

COMPANY REGISTRATION NO. 09200332 (ENGLAND AND WALES)

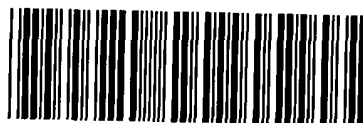
MINERVA LEARNING TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

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MINERVA LEARNING TRUST

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MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr E Wydenbach
Mr K Aslam
Mr J Crossley Holland (resigned 3 September 2018)
Mr S Betts
Mr J Bowers
Mr S Sims (resigned 22 December 2017)

Trustees

Mr E Wydenbach (Chair)
Ms E Underwood (Resigned 26 September 2017)
Mr S Sims (Resigned 22 December 2017)
Ms A Quaile (Resigned 1 October 2017)
Mr J McDonnell
Mr S Chew
Mr K Aslam
Mr D Burkinshaw (Appointed 1 October 2017)
Mr I Robinson (Appointed 1 October 2017)
Mrs G Bradley (Appointed 22 May 2018)
Mr J Crossley Holland (Appointed 4 September 2018)

Senior management team

- Chief Executive Officer & Accounting Officer	Ms A Quaile
- Chief Financial Officer	Ms A France
- HR Director	Mrs N Gregory
- Director of School Improvement	Ms B Matthews

Company registration number 09200332 (England and Wales)

Registered office Handsworth Grange Community Sports College
Handsworth Grange Road
Sheffield
South Yorkshire
S13 9HJ

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

MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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

Bankers Lloyds TSB
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 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. 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 5,141 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.

The charitable company is known as Minerva Learning Trust.

The trustees of Minerva Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust maintains trustee and governors liability insurance 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 2018

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, a National Leader of Governance. They are paired with an existing trustee and have 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 to support their development and access to appropriate resources to guide them in their role. In addition, copies of the Scheme of Delegation, 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 2018

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.

The CEO is remunerated in respect of contract of employment only. Details for setting pay and remuneration of key management personnel are aligned to performance management policy and procedure which is reviewed and agreed by the board of trustees.

Senior leadership salaries are linked closely to pay spines, 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	11
Full-time equivalent employee number	8.34

Percentage of time spent on facility time:	
Percentage of time	Number of employees
0%	-
1%-50%	10
51%-99%	-
100%	1

Pay bill spent on facility time:	£
Total cost of facility time	5,281
Total pay bill	15,231,918
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	-

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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.

In the period September to November 2017 pending the commencement in post of the HR Director, the trust HR consultancy was provided by DBH Consultancy who, under the terms of the Academies Financial Handbook is deemed a related party. Service provision was given at cost. No further transactions were sanctioned following the appointment of the HR Director.

Details of related parties and related party transactions are detailed in note 24.

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.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

The Minerva Learning Trust operated as single academy trust until December 2017. The trust expanded 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.

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.

Our three year objectives will be to;

- Ensure robust data systems in each school which drive targeted intervention and the closing of gaps
- Improve progress made by all pupils so that standards are outstanding across the trust
- Set up peer review systems across the trust to quality assure the provision of teaching and learning
- Identify shared CPD needs for schools
- Use the whole MAT workforce to deliver improvement
- Maintain strong partnerships beyond the trust
- Develop strong subject networks to share best practice and standardised moderations
- Strengthen standardisation systems.

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.

The trust has rapidly grown during the period December 17 to March 18 having been established in 2014 by Handsworth Grange Community Sports College, a school judged as Outstanding by Ofsted in October 2017. Through a collaborative approach the trust is already beginning to see school improvement across all schools. This work has been supported school to school with contributions from Handsworth Grange Community Sports College and High Storrs School that is judged as a Good School.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

The key performance headlines and trends for the summer 2018 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 Community College	Grange Sports School	Storr's School	Stocksbridge High School
Context Pupil Premium		24.3	32.5	15.5		24.5
Progress 8		-0.12	0.35	0.24		-0.29
Attainment 8		46.2	45.8	52.3		43.4
English & Maths 4+ %		63.1	61.4	82.9		57.6
English & Maths 5+ %		39.4	37.6	59.4		38.2
EBacc Standard Pass %		37.2	12.2	23.1		12.5

