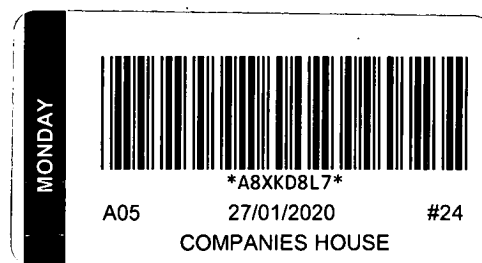


THE LEARNING PARTNERSHIP TRUST

(A Company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019



THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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THE LEARNING PARTNERSHIP TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Diane Hancock Robert Jones Rosalind Allsop Allan Wilton Iain Gilchrist
Trustees	Diane Hancock, Chair of Trustees John Clements, Chief Executive Officer & Accounting Officer Victoria Marrow Christopher Hancock Allan Wilton Michelle Dawson (resigned 9 February 2019) Neil Cobbe Iain Gilchrist Jackie Castle
Company registered number	09380027
Company name	The Learning Partnership Trust
Principal and registered office	Hatfield Heath Primary School Hatfield Heath Essex CM22 7EA
Company Secretary	Victoria Marrow
Senior Management Team	Executive Headteacher, John Clements Headteacher (Roseacres Primary School), Isobel Barron Headteacher (Takeley Primary School), Andy Cosslett Headteacher (Hatfield Heath Primary School), Elizabeth Gelston Business Director, Victoria Marrow
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank Plc 20 North Street Bishop's Stortford Herts CM23 2LN
Solicitors	Stone King 30 Station Road Cambridge CB1 2RE

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Learning Partnership Trust (The Trust or the Charitable Company) for the year ended 31 August 2019. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust operates three Primary Academies serving a catchment area in Hatfield Heath and Takeley in Essex (the Academies or the Schools). The Academies have a combined potential capacity of 840 (2 x one form entry, one two form entry).

This Report should be read in context: The Trust was established in 2015 but is still developing. The Trust is a collection of 3 local primary schools, only one of which is more than one-form entry. Prior to September 2018 our CEO was also the Head of the original Sponsor School, Hatfield Heath. This was unsustainable. As a result he stepped down from his Headship and a new Head was appointed for Hatfield Heath. Under the new structure the CEOs contract was agreed to operate part-time. Fundamental to the success of this new model, and staff well-being, has been the need to build capacity and leadership with key members of staff, Trustees and Governors, identify and address the primary priorities across the Trust, communicate these effectively to all stakeholders, and ensure that we do not allow ourselves to be distracted or deviated from these.

Structure, Governance and Management

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law. The terms Trustee and Director are interchangeable. The Charitable Company includes the following Academies:

- Hatfield Heath Primary School converted on 1 February 2015
- Roseacres Primary School opened and joined the Trust on 1 September 2015
- Takeley Primary School converted and joined the Trust on 1 January 2016.

The operation of the Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Finance and Operations Committee and Trustees Meetings. Throughout this report the Board of Trustees is referred to as the Main Governing Body (MGB). Each Academy has appointed Local Governing Bodies (LGB) who have delegated authority to administer their Academy within agreed budgets. All roles and responsibilities are identified within the current scheme of delegation.

Details of the Trustees who served throughout the period are included in the Reference and Administrative Details section. Within this Report the term Trustee or Director refers to a member of the MGB and the term Governor to a member of an LGB.

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 and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and details of the costs are disclosed in Note 12 to the accounts.

THE LEARNING PARTNERSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Method of Recruitment and Appointment or Election of Trustees

The Members may appoint up to 8 Trustees, through such process as they may determine. The Trustees may appoint co-opted Trustees. The long term approach to appointing new Trustees is to ensure the required skillset is met and maintained. If a vacancy arose the process to reappoint would include:

- Conducting a skills audit of the current Trustees, and look to identify any gaps in the skillset in order to try and appoint someone with the skills needed to fill any gaps.
- Establishing whether any current Trustees or Members are aware of any suitable candidates who they would encourage to apply for the post.
- Advertising the role.
- Ensure the candidate is made aware of the expectations and responsibilities associated with the role

The arrangements are as set out in the Articles and Funding Agreement.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the MGB. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for up to 8 Trustees plus the CEO.

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

The Trust is committed to providing adequate opportunities for Trustees and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. There is a named induction/link Trustee who has the responsibility for identifying and encouraging participation of appropriate training in relevant key areas. In addition to external training opportunities exist for in-house training and development and attendance at conferences. New Trustees and Governors are encouraged to attend a training programme.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education, plus an agreed Scheme of Delegation.

The MGB, meets on at least 3 occasions each year (six meetings have taken place in the 2018/2019 academic year) in addition to the Finance and Operations Committee meetings. The MGB is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual plan and budget, monitoring The Trust by the use of those budgets and making major decisions about the direction of The Trust, capital expenditure and senior staff appointments. The Governors within their LGB's are responsible for implementing strategic policy, ensuring the appropriateness of annual budgets and capital expenditure projects for their Academy. The monitoring of performance against that budget is done primarily by the Finance and Operations Committee.

The Academy Senior Leadership Teams (SLT's) control the Academies at an executive level implementing policies and reporting to their LGB. Each SLT is responsible for the day to day operation of their Academy, in particular organising staff, resources and students. They are responsible for the authorisation of spending in accordance with the agreed spending limits within financial regulations and agreed budgets and for the appointment of staff, below senior leadership level i.e. Deputy and above, following vetting and safeguarding recruitment processes.

The Trust Senior Management Team comprising of the CEO, 3 Headteachers and the Business Director who looks across the Trust and aligns local SLT and LGB activity with the strategic aims of The Trust as a whole.

The Trust's CEO is the Accounting Officer.

THE LEARNING PARTNERSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day-to-day running of the Trust.

Key management's pay and remuneration is set by the MGB, upon the recommendation of the Finance and Operations Committee. Advice is taken, where appropriate from Local Authority HR to benchmark and MAT and Academy size is taken into account. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by the Finance and Operations committee and ratified by the MGB.

Trade Union Facility

We have no employees that are Trade Union Representatives.

Related Parties and other Connected Charities and Organisations

The Trust is not part of a wider network, neither does it have a formal sponsor.

Objectives and Activities

Objects and Aims

The principal object and aim of the Charitable Company is the operation of a family of Academies to provide free education and care for pupils of different abilities within its local community between the ages of 4 and 11.

Objectives, Strategies and Activities

During the year the Trust has worked towards these aims by:

- Supporting and developing leadership at all levels and for both staff and Trustees/Governors through coaching, mentoring, training, external support and collaboration.
- Employing external consultants to work with and support our EYFS team at Takeley to improve outcomes for these pupils.
- Providing opportunities for formal moderation training for all KS1 and KS2 teachers across the Trust.
- Maximising the use of the qualified school based moderators across the Trust to verify judgements being made.
- Increasing the frequency of MGB and LGB from one meeting per term to a minimum of two meetings per term to improve effectiveness and opportunities for challenge.
- Reviewing and improving the quality of the assessment data presented by our Schools to make it more meaningful, consistent and comparable. Ensuring that the data presented reports both attainment and progress, is properly analysed and monitored, and that the appropriate support and action is then put in place in Schools to maximise pupil success in all year groups and for all groups of pupils.
- Ensuring School Development Plans are data driven, focused, aspirational yet realistic, monitored reviewed and amended as appropriate.
- Enhancing the learning environments and resources to support pupil success.

Objectives for the Academic Year 2019/2020

- To further improve the quality of teaching and learning.
- To further improve the rates of progress and attainment.
- To ensure the curriculum provided by our Schools is ambitious and designed to give all learners, particularly those most disadvantaged and those with special educational needs and/or disabilities (SEND) or high needs, the knowledge and cultural capital they need to succeed in life.

THE LEARNING PARTNERSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategies to achieve our objectives:

- Having a curriculum that sets out knowledge, skills and concepts in a structured sequence so that it 'build' to end points. Making sure the intent and implementation match.
- Ensuring leaders at all levels have thought through the progression map for each subject so they understand exactly what knowledge and skills pupils in each year group are expected to know have.
- Having teachers with expert knowledge who are good at both explanation and questioning. They are able to transfer key concepts into the long-term memory and embed them. They are able to adapt their teaching where necessary.
- Leaders and teachers use assessment well in order to help pupils embed and use knowledge fluently or to check understanding and inform teaching.
- Creating learning environments that allow pupils to focus on learning both in terms of the resources and materials available and the culture within the class so that it is fully inclusive and all are encouraged to participate and are not afraid to contribute in case they get it wrong i.e. creating environments that build and encourage pupil development.
- Being alert to staff well-being and encouraging them to work smarter not harder.

Public Benefit

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Strategic Report

Achievements and Performance

Key Performance Indicators

The Trustees receive regular information at each MGB and LGB meeting to enable them to monitor the performance of the Trust and the constituent Academies compared to aims, strategies and financial budgets.

As funding is based on pupil numbers this is a key performance indicator. Hatfield Heath is full; Roseacres has 188 pupils, Takeley has 372 pupils on the role as at September 2019.

The Finance and Operations Committee also monitor premises costs to General Annual Grant (GAG) income; capitation spend for curriculum departments to GAG income; total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately.

Going Concern

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

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2019 the Trust received £4,108,979 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £3,843,921 on general running costs. The Trust brought forward from 2017/18, £7,906,964 restricted funds and £295,982 unrestricted funding. The carry forward for 2018/19 is £7,353,486 restricted funding and £601,877 unrestricted funding.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £2,017,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year-end carry forward figures via the monthly reports from the Business Director. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £601,877. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's deficit on restricted general funds (excluding pension reserve) plus unrestricted funds was £29,167, resulting in a year end balance of £967,667.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,149,987. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the remit of the Finance and Operations Committee and attempt to hold a minimum of £350,000 to cover short term cash flow variances.

Investment Policy

An Investment Policy was approved by the MGB on 7th February 2018.

The aim of the policy is to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

Principal Risks and Uncertainties

The MGB works with the LGB's in maintaining a central risk register identifying the major risks, to which each Academy is exposed, and identifying actions and procedures to mitigate those risks. This register is approved and monitored by the MGB. The internal control systems and the exposure to identified risks are monitored on behalf of the Trustees at each Finance Committee meeting. The principal risks facing the Trust are outlined below; those facing the Academies at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a group of academy schools, the level of financial risk is low.

Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

THE LEARNING PARTNERSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- each Academy has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the individual Academies is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Academies is reliant on the quality of its staff and in particular the senior leadership and the Trustees monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Trust has appointed Essex Education Services (now Juniper Education) to carry out independent and external checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any Academy ceasing to exist the main risk to the Trust is an annual cash flow funding of part of the deficit. Trustees take these payments into account when setting the annual budget plan.

The Trust and each Academy have continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust only held small fundraising events during the year including but not limited to Cinema Nights, Christmas and Summer Fete's, and a Fundraising Ball. The Trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

Plans for Future Periods

The Trust's plans for 2019/20 are:

- Recruitment and retention – to ensure good quality focused staff development/training – grow our own leaders at all levels. Directly linked to above we aim to be involved in teacher training – using external providers including Cambridge University, Essex SCITT, Catalyst and FIPC.
- Quality of teaching – no teaching less than good with the encouragement and support to develop further and ensure that all children's outcomes show good+ progress from their baseline.
- Ensuring an unremitting focus on School improvement through leadership, challenge and support.
- Embedding the new deputy leadership at Roseacres and Hatfield Heath and further supporting the leadership at Takeley.
- Stronger together – identifying, building, utilizing our talents, skills, experience, passions and resource to support success in ensuring that our children get the best education and outcomes possible.
- Financial stability and security – ensure that budgetary control is strong and that budgetary planning for the longer term is secure by producing a five-year strategic plan.

THE LEARNING PARTNERSHIP TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held on behalf of third parties.

Auditor

Insofar 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 the Board of Trustees, on and signed on its behalf by:

A handwritten signature in black ink that reads "Diane Hancock". The signature is written in a cursive style with a large, stylized 'R' at the end.

Diane Hancock
Chair of Trustees

17-12-19

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Learning Partnership 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 6 times during the year.

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

Trustee	Meetings attended	Out of a possible
Diane Hancock, Chair of Trustees	6	6
John Clements, Chief Executive Officer & Accounting Officer	6	6
Victoria Marrow	6	6
Christopher Hancock	4	6
Allan Wilton	4	6
Michelle Dawson	1	1
Neil Cobbe	5	6
Iain Gilchrist	6	6
Jackie Castle	5	6

Prior to September 2018 our CEO was also the Head of Hatfield Heath Primary School. This was unsustainable. As a result, he stepped down from his Headship and a new Head was appointed for Hatfield Heath. Under the new structure the CEO's contract was reduced to part-time. Fundamental to the success of this new model, and staff well-being, has been the need to build capacity and leadership with key members of staff, Trustees and Governors, identify and address the primary priorities across the trust, communicate these to all stakeholders, and ensure that we have not allowed ourselves to be distracted or deviated from these.

One Trustee, Michelle Dawson, resigned in February 2019. The Board of Trustees are considering any weaknesses in their current skill set before re-appointing.

THE LEARNING PARTNERSHIP TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

Ofsted visits in July 2018 (Good), September 2018 (Requires Improvement) and January 2019 (Good) confirmed our judgements and the areas for development we had already identified and prioritised were valid. Significant support has been provided to our Schools, either internally or through the appointment of external consultants in a variety of areas including:

- Supporting and developing leadership at all levels.
- EYFS external consultant visits, moderation and support for Takeley.
- Formal moderation training for all KS1 and KS2 teachers across the Trust.
- Utilising the qualified school based moderators across the Trust to verify judgements being made.
- Increasing the frequency of LGB and MGB meetings from one meeting per term to a minimum of two meeting per term to improve effectiveness and opportunities for challenge.
- Reviewing and improving the quality of the assessment data presented by our Schools to make it more meaningful, consistent and comparable. Ensuring that the data presented reports both attainment and progress, is properly analysed and monitored, and that the appropriate support and action is then put in place in Schools to maximise pupil success in all year groups and for all groups of pupils.
- Ensuring School Development Plans are data driven, focused, aspirational yet realistic, monitored, reviewed and amended as appropriate.

Now, four years since the formation of the Trust, we feel it is the right time to revisit our vision and values to be assured that it is still fit for purpose and the culture of our Schools, LGB's and MGB all reflect this. Collaboration, building our own leaders, identifying our strengths, and weaknesses, and providing timely support to improve are key to our sustainability and pupil success.

An internal self-evaluation of governance was undertaken in the Autumn term 2018 using the National Governance Association (NGA) template. The NGA template lists all essential and desirable areas of skill and competency and asks you to rate these on a scale of 1-5, with a 1 indicating no experience or knowledge in this area, and 5 indicating strong expertise. All Trustees and Governors took part in the evaluation and the results were analysed at MGB and LGB level and at a collective and individual level of knowledge.

As a result, some individual Trustees and Governors have been identified as requiring specific training, which will be provided in due course, or have been mentored or supported by a more experienced colleague.

Collectively the results showed that the overall effectiveness of the Board was at least satisfactory in all essential and desirable areas. Areas prioritised for improvement were all in the 'Accountability' category, and desirable rather than essential. These areas include:

- I have experience of procurement/purchasing.
- I have experience of property and estate-management.
- I have experience of marketing, media and PR.
- I have experience of preparing for and responding to external oversight.

An action plan has been put in place to provide further training and support in these areas and we have identified staff within the Trust with the necessary expertise to call upon to attend meetings as and when required.

The collective responses for each of the LGB's also indicated that their overall effectiveness was at least satisfactory in all essential and desirable areas. Areas prioritised for improvement were in the 'Strategic Leadership' and 'Accountability' categories for all Schools and at Hatfield Heath one area in the 'Structures' category was also identified. An action plan has been put in place to address these areas.

The next self-evaluation of governance will take place in the Autumn term 2019 and will include a review of the 2018-2019 action plans and support provided to measure the impact and effectiveness of this.

THE LEARNING PARTNERSHIP TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance and Operations Committee is a sub-committee of the Board of Trustees. Its purpose is to:

- to prepare and recommend to the MGB the Trust and School's Financial Regulations and Procedures to comply with relevant statute and regulation, the Trust's Scheme of Delegation and the Trustees (SoD 5.1-2);
- to review, recommend to the MGB and monitor the individual Academy annual budgets that are proposed by each LGB, with a specific responsibility to ensure that budgets do not go into deficit (SoD 5.10);
- to review, recommend to the MGB and monitor the Trust annual budget that consolidates individual Academy budgets with Trust central costs and charges, with a specific responsibility to ensure the Trust budget does not go into deficit (SoD 5.4);
- to identify and propose to the MGB opportunities for the Trust to achieve financial and resource efficiencies for Academies through joint commissioning and procurement;
- to review and approve the Trust Interim Year End financial reports prior to audit (SoD 5.5 & 5.12).
- to review and recommend to the MGB the appointment and re-appointment of the Trust's Auditors (SoD 5.3);
- to plan and oversee the statutory audit of Annual Accounts for the Trust and (SoD 5.6),
- to review and recommend to the MGB the audited Annual Accounts and Financial Statements in accordance with relevant statute and regulation (SoD 5.6),
- to review and recommend to the MGB the Trustees Report (SoD 5.7),
- to prepare and recommend to the MGB and implement the Trust action plan in response to the Auditor's management letter and internal audit reports (SoD 5.9),
- to review and recommend to the MGB the Annual Accounts Return to the ESFA (SoD 5.10),
- to prepare and recommend to the Trust policies relating to the Trust's financial governance and operation including;
 1. Procurement,
 2. Anti-Fraud and Corruption
 3. Investment Management
 4. Accounting
 5. Charging and Remissions
 6. Gifts and Hospitality
 7. LPT Reserves
 8. Best Value Statement
- to consider and recommend to the MGB policies and plans relating to the Trust's employment of staff including;
 1. Teachers Annual Pay Award (SoD 3.5),
 2. Support Staff Annual Pay Award (SoD 3.6).
- to approve expenditure or contracts between the Upper Limit (as per Trust Finance Regulations) and the OJEU limit in force at the time (SoD 6.3).
- to recommend to the MGB expenditure above the OJEU limit having completed the necessary procurement (SoD 6.4)
- to approve disposals and write-offs of stock and assets between the Lower Limit and Upper limit (as per Trust Finance Regulations) and to recommend to the MGB disposals, write-offs and assets between the Upper Limit and the limit set by the ESFA. (SoD 6.6-7)
- to consider for recommendation to the MGB compensation payments up to £50,000 or the limit set by the ESFA (SoD 6.8).
- to review, monitor and recommend the Asset Management Policy (SoD 8.1) and approve the Asset Management Plan (SoD 8.3) including;
- to review and recommend to the MGB the Trust Health & Safety policy. (SoD 8.2)

THE LEARNING PARTNERSHIP TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The composition of the Committee has not changed and is as follows:

1. Chair of Finance and Operation Committee
2. CEO
3. Trust Business Director
4. Persons with finance, accountancy or commercial expertise who will be appointed by the MGB
5. Further Trustees such that the committee has a majority of Directors.

The membership for the 2018/2019 academic year is detailed below:

1. John Clements - CEO/CAO
2. Victoria Marrow – Business Director/CFO
3. Diane Hancock – Chair
4. Christopher Hancock – Vice Chair
5. Allan Wilton – Director
6. Iain Gilchrist – Director
7. Neil Cobbe – Director.

Challenges throughout the year have remained consistent with previous years and include:

1. Setting a three year forecast with unknown revenue
2. Setting annual budgets when staff salaries/payscale are still under negotiation
3. Reviewing centrally held funds to ensure the Trust is able to deliver a sustainable, successful structure that supports pupil outcomes in all three schools.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Diane Hancock	5	5
John Clements	5	5
Christopher Hancock	5	5
Victoria Marrow	5	5
Allan Wilton	4	5
Iain Gilchrist	4	5
Neil Cobbe	5	5

Review of value for money

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

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

- Utilising the DfE cost saving toolkit to ensure best value in particular in relation to supply costs
- Reviewing our risk protection arrangements and insurance provider
- Seeking a minimum of three quotes for large projects such as the ICT upgrade at Roseacres and the Playground equipment at Takeley

THE LEARNING PARTNERSHIP TRUST
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GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control

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

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Operations 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; and
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Juniper Education as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included Governance, Financial Management, Reporting and Financial Accounting.

On a semi-annual basis, the Internal Auditor reports to the Board of Trustees through the Finance and Operations Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities. Reports are issued further to visits, which took place in December 2018 and June 2019. Reports are at both School and Trust level i.e. there are eight reports in total for this period.

The Internal Auditor has delivered their schedule of work as planned and there were no material control issues arising as a result of their work.

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

GOVERNANCE STATEMENT (CONTINUED)

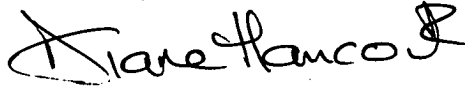
Review of effectiveness

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

- the work of the Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process; and
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

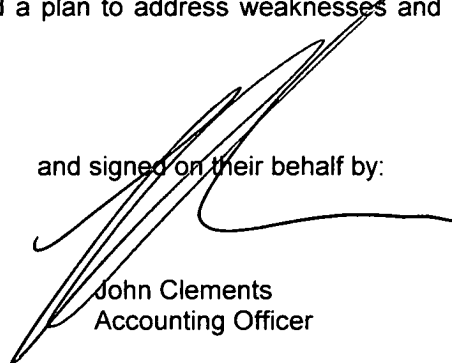
Approved by the Board of Trustees on



Diane Hancock
Chair of Trustees

17-12-19.

and signed on their behalf by:



John Clements
Accounting Officer

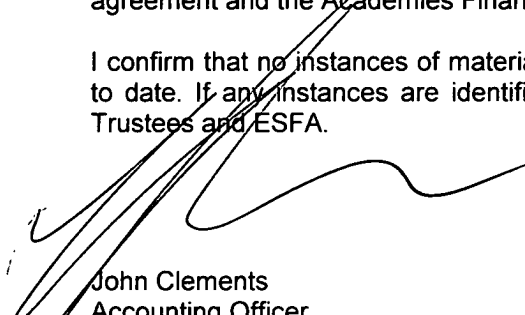
THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

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



John Clements
Accounting Officer
Date: 16/12/19

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

The Trustees (who are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by the Board of Trustees on

and signed on its behalf by:



Diane Hancock
Chair of Trustees

17-12-19

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' Report thereon. Other information includes the Trustees' Report including the Strategic Report, the Governance Statement and the Accounting Officer's Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our Report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

Responsibilities of Trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our Report

This Report is made solely to the 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 Trust's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and its Members, as a body, for our audit work, for this Report, or for the opinions we have formed.

Gary Miller (Senior statutory auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

18 December 2019

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 2 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Learning Partnership Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Learning Partnership Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Learning Partnership Trust's funding agreement with the Secretary of State for Education dated 23 January 2015 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity, impropriety and non-compliance
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

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

Reporting Accountant

Price Bailey LLP

Date: 18 December 2019

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	12,695	38,033	400,444	451,172	72,230
Charitable activities	4	104,183	3,492,042	-	3,596,225	3,395,809
Other trading activities	5	60,878	-	-	60,878	82,255
Investments	6	704	-	-	704	564
Total income		178,460	3,530,075	400,444	4,108,979	3,550,858
Expenditure on:						
Charitable activities		1,237	3,842,684	183,641	4,027,562	3,535,189
Total expenditure		1,237	3,842,684	183,641	4,027,562	3,535,189
Net income/ (expenditure)		177,223	(312,609)	216,803	81,417	15,669
Transfers between funds	17	128,672	(219,452)	90,780	-	-
Net movement in funds before other recognised gains/(losses)		305,895	(532,061)	307,583	81,417	15,669
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	22	-	(329,000)	-	(329,000)	352,000
Net movement in funds		305,895	(861,061)	307,583	(247,583)	367,669
Reconciliation of funds						
Total funds brought forward		295,982	(790,148)	8,697,112	8,202,946	7,835,277
Net movement in funds		305,895	(861,061)	307,583	(247,583)	367,669
Total funds carried forward		601,877	(1,651,209)	9,004,695	7,955,363	8,202,946

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

The notes on pages 26 to 50 form part of these financial statements.

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)
REGISTERED NUMBER: 09380027

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	9,004,695	8,697,112
Current assets			
Debtors	15	117,571	73,681
Cash at bank and in hand		1,149,987	1,179,282
		<u>1,267,558</u>	<u>1,252,963</u>
Creditors: amounts falling due within one year	16	(299,890)	(256,129)
Net current assets		<u>967,668</u>	<u>996,834</u>
Net assets excluding pension liability		<u>9,972,363</u>	<u>9,693,946</u>
Defined benefit pension scheme liability	22	(2,017,000)	(1,491,000)
Total net assets		<u><u>7,955,363</u></u>	<u><u>8,202,946</u></u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	17	9,004,695	8,697,112
Restricted income funds	17	365,791	700,852
		<u>9,370,486</u>	<u>9,397,964</u>
Restricted funds excluding pension liability			
Pension reserve	17	(2,017,000)	(1,491,000)
Total restricted funds		<u>7,353,486</u>	<u>7,906,964</u>
Unrestricted income funds	17	601,877	295,982
Total funds		<u><u>7,955,363</u></u>	<u><u>8,202,946</u></u>

The financial statements on pages 22 to 50 were approved by the Trustees, and authorised for issue on and are signed on their behalf, by:



Diane Hancock
Chair of Trustees

17-12-19

The notes on pages 25 to 50 form part of these financial statements.

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	19	410,782	353,315
Cash flows from investing activities	20	(440,077)	(47,118)
Change in cash and cash equivalents in the year		(29,295)	306,197
Cash and cash equivalents at the beginning of the year		1,179,282	873,085
Cash and cash equivalents at the end of the year	21	<u>1,149,987</u>	<u>1,179,282</u>

The notes on pages 25 to 50 form part of these financial statements

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

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

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Company Status

The Trust is a company registered in England & Wales and limited by guarantee. Members are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The registered office is Hatfield Heath Primary School, Hatfield Heath, Essex, CM22 7EA.

1.3 Going concern

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

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

1. Accounting policies (continued)

1.4 Income

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

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

- **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.

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 allocated on the portion of the asset's use.

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Interest receivable

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

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Taxation

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.8 Tangible fixed assets

Assets costing £2,500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Freehold property	- 50 years straight line
Leasehold land	- 125 years straight line
Long leasehold property	- 50 years straight line
Furniture and fixtures	- 10 years straight line
Computer equipment	- 10 years straight line

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

1.9 Debtors

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

1.10 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. 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.

1.13 Operating leases

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

THE LEARNING PARTNERSHIP TRUST
(A Company limited by guarantee)

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

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

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

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the 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.

1.15 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

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

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

The Trustees trust make 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 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	12,695	388,033	400,728	52,726
Capital grants	-	50,444	50,444	19,504
	<u>12,695</u>	<u>438,477</u>	<u>451,172</u>	<u>72,230</u>
Total 2018	<u>2,371</u>	<u>69,859</u>	<u>72,230</u>	

In 2018, income from donations was £52,726, of which £2,371 was unrestricted and £50,355 restricted.

In 2019, capital grants of £50,444 (2018 - £19,504) and donations of £350,000 (2018 - £NIL) were in relation to restricted fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	2,785,743	2,785,743	2,737,711
Other DfE / ESFA grants	-	366,036	366,036	329,600
	-	3,151,779	3,151,779	3,067,311
Other Government grants				
Other Government grants	-	340,263	340,263	222,460
	-	340,263	340,263	222,460
Other funding				
Catering Income	104,183	-	104,183	106,038
	104,183	3,492,042	3,596,225	3,395,809
Total 2018	106,038	3,289,771	3,395,809	

In 2018, income from DfE/ESFA grants was £3,067,311 of which all was restricted.

In 2018, income from other governments grants was £222,460 of which all was restricted.

In 2018, income from catering was £106,038 of which all was unrestricted.

5. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings income	3,920	3,920	2,165
Other activities	56,958	56,958	80,090
	60,878	60,878	82,255

In 2018, lettings income was £2,165 of which all was unrestricted.

In 2018, other activities was £80,090 of which all was unrestricted.

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**NOTES TO THE FINANCIAL STATEMENTS
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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Interest received	704	704	564

In 2018, all investment income was in relation to unrestricted funds.

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of education:					
Direct costs	2,430,262	-	236,851	2,667,113	2,328,799
Support costs	613,264	359,248	387,937	1,360,449	1,206,390
	<u>3,043,526</u>	<u>359,248</u>	<u>624,788</u>	<u>4,027,562</u>	<u>3,535,189</u>
Total 2018	<u>2,685,052</u>	<u>317,475</u>	<u>532,662</u>	<u>3,535,189</u>	

In 2018, of total expenditure, £139,665 was to unrestricted funds, £3,235,265, was to restricted funds and £160,259 was to restricted fixed asset funds.

8. Charitable Activities

	2019 £	2018 £
Direct costs	2,667,113	2,328,799
Support costs	1,360,449	1,206,390
	<u>4,027,562</u>	<u>3,535,189</u>

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

Charitable Activities (continued)

	2019 £	2018 £
Analysis of support costs		
Support staff costs	613,264	578,940
Depreciation	183,642	160,258
Technology costs	33,133	44,628
Premises costs	175,606	157,217
Other support costs	340,622	255,547
Governance costs	14,002	9,800
	<u>1,360,269</u>	<u>1,206,390</u>

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	2,601	2,357
Depreciation of tangible fixed assets	183,642	160,258
Fees paid to Auditors for:		
- audit	6,290	6,100
- other services	6,385	6,200
	<u>6,385</u>	<u>6,200</u>

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

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	2,252,687	1,993,190
Social security costs	182,970	160,161
Pension costs	573,681	512,385
	<u>3,009,338</u>	<u>2,665,736</u>
Agency staff costs	25,954	19,316
Staff restructuring costs	8,234	-
	<u>3,043,526</u>	<u>2,685,052</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	8,234	-
	<u>8,234</u>	<u>-</u>

b. Staff numbers

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

	2019 No.	2018 No.
Teachers	37	32
Administration and support	111	108
Management	5	4
	<u>153</u>	<u>144</u>

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

10. Staff costs (continued)

c. Higher paid staff

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

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

d. Key management personnel

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £357,008 (2018 - £325,533)

Included in the above are employer pensions contributions of £50,392 (2018 - £44,211)

Included in the above are employer national insurance contributions £31,139 (2018 - £29,271)

11. Central services

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

- Technology costs
- Governance costs
- Support staff costs
- Other support costs

The Trust charges for these services on a funded pupil number basis.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Hatfield Heath Primary School	62,826	65,378
Roseacres Primary School	62,826	213,935
Takeley Primary School	66,817	108,628
Total	<u>192,469</u>	<u>387,941</u>

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12. Trustees' remuneration and expenses

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

		2019 £	2018 £
John Clements, Chief Executive Officer & Accounting Officer (Part time from 1 September 2018)	Remuneration	25,000 - 30,000	70,000 - 75,000
	Pension contributions paid	5,000 - 10,000	10,000 - 15,000
Victoria Marrow	Remuneration	50,000 - 55,000	45,000 - 50,000
	Pension contributions paid	10,000 - 15,000	5,000 - 10,000
Michelle Dawson (resigned 9 February 2019)	Remuneration	5,000 - 10,000	5,000 - 10,000
	Pension contributions paid	0 - 5,000	0 - 5,000

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

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2018	5,118,727	3,768,649	174,561	88,026	9,149,963
Additions	-	350,000	79,724	61,501	491,225
At 31 August 2019	5,118,727	4,118,649	254,285	149,527	9,641,188
Depreciation					
At 1 September 2018	204,306	177,394	41,601	29,550	452,851
Charge for the year	76,615	59,307	21,594	26,126	183,642
At 31 August 2019	280,921	236,701	63,195	55,676	636,493
Net book value					
At 31 August 2019	4,837,806	3,881,948	191,090	93,851	9,004,695
At 31 August 2018	4,914,421	3,591,255	132,960	58,476	8,697,112

15. Debtors

	2019 £	2018 £
Trade debtors	853	1,305
VAT recoverable	35,169	33,805
Prepayments and accrued income	81,549	38,571
	117,571	73,681

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16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	69,811	66,729
Other taxation and social security	44,485	39,836
Other creditors	50,145	44,677
Accruals and deferred income	135,449	104,887
	<u>299,890</u>	<u>256,129</u>
	2019 £	2018 £
Deferred income at 1 September 2018	78,638	78,914
Resources deferred during the year	101,660	78,638
Amounts released from previous periods	(78,638)	(78,914)
	<u>101,660</u>	<u>78,638</u>

Deferred income relates to universal free school meals funding and breakfast club income received during the year in question which relates to the 2019-20 academic year.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	295,982	178,460	(1,237)	128,672	-	601,877
Restricted general funds						
(GAG)	606,079	2,785,743	(3,042,687)	(219,452)	-	129,683
Pupil Premium	-	139,625	(139,625)	-	-	-
Other DfE/ESFA	20,597	226,411	(227,407)	-	-	19,601
(SEN)	-	146,684	(146,684)	-	-	-
Other Government	74,176	193,579	(51,248)	-	-	216,507
Restricted trip	-	38,033	(38,033)	-	-	-
Pension reserve	(1,491,000)	-	(197,000)	-	(329,000)	(2,017,000)
	<u>(790,148)</u>	<u>3,530,075</u>	<u>(3,842,684)</u>	<u>(219,452)</u>	<u>(329,000)</u>	<u>(1,651,209)</u>
Restricted fixed asset funds						
Fixed assets	8,697,112	-	(183,641)	491,224	-	9,004,695
Other Government	-	350,000	-	(350,000)	-	-
Capital Grants	-	50,444	-	(50,444)	-	-
	<u>8,697,112</u>	<u>400,444</u>	<u>(183,641)</u>	<u>90,780</u>	<u>-</u>	<u>9,004,695</u>
Total Restricted funds	<u>7,906,964</u>	<u>3,930,519</u>	<u>(4,026,325)</u>	<u>(128,672)</u>	<u>(329,000)</u>	<u>7,353,486</u>
Total funds	<u>8,202,946</u>	<u>4,108,979</u>	<u>(4,027,562)</u>	<u>-</u>	<u>(329,000)</u>	<u>7,955,363</u>

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

Unrestricted funds

This represents income received that does not have restrictions.

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FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

General Annual Grant (GAG)

This represents funding from the ESFA to cover the costs of recurrent expenditure.

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

Special Educational Needs (SEN)

This represents funding from the Local Authority and it is used towards the education of pupils with special educational needs and disabilities.

Pupil Premium

This represents funding to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Other DfE/ESFA grants

This represents specