</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	15,000	15,000
- Other services	8,263	13,350
Operating lease rentals	1,199,876	909,230
Depreciation of tangible fixed assets	1,207,622	874,356
Loss on disposal of fixed assets	7,121	-
Net interest on defined benefit pension liability	<u>263,000</u>	<u>194,000</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

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

- HR consultancy & support;
- Financial systems & services;
- Legal services;
- School Improvement;
- Network groups;
- Quality assurance & audit;
- Safeguarding;
- Policy development;
- Capital improvement application;
- Risk management & insurance;
- GDPR & DPO;
- Health & safety;
- Apprenticeship levy.
- Governance reviews.
- Payroll and pension service.

The academy trust charges for these services on the following basis:

- 3% flat rate of income
- + 1% additional rate if school is in special measures
- + 1/2% additional rate if school is in RI.

The amounts charged during the year were as follows:

	2019 £	2018 £
Handsworth Grange Community Sports College	148,692	122,683
Stocksbridge High School	129,891	98,290
Ecclesfield School	308,267	232,010
High Storrs School	211,377	97,872
Central Services	-	-
	<u>798,227</u>	<u>550,855</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	34,836	19,245,821	19,280,657	13,843,406
Support costs				
Educational operations	126,021	9,095,282	9,221,303	6,592,627
	<u>160,857</u>	<u>28,341,103</u>	<u>28,501,960</u>	<u>20,436,033</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	4,298,520	2,905,841
Depreciation	1,214,743	874,356
Technology costs	327,543	272,726
Premises costs	2,389,260	1,734,087
Other support costs	972,795	788,724
Governance costs	18,442	16,893
	<u>9,221,303</u>	<u>6,592,627</u>

10 Governance costs

	Total 2019 £	Total 2018 £
All from restricted funds:		
Amounts included in support costs		
Auditor's remuneration		
- Audit of financial statements	15,000	15,000
Support staff costs	450	250
Other governance costs	2,992	1,643
	<u>18,442</u>	<u>16,893</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	16,277,516	11,777,114
Social security costs	1,664,562	1,220,357
Pension costs	3,617,473	2,234,447
Staff costs	21,559,551	15,231,918
Agency staff costs	478,636	334,638
Staff restructuring costs	88,236	104,351
Staff development and other staff costs	103,331	111,011
Total staff expenditure	22,229,754	15,781,918

Staff restructuring costs comprise:

Redundancy payments	7,702	16,688
Severance payments	69,534	87,663
Other restructuring costs	11,000	-
	88,236	104,351

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £69,534 (2018: £87,663). Individually, the payments were:

Pay in lieu of notice: £26,245 , £13,135 and £5,684.

Compromise agreements: £8,000 , £4,534 and £11,936.

Other restructuring costs

Include a payment of £11,000 for variation of contract to an employee who is still employed at the year end.

Redundancy Payments

Include a payment of £7,702 to an employee made redundant during the year (2018: £16,688).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	302	324
Administration and support	176	201
Management	31	34
	<u>509</u>	<u>559</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	3	5
£70,001 - £80,000	4	5
£80,001 - £90,000	1	1
£90,001 - £100,000	1	1
£100,000 +	2	1
	<u> </u>	<u> </u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £437,248 (2018: £234,565).

12 Trustees' remuneration and expenses

None of the trustees received any remuneration or benefits during the year. Subsistence payments of £Nil were received during the year (2018: £95).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Trustees and officers insurance

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

In accordance with normal commercial practice the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the period ended 31 August 2019 was £4,720 (2018: £4,720). The cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2018	69,337,177	569,223	424,785	10,275	70,341,460
Additions	449,527	117,645	239,993	-	807,165
Disposals	-	-	(10,840)	-	(10,840)
At 31 August 2019	69,786,704	686,868	653,938	10,275	71,137,785
Depreciation					
At 1 September 2018	1,307,127	385,044	144,679	1,927	1,838,777
On disposals	-	-	(3,719)	-	(3,719)
Charge for the year	1,080,740	66,259	58,537	2,086	1,207,622
At 31 August 2019	2,387,867	451,303	199,497	4,013	3,042,680
Net book value					
At 31 August 2019	67,398,837	235,565	454,441	6,262	68,095,105
At 31 August 2018	68,030,050	184,179	280,106	8,348	68,502,683

Included within land and buildings is an amount of £15,424,450 (2018: £15,424,450) in respect of land which is not depreciated.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Debtors	2019	2018
	£	£
Trade debtors	45,097	55,259
VAT recoverable	132,827	154,894
Other debtors	2,031	-
Prepayments and accrued income	439,185	458,814
	<u>619,140</u>	<u>668,967</u>
16 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	245,319	329,300
Other taxation and social security	398,814	339,979
Other creditors	239,866	101,572
Accruals and deferred income	510,424	454,270
	<u>1,394,423</u>	<u>1,225,121</u>
17 Deferred income	2019	2018
	£	£
Deferred income is included within:		
Creditors due within one year	<u>169,986</u>	<u>156,217</u>
Deferred income at 1 September 2018	156,217	28,863
Released from previous years	(156,217)	(28,863)
Resources deferred in the year	<u>169,986</u>	<u>156,217</u>
Deferred income at 31 August 2019	<u><u>169,986</u></u>	<u><u>156,217</u></u>

At the balance sheet date the academy was holding funds received in advance for the 2018/19 academic year of £68,640 for school trip income, £64,683 for rates relief, £18,325 for LAC PP additional funding, £5,730 for locker payments, £5,175 for food payments, £3,762 for D&T payments, £1,671 for art payments and £2,000 for Heppsy funding for the 2018/19 academic year.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	24,236,841	(24,236,841)	-	-
Start up grants	15,528	-	(15,528)	-	-
Other DfE / ESFA grants	-	1,112,117	(1,112,117)	-	-
Other government grants	-	773,258	(701,591)	-	71,667
Other restricted funds	-	30,766	(30,766)	-	-
Pension reserve	(9,106,000)	-	(1,030,000)	(3,499,000)	(13,635,000)
	<u>(9,090,472)</u>	<u>26,152,982</u>	<u>(27,126,843)</u>	<u>(3,499,000)</u>	<u>(13,563,333)</u>
Restricted fixed asset funds					
Inherited on conversion	66,852,417	-	(1,118,377)	-	65,734,040
DfE group capital grants	2,057,206	666,448	(88,470)	-	2,635,184
Capital expenditure from GAG	73,348	-	(7,896)	-	65,452
	<u>68,982,971</u>	<u>666,448</u>	<u>(1,214,743)</u>	<u>-</u>	<u>68,434,676</u>
Total restricted funds	<u>59,892,499</u>	<u>26,819,430</u>	<u>(28,341,586)</u>	<u>(3,499,000)</u>	<u>54,871,343</u>
Unrestricted funds					
General funds	<u>1,803,176</u>	<u>1,130,767</u>	<u>(870,233)</u>	<u>-</u>	<u>2,063,710</u>
Total funds	<u>61,695,675</u>	<u>27,950,197</u>	<u>(29,211,819)</u>	<u>(3,499,000)</u>	<u>56,935,053</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

Restricted general funds must be used for the normal running costs of the trust in line with the Master Funding Agreement and restrictions from other sources of funding. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the trust.

Unrestricted funds will be used towards meeting the charitable objectives of the trust at the discretion of the trustees.

Fund transfers relate to the pension scheme movements during the period, fixed assets purchased from unrestricted funds and recurrent expenditure purchased from non GAG funding.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	(199,247)	17,325,777	(17,098,580)	(27,950)	-
Start up grants	-	15,528	-	-	15,528
Other DfE / ESFA grants	-	893,699	(893,699)	-	-
Other government grants	-	198,929	(198,929)	-	-
Other restricted funds	-	91,637	(91,637)	-	-
Pension reserve	(2,858,000)	(6,540,000)	(384,000)	676,000	(9,106,000)
	<u>(3,057,247)</u>	<u>11,985,570</u>	<u>(18,666,845)</u>	<u>648,050</u>	<u>(9,090,472)</u>
Restricted fixed asset funds					
Transfer on conversion	9,822,054	57,888,328	(857,965)	-	66,852,417
DfE group capital grants	521,435	1,542,754	(6,983)	-	2,057,206
Capital expenditure from GAG	54,806	-	(9,408)	27,950	73,348
	<u>10,398,295</u>	<u>59,431,082</u>	<u>(874,356)</u>	<u>27,950</u>	<u>68,982,971</u>
Total restricted funds	<u>7,341,048</u>	<u>71,416,652</u>	<u>(19,541,201)</u>	<u>676,000</u>	<u>59,892,499</u>
Unrestricted funds					
General funds	<u>188,556</u>	<u>2,891,804</u>	<u>(1,277,184)</u>	<u>-</u>	<u>1,803,176</u>
Total funds	<u>7,529,604</u>	<u>74,308,456</u>	<u>(20,818,385)</u>	<u>676,000</u>	<u>61,695,675</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total funds analysis by academy

	2019 £	2018 £
Fund balances at 31 August 2019 were allocated as follows:		
Handsworth Grange Community Sports College	(50,921)	(38,217)
Stocksbridge High School	(63,607)	171,952
Ecclesfield School	1,396,397	1,183,678
High Storrs School	646,878	438,923
Central Services	206,630	62,368
Total before fixed assets fund and pension reserve	2,135,377	1,818,704
Restricted fixed asset fund	68,434,676	68,982,971
Pension reserve	(13,635,000)	(9,106,000)
Total funds	56,935,053	61,695,675

Total cost analysis by academy

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Handsworth Grange Community Sports College	3,990,119	1,047,089	340,308	522,591	5,900,107	5,726,864
Stocksbridge High School	2,863,715	744,452	336,550	456,692	4,401,409	3,225,792
Ecclesfield School	5,733,335	929,607	642,288	1,747,784	9,053,014	7,018,140
High Storrs School	5,188,574	1,132,800	653,928	768,665	7,743,967	3,497,450
Central Services	286,431	313,632	2,313	296,203	898,579	475,783
	18,062,174	4,167,580	1,975,387	3,791,935	27,997,076	19,944,029

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	68,095,105	68,095,105
Current assets	3,458,133	71,667	339,571	3,869,371
Creditors falling due within one year	(1,394,423)	-	-	(1,394,423)
Defined benefit pension liability	-	(13,635,000)	-	(13,635,000)
Total net assets	2,063,710	(13,563,333)	68,434,676	56,935,053

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	68,502,683	68,502,683
Current assets	3,028,297	15,528	480,288	3,524,113
Creditors falling due within one year	(1,225,121)	-	-	(1,225,121)
Defined benefit pension liability	-	(9,106,000)	-	(9,106,000)
Total net assets	1,803,176	(9,090,472)	68,982,971	61,695,675

20 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by South Yorkshire Pensions Agency. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £226,244 were payable to the schemes at 31 August 2019 (2018: £99,175) and are included within creditors.

Contributions amounting to £Nil were repayable from the schemes at 31 August 2019 (2018: £6,805) and are included within prepayments.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teacher's Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to [the Teachers' Pension Scheme website](https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx)

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The employer's pension costs paid to the TPS in the period amounted to £2,929,120 (2018: £1,380,670).

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

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6% for employers and 5.5 to 12.5% 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.

The academy trust has agreed to make additional deficit payments into the pension fund. The payments in the year ended 31 August 2019 were £346,568 (2018: £248,897).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

Total contributions made	2019 £	2018 £
Employer's contributions	923,000	672,000
Employees' contributions	232,000	166,000
Total contributions	1,155,000	838,000
Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.25	3.35
Rate of increase for pensions in payment/inflation	2.1	2.20
Discount rate for scheme liabilities	1.8	2.80
Inflation assumption (CPI)	2.0	2.10

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
Retiring today		
- Males	23.1	23.00
- Females	25.9	25.80
Retiring in 20 years		
- Males	25.3	25.20
- Females	28.3	28.10

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

	2019	2018
Discount rate + 0.1%	(482,000)	(315,000)
Mortality assumption + 1 year	361,000	237,000
CPI rate + 0.1%	493,000	326,000
Pay rate + 0.1%	120,000	87,000

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

	2019 Fair value £	2018 Fair value £
Equities	3,014,000	2,338,000
Government bonds	823,000	629,000
Other bonds	455,000	322,000
Cash/liquidity	183,000	203,000
Property	467,000	426,000
Other assets	817,000	479,000
Total market value of assets	<u>5,759,000</u>	<u>4,397,000</u>

The actual return on scheme assets was £182,000 (2018: £196,000).

Amount recognised in the Statement of Financial Activities

	2019 £	2018 £
Current service cost	1,128,000	862,000
Past service cost	562,000	-
Interest income	(129,000)	(72,000)
Interest cost	392,000	266,000
Total operating charge	<u>1,953,000</u>	<u>1,056,000</u>

Changes in the present value of defined benefit obligations

	2019 £	2018 £
At 1 September 2018	13,503,000	4,653,000
Obligations acquired on conversion	-	3,639,000
Transferred in on existing academies joining the academy trust	-	4,585,000
Current service cost	1,128,000	862,000
Interest cost	392,000	266,000
Employee contributions	232,000	166,000
Actuarial loss/(gain)	3,773,000	(576,000)
Benefits paid	(196,000)	(92,000)
Past service cost	562,000	-
At 31 August 2019	<u>19,394,000</u>	<u>13,503,000</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations

(Continued)

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

	2019 £	2018 £
At 1 September 2018	4,397,000	1,795,000
Assets acquired on conversion	-	213,000
Transferred in on existing academies joining the academy trust	-	1,471,000
Interest income	129,000	72,000
Actuarial gain	274,000	100,000
Employer contributions	923,000	672,000
Employee contributions	232,000	166,000
Benefits paid	(196,000)	(92,000)
At 31 August 2019	5,759,000	4,397,000

The actual return on scheme assets was £416,000 (2018 £182,000).

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

	2019 £	2018 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(1,261,622)	53,490,071
Adjusted for:		
Net surplus on conversion to academy	-	(53,618,105)
Capital grants from DfE and other capital income	(666,448)	(1,542,754)
Investment income receivable	(2,325)	(1,621)
Defined benefit pension costs less contributions payable	767,000	190,000
Defined benefit pension scheme finance cost	263,000	194,000
Depreciation of tangible fixed assets	1,207,622	874,356
Loss on disposal of fixed assets	7,121	-
Decrease in stocks	-	97
Decrease/(increase) in debtors	49,827	(404,209)
Increase in creditors	169,302	849,427
Stocks, debtors and creditors transferred on conversion	-	(24,967)
Net cash provided by operating activities	533,477	6,295

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

22 Commitments under operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	744,686	963,801
Amounts due in two and five years	2,934,544	3,783,938
Amounts due after five years	1,451,784	2,804,772
	<u>5,131,014</u>	<u>7,552,511</u>

Included within the minimum lease payments under non-cancellable operating leases are commitments under PFI contracts totalling £5,081,244 which expire in August 2026. The annual charge is shown within operating lease rentals in note 7 of the accounts.

23 Related party transactions

No related party transactions took place in the period of account.

24 Members' liability

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