The trust and its schools report KPI information as follows;

- Total staff costs
- Total staff costs to ESFA revenue income
- Total staff costs to total income
- Total staff costs as a proportion of total expense
- F.T.E. teaching and non-teaching staff
- Total F.T.E.
- Pupil teacher ratio
- Average teacher cost
- Proportion of budget spent on the leadership team
- Spend per pupil for non-pay expenditure

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.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2018, total expenditure of £20,818,385 was covered by GAG funding together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed asset funds and pension liability on conversion) was £1,445,395. 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 2018, the net book value of fixed assets was £68,502,683 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 2018 is £1,803,176 with restricted reserves being £59,892,499.

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 2018 the deficit on this reserve was £9,106,000. 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 2018

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 £9,106,000
- 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.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 carry out a trust review of progress over the period following initial expansion and identifying next steps to build a sustainable model for growth and financial stability.

The trust has significantly grown in the accounting period with three schools joining of which one is a sponsored school. Following this initial growth the trust is now reviewing structures, systems and processes to achieve strong and sustainable financial health and efficiency and ultimately having a positive impact on improving schools. The future direction of the trust will see expansion of a primary strand. Currently there are no plans to expand further in the secondary phase.

Employee consultation and disabled employees

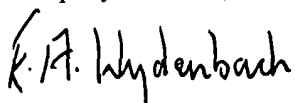
The trust has approved a recruitment policy to ensure data is collected regarding disability and access needs. The policy is explicit around avoidance of discrimination in the recruitment process and that role information is objective and non-discriminatory. During the year the trust has implemented 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 11 December 2018 and signed on its behalf by:



Mr E Wydenbach
Chair

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 4 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)	4	4
Ms E Underwood (Resigned 26 September 2017)	1	1
Mr S Sims (Resigned 22 December 2017)	0	2
Ms A Quaile (Resigned 1 October 2017)	1	1
Mr J McDonnell	3	4
Mr S Chew	2	4
Mr K Aslam	3	4
Mr D Burkinshaw (Appointed 1 October 2017)	3	4
Mr I Robinson (Appointed 1 October 2017)	3	4
Mrs G Bradley (Appointed 22 May 2018)	2	2
Mr J Crossley Holland (Appointed 4 September 2018)	0	0

The board of trustees re-defined new terms of reference in the accounting period reflect the changing needs and expansion of the 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 as designated by the National College for Teaching and Leadership.

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.

Attendance at committee meetings in the period was as follows:

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trustees	Meetings attended	Out of possible
Mr S Sims (Resigned 22 December 2017)	0	1
Mr J McDonnell	1	2
Mr K Aslam	1	2
Mr D Burkinshaw (Appointed 1 October 2017)	2	2
Mr I Robinson (Appointed 1 October 2017)	1	2

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;

- Supporting the extensive needs of two new schools to 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
- 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 targeting our Pupil Premium funding effectively
- Expanding the development of 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
- Implementing standard operating procedures for the delivery and compliance to financial management
- Reviewing system needs and implementing more appropriate financial systems that meet the changing and growing needs of the trust and better value for money
- Developing an initial central service offer to the schools joining the trust.

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts.

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 2017 to 31 August 2018 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 auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems.

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

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

Following each review, the internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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.

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

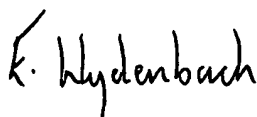
Review of effectiveness

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 financial management and governance self assessment process
- The work of the executive leaders within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

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



Mr E Wydenbach
Chair



Ms A Quaile
Accounting officer

MINERVA LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2018

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 2017.

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

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



Ms A Quaile
Accounting Officer

11 December 2018

MINERVA LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2018

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 Annual Accounts Requirements 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 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 11 December 2018 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 2018

Opinion

We have audited the accounts of Minerva Learning Trust for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis for opinion

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

Conclusions relating to going concern

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

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

MINERVA LEARNING TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Other information

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

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

We have nothing to report in this regard.

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 2018

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

11 December 2018

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 2018

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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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 2018

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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

UHY Hacker Young

Dated: 11 December 2018

MINERVA LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	-	4,520	1,542,754	1,547,274	520,885
Donations - transfer from local authority on conversion	26	793,890	(3,426,000)	42,442,475	39,810,365	-
Donations - transfer of existing academy into the trust	26	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	5,341,808
Other trading activities	5	597,014	4,764	-	601,778	322,235
Investments	6	1,621	-	-	1,621	373
Total		<u>2,891,804</u>	<u>11,985,570</u>	<u>59,431,082</u>	<u>74,308,456</u>	<u>6,185,301</u>
Expenditure on:						
Raising funds	7	382,128	224	-	382,352	114,889
Charitable activities:						
- Educational operations	9	895,056	18,666,621	874,356	20,436,033	6,153,266
Total	7	<u>1,277,184</u>	<u>18,666,845</u>	<u>874,356</u>	<u>20,818,385</u>	<u>6,268,155</u>
Net income/(expenditure)		1,614,620	(6,681,275)	58,556,726	53,490,071	(82,854)
Transfers between funds	19	-	(27,950)	27,950	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	21	-	676,000	-	676,000	540,000
Net movement in funds		1,614,620	(6,033,225)	58,584,676	54,166,071	457,146
Reconciliation of funds						
Total funds brought forward		188,556	(3,057,247)	10,398,295	7,529,604	7,072,458
Total funds carried forward		<u>1,803,176</u>	<u>(9,090,472)</u>	<u>68,982,971</u>	<u>61,695,675</u>	<u>7,529,604</u>

MINERVA LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2017		Funds	General	Fixed asset	2017
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	56	-	520,829	520,885
Charitable activities:					
- Funding for educational operations	4	-	5,341,808	-	5,341,808
Other trading activities	5	271,331	50,904	-	322,235
Investments	6	373	-	-	373
Total		<u>271,760</u>	<u>5,392,712</u>	<u>520,829</u>	<u>6,185,301</u>
Expenditure on:					
Raising funds	7	114,826	63	-	114,889
Charitable activities:					
- Educational operations	9	91,958	5,747,740	313,568	6,153,266
Total	7	<u>206,784</u>	<u>5,747,803</u>	<u>313,568</u>	<u>6,268,155</u>
Net income/(expenditure)		64,976	(355,091)	207,261	(82,854)
Transfers between funds	19	-	(20,101)	20,101	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	540,000	-	540,000
Net movement in funds		<u>64,976</u>	<u>164,808</u>	<u>227,362</u>	<u>457,146</u>
Reconciliation of funds					
Total funds brought forward		123,580	(3,222,055)	10,170,933	7,072,458
Total funds carried forward		<u>188,556</u>	<u>(3,057,247)</u>	<u>10,398,295</u>	<u>7,529,604</u>

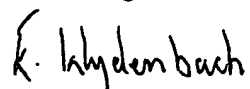
MINERVA LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

		2018	2017
	Notes	£	£
Fixed assets			
Tangible assets	14	68,502,683	9,896,703
Current assets			
Stocks	15	-	97
Debtors	16	668,967	264,758
Cash at bank and in hand		2,855,146	601,740
		<u>3,524,113</u>	<u>866,595</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,225,121)	(375,694)
Net current assets		<u>2,298,992</u>	<u>490,901</u>
Net assets excluding pension liability		<u>70,801,675</u>	<u>10,387,604</u>
Defined benefit pension scheme liability	21	(9,106,000)	(2,858,000)
Net assets		<u><u>61,695,675</u></u>	<u><u>7,529,604</u></u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds		68,982,971	10,398,295
- Restricted income funds		15,528	(199,247)
- Pension reserve		(9,106,000)	(2,858,000)
Total restricted funds		<u>59,892,499</u>	<u>7,341,048</u>
Unrestricted income funds	19	<u>1,803,176</u>	<u>188,556</u>
Total funds		<u><u>61,695,675</u></u>	<u><u>7,529,604</u></u>

The accounts on pages 23 to 53 were approved by the trustees and authorised for issue on 11 December 2018 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 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	6,295	(243,083)
Cash funds transferred on conversion		2,294,744	-
		<u>2,301,039</u>	<u>(243,083)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		1,621	373
Capital funding received from sponsors and others		1,542,754	520,829
Capital funding transferred on conversion		10,801	
Purchase of tangible fixed assets		(1,602,809)	(46,455)
		<u>(47,633)</u>	<u>474,747</u>
Net cash (used in)/provided by investing activities		<u>(47,633)</u>	<u>474,747</u>
Net increase in cash and cash equivalents in the reporting period		<u>2,253,406</u>	<u>231,664</u>
Cash and cash equivalents at beginning of the year		601,740	370,076
Cash and cash equivalents at end of the year		<u><u>2,855,146</u></u>	<u><u>601,740</u></u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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

1.1 Basis of preparation

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

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 Conversions and transfers into academy trust

Where assets and liabilities are received on the transfer of converting schools into the academy trust, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Where assets and liabilities are received on the transfer of an existing academy into the academy trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised for the transfer of an existing academy into the academy trust within Donations and capital income to the net assets acquired.

1.4 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.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis (where there 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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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

1.7 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.

1.8 Leased assets

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

1.9 Financial instruments

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

Financial assets

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

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

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.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price. Provision is made for obsolete and slow moving stock.

1.11 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.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.12 Pensions benefits

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

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

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

1.13 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 2018

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The academy trust included properties transferred on conversion at fair value, being recognised in the statement of financial activities in the year of conversion. The Trust engages independent valuation specialists to determine fair value. The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the properties.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Capital grants	-	1,542,754	1,542,754	520,829
Other donations	-	4,520	4,520	56
	-	1,547,274	1,547,274	520,885

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	17,325,777	17,325,777	4,927,895
Start up grants	-	15,528	15,528	-
Other DfE group grants	-	893,699	893,699	377,564
	-	18,235,004	18,235,004	5,305,459
Other government grants				
Local authority grants	-	62,433	62,433	6,135
Special educational projects	-	136,496	136,496	23,797
	-	198,929	198,929	29,932
Other funding				
Other incoming resources	23,392	82,353	105,745	6,417
Total funding	23,392	18,516,286	18,539,678	5,341,808

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	143,684	-	143,684	103,508
Exam fees	-	4,764	4,764	74
Other income	453,330	-	453,330	218,653
	597,014	4,764	601,778	322,235

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	1,621	-	1,621	373

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2018	2017
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	112,988	19,801	249,563	382,352	114,889
Academy's educational operations					
- Direct costs	12,762,839	-	1,080,567	13,843,406	4,169,512
- Allocated support costs	2,906,091	2,608,443	1,078,093	6,592,627	1,983,754
	<u>15,781,918</u>	<u>2,628,244</u>	<u>2,408,223</u>	<u>20,818,385</u>	<u>6,268,155</u>

Net income/(expenditure) for the year includes:

	2018	2017
	£	£
Fees payable to auditor for:		
- Audit	15,000	3,700
- Other services	13,350	4,560
Operating lease rentals	909,230	9,736
Depreciation of tangible fixed assets	874,356	313,568
Net interest on defined benefit pension liability	194,000	72,000
	<u>1,905,936</u>	<u>423,564</u>

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.

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.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2018 £	2017 £
Handsworth Grange Community Sports College	122,683	-
Stocksbridge High School	98,290	-
Ecclesfield School	232,010	-
High Storrs School	97,872	-
Central Services	-	-
	<u>550,855</u>	<u>-</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	807,121	13,036,285	13,843,406	4,169,512
Support costs				
Educational operations	87,935	6,504,692	6,592,627	1,983,754
	<u>895,056</u>	<u>19,540,977</u>	<u>20,436,033</u>	<u>6,153,266</u>

	2018 £	2017 £
Analysis of support costs		
Support staff costs	2,905,841	993,816
Depreciation	874,356	313,568
Technology costs	272,726	133,991
Premises costs	1,734,087	216,960
Other support costs	788,724	319,427
Governance costs	16,893	5,992
	<u>6,592,627</u>	<u>1,983,754</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Governance costs

	Total 2018 £	Total 2017 £
All from restricted funds:		
Amounts included in support costs		
Legal and professional fees	-	115
Auditor's remuneration		
- Audit of financial statements	15,000	3,700
Support staff costs	250	-
Other governance costs	1,643	2,177
	<u>16,893</u>	<u>5,992</u>

11 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	11,777,114	3,652,452
Social security costs	1,220,357	350,580
Pension costs	2,234,447	733,625
Staff costs	<u>15,231,918</u>	<u>4,736,657</u>
Agency staff costs	334,638	73,662
Staff restructuring costs	104,351	78,014
Staff development and other staff costs	111,011	24,488
Total staff expenditure	<u>15,781,918</u>	<u>4,912,821</u>

Staff restructuring costs comprise:

Redundancy payments	16,688	43,166
Severance payments	87,663	34,848
	<u>104,351</u>	<u>78,014</u>

Pension costs included additional employer costs of £7,952 to the scheme on making one employee redundant.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

11 Staff

(Continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £87,663 (2017: £34,848). Individually, the payments were:

Pay in lieu of notice: £7,985 made on 31.08.18 and £28,311 made on 31.08.18.

Compromise agreements: £16,500 made on 31.12.17, £6,852 made on 31.12.17, £18,000 made on 31.03.18, £2,015 made on 31.08.18 and £8,000 made on 31.08.18

Staff numbers

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

	2018 Number	2017 Number
Teachers	324	70
Administration and support	201	69
Management	34	7
	<u>559</u>	<u>146</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	5	1
£70,001 - £80,000	5	-
£80,001 - £90,000	1	-
£90,001 - £100,000	1	-
£100,000 +	<u>1</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £234,565 (2017: £550,015).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

A Quaile (headteacher)

Remuneration £5,000 - £10,000 (2017: £115,000 - £120,000)

Employer's pension contribution £0 - £5,000 (2017: £15,000 - £20,000)

E Wydenbach (trainer)

Remuneration £Nil (2017: £5,000 - £10,000)

Employers' pension contribution £nil (2017: £Nil)

D Burkinshaw (HR Consultant)

Remuneration £0 - £5,000

During the year travel and subsistence payments totalling £95 were reimbursed to 1 trustee (2017: £168 to 1 trustee).

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

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 2018 was £4,720 (2017: £Nil). The cost of this insurance is included in the total insurance cost.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	10,058,000	444,427	358,697	-	10,861,124
Transfer on conversion	42,405,750	19,626	17,098	-	42,442,474
Transfer from existing academy	15,299,669	76,119	48,990	10,275	15,435,053
Additions	1,573,758	29,051	-	-	1,602,809
At 31 August 2018	69,337,177	569,223	424,785	10,275	70,341,460
Depreciation					
At 1 September 2017	563,908	296,232	104,281	-	964,421
Charge for the year	743,219	88,812	40,398	1,927	874,356
At 31 August 2018	1,307,127	385,044	144,679	1,927	1,838,777
Net book value					
At 31 August 2018	68,030,050	184,179	280,106	8,348	68,502,683
At 31 August 2017	9,494,092	148,195	254,416	-	9,896,703

Included within land and buildings is an amount of £15,424,450 (2017: £391,000) in respect of land which is not depreciated.

The valuation of land & buildings transferred on conversion of Handsworth Grange Community Sports College was performed by Mouchel on 21 July 2015. In the opinion of the trustees, the resulting valuation, which was carried out on a depreciated replacement cost basis, is appropriate for inclusion in the accounts.

The valuation of land and buildings transferred on conversion of Stocksbridge High School was performed by Rotherham MBC on 1 December 2017. In the opinion of the trustees, the resulting valuation, which was carried out on a depreciated replacement cost basis, is appropriate for inclusion in the accounts.

The valuation of land and buildings transferred on conversion of High Storrs School was performed by Rotherham MBC on 1 March 2018. In the opinion of the trustees, the resulting valuation, which was carried out on a depreciated replacement cost basis, is appropriate for inclusion in the accounts.

The valuation of land and buildings transferred on the transfer into the trust of Ecclesfield School was performed by Kier on 3 September 2014. In the opinion of the trustees, the resulting valuation, which was carried out on a depreciated replacement cost basis and has been further depreciated to 30 November 2017 by the trustees, is appropriate for inclusion in the accounts.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15	Stocks	2018	2017
		£	£
	Stationery for resale	-	97
		<u></u>	<u></u>
16	Debtors	2018	2017
		£	£
	Trade debtors	55,259	13,376
	VAT recoverable	154,894	33,777
	Prepayments and accrued income	458,814	217,605
		<u>668,967</u>	<u>264,758</u>
		<u></u>	<u></u>
17	Creditors: amounts falling due within one year	2018	2017
		£	£
	Trade creditors	329,300	132,395
	Other taxation and social security	339,979	82,592
	Other creditors	101,572	73,724
	Accruals and deferred income	454,270	86,983
		<u>1,225,121</u>	<u>375,694</u>
		<u></u>	<u></u>
18	Deferred income	2018	2017
		£	£
	Deferred income is included within:		
	Creditors due within one year	156,217	28,863
		<u></u>	<u></u>
	Deferred income at 1 September 2017	28,863	13,170
	Released from previous years	(28,863)	(13,170)
	Resources deferred in the year	156,217	28,863
		<u>156,217</u>	<u>28,863</u>
		<u></u>	<u></u>
	Deferred income at 31 August 2018	156,217	28,863
		<u></u>	<u></u>

At the balance sheet date the academy trust was holding funds received in advance for the 2018/19 academic year of £100,032 for school fund income, £26,903 for rates relief, £2,000 for LAC PP additional funding, £5,380 for locker payments, £3,150 for food payments, £3,328 for D&T payments, £1,541 for art payments and £13,883 for funding of the school games organiser for the 2018/19 academic year.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	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 2018

19 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 2018.

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 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	28,945	4,927,895	(5,135,986)	(20,101)	(199,247)
Other DfE / ESFA grants	-	377,564	(377,564)	-	-
Other government grants	-	29,932	(29,932)	-	-
Other restricted funds	-	57,321	(57,321)	-	-
Pension reserve	(3,251,000)	-	(147,000)	540,000	(2,858,000)
	<u>(3,222,055)</u>	<u>5,392,712</u>	<u>(5,747,803)</u>	<u>519,899</u>	<u>(3,057,247)</u>
Restricted fixed asset funds					
Transfer on conversion	10,127,111	-	(305,057)	-	9,822,054
DfE group capital grants	2,640	520,829	(2,034)	-	521,435
Capital expenditure from GAG	41,182	-	(6,477)	20,101	54,806
	<u>10,170,933</u>	<u>520,829</u>	<u>(313,568)</u>	<u>20,101</u>	<u>10,398,295</u>
Total restricted funds	<u>6,948,878</u>	<u>5,913,541</u>	<u>(6,061,371)</u>	<u>540,000</u>	<u>7,341,048</u>
Unrestricted funds					
General funds	<u>123,580</u>	<u>271,760</u>	<u>(206,784)</u>	<u>-</u>	<u>188,556</u>
Total funds	<u>7,072,458</u>	<u>6,185,301</u>	<u>(6,268,155)</u>	<u>540,000</u>	<u>7,529,604</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	28,945	22,253,672	(22,234,566)	(48,051)	-
Start up grants	-	15,528	-	-	15,528
Other DfE / ESFA grants	-	1,271,263	(1,271,263)	-	-
Other government grants	-	228,861	(228,861)	-	-
Other restricted funds	-	148,958	(148,958)	-	-
Pension reserve	(3,251,000)	(6,540,000)	(531,000)	1,216,000	(9,106,000)
	<u>(3,222,055)</u>	<u>17,378,282</u>	<u>(24,414,648)</u>	<u>1,167,949</u>	<u>(9,090,472)</u>
Restricted fixed asset funds					
Transfer on conversion	10,127,111	57,888,328	(1,163,022)	-	66,852,417
DfE group capital grants	2,640	2,063,583	(9,017)	-	2,057,206
Capital expenditure from GAG	41,182	-	(15,885)	48,051	73,348
	<u>10,170,933</u>	<u>59,951,911</u>	<u>(1,187,924)</u>	<u>48,051</u>	<u>68,982,971</u>
Total restricted funds	<u>6,948,878</u>	<u>77,330,193</u>	<u>(25,602,572)</u>	<u>1,216,000</u>	<u>59,892,499</u>
Unrestricted funds					
General funds	<u>123,580</u>	<u>3,163,564</u>	<u>(1,483,968)</u>	<u>-</u>	<u>1,803,176</u>
Total funds	<u>7,072,458</u>	<u>80,493,757</u>	<u>(27,086,540)</u>	<u>1,216,000</u>	<u>61,695,675</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

Total funds analysis by academy

	2018 £	2017 £
Fund balances at 31 August 2018 were allocated as follows:		
Handsworth Grange Community Sports College	(115,409)	(10,691)
Stocksbridge High School	240,709	-
Ecclesfield School	1,179,461	-
High Storrs School	434,705	-
Central Services	79,238	-
Total before fixed assets fund and pension reserve	1,818,704	(10,691)
Restricted fixed asset fund	68,982,971	10,398,295
Pension reserve	(9,106,000)	(2,858,000)
Total funds	61,695,675	7,529,604

Handsworth Grange Community Sports College is carrying a net deficit of £115,409 on these funds because the school is currently subsidising its GAG income from its trading activities and other income. The academy trust closely monitors this income and is working to ensure that funds from the General Annual Grant cover the costs of its educational provision.

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 £
Handsworth Grange Community Sports College	3,899,626	856,732	333,772	636,734	5,726,864
Stocksbridge High School	2,200,257	434,630	247,262	343,643	3,225,792
Ecclesfield School	4,378,386	752,933	536,318	1,350,503	7,018,140
High Storrs School	2,460,450	487,642	230,799	318,559	3,497,450
Central Services	196,544	114,718	412	164,109	475,783
	13,135,263	2,646,655	1,348,563	2,813,548	19,944,029

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

	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

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	9,896,703	9,896,703
Current assets	188,556	176,447	501,592	866,595
Creditors falling due within one year	-	(375,694)	-	(375,694)
Defined benefit pension liability	-	(2,858,000)	-	(2,858,000)
Total net assets	188,556	(3,057,247)	10,398,295	7,529,604

21 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 £99,175 were payable to the schemes at 31 August 2018 (2017: £72,594) and are included within creditors.

Contributions amounting to £6,805 were repayable from the schemes at 31 August 2018 (2017: £Nil) and are included within prepayments.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £1,380,670 (2017: £414,122).

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 2018

21 Pension and similar obligations

(Continued)

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 14.9% for employers and 5.5 to 12.5% for employees.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversions from the maintained schools and as part of an existing academy joining the trust (both as described in note 26) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school/academy and the academy trust at the balance sheet date.

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

The academy trust has agreed to make additional deficit payments into the pension fund. The payments in the year ended 31 August 2018 were £248,897 (2017: £115,503).

Total contributions made	2018 £	2017 £
Employer's contributions	672,000	238,000
Employees' contributions	166,000	56,000
Total contributions	<u>838,000</u>	<u>294,000</u>

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	3.35	3.45
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	2.80	2.50
Inflation assumption (CPI)	<u>2.10</u>	<u>2.20</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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

	2018 Years	2017 Years
Retiring today		
- Males	23.00	22.90
- Females	25.80	25.70
Retiring in 20 years		
- Males	25.20	25.10
- Females	28.10	28.00

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

	2018	2017
Discount rate + 0.1%	(315,000)	(107,000)
Mortality assumption + 1 year	237,000	82,000
CPI rate + 0.1%	326,000	110,000
Pay rate + 0.1%	87,000	36,000

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

	2018 Fair value £	2017 Fair value £
Equities	2,338,000	1,091,000
Government bonds	629,000	248,000
Other bonds	322,000	122,000
Cash/liquidity	203,000	36,000
Property	426,000	163,000
Other assets	479,000	135,000
Total market value of assets	4,397,000	1,795,000

The actual return on scheme assets was £182,000 (2017: £196,000).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	862,000	308,000
Interest income	(72,000)	(31,000)
Interest cost	266,000	103,000
Benefit changes, curtailments and settlements gains or losses	-	5,000
Total operating charge	1,056,000	385,000

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	4,653,000	4,671,000
Obligations acquired on conversion	3,639,000	-
Transferred in on existing academies joining the academy trust	4,585,000	-
Current service cost	862,000	308,000
Interest cost	266,000	103,000
Employee contributions	166,000	56,000
Actuarial gain	(576,000)	(509,000)
Benefits paid	(92,000)	19,000
(Gains)/losses on curtailment	-	5,000
At 31 August 2018	13,503,000	4,653,000

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

	2018 £	2017 £
At 1 September 2017	1,795,000	1,420,000
Assets acquired on conversion	213,000	-
Transferred in on existing academies joining the academy trust	1,471,000	-
Interest income	72,000	31,000
Actuarial gain	100,000	31,000
Employer contributions	672,000	238,000
Employee contributions	166,000	56,000
Benefits paid	(92,000)	19,000
At 31 August 2018	4,397,000	1,795,000

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)	53,490,071	(82,854)
Adjusted for:		
Net surplus on conversion to academy	(53,618,105)	-
Capital grants from DfE/ESFA and other capital income	(1,542,754)	(520,829)
Investment income receivable	(1,621)	(373)
Defined benefit pension costs less contributions payable	190,000	75,000
Defined benefit pension net finance cost	194,000	72,000
Depreciation of tangible fixed assets	874,356	313,568
Decrease in stocks	97	167
(Increase) in debtors	(404,209)	(115,803)
Increase in creditors	849,427	16,041
Stocks, debtors and creditors transferred on conversion	(24,967)	-
Net cash provided by/(used in) operating activities	6,295	(243,083)

23 Commitments under operating leases

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

	2018 £	2017 £
Amounts due within one year	963,801	8,547
Amounts due in two and five years	3,783,938	-
Amounts due after five years	2,804,772	-
	7,552,511	8,547

Included within the minimum lease payments under non-cancellable operating leases are commitments under PFI contracts totalling £7,479,392 which expire in August 2026. The annual charge is shown within operating lease rentals in note 7 of the accounts.

24 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 12.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 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.

26 Conversion to an academy/transfer of an existing academy

On 1 December 2017 Stocksbridge High School and on 1 March 2018 High Storrs School, both converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Minerva Learning Trust from the relevant Local Authority for £nil consideration.

On 1 December 2017 Ecclesfield School rebrokered to Minerva Learning Trust and all the operations and assets and liabilities were transferred to Minerva Learning Trust from North East Sheffield Trust for £nil consideration.

The transfers have been accounted for as combinations that are in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain/(loss) in the statement of financial activities as donations – transfer from local authority on conversion/donations- transfer of existing academy into the trust. No fair value adjustments were required to be made to the balances.

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

Academy	Location	Date of conversion/transfer		
Stocksbridge High School	Sheffield	1 December 2017		
Ecclesfield School	Sheffield	1 December 2017		
High Storrs School	Sheffield	1 March 2018		

	Existing Academy	Converted Academies	Total 2018
	£	£	£
Net assets transferred:			
Leasehold land and buildings	15,299,669	42,405,750	57,705,419
Other tangible fixed assets	135,383	36,725	172,108
Unspent capital grant b/f	10,801		10,801
Cash	1,475,887	793,890	2,269,777
LGPS pension surplus/(deficit)	(3,114,000)	(3,426,000)	(6,540,000)
	<u>13,807,740</u>	<u>39,810,365</u>	<u>53,618,105</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

26 Conversion to an academy/transfer of an existing academy (Continued)

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2018
	£	£	£	£
Fixed assets funds	-	-	57,888,328	57,888,328
LA budget funds	2,294,744	-	-	2,294,744
LGPS pension funds	-	(6,540,000)	-	(6,540,000)
Debtor	5,533	-	-	5,533
Creditor	(30,500)	-	-	(30,500)
	<u>(2,269,777)</u>	<u>(6,540,000)</u>	<u>57,888,328</u>	<u>53,618,105</u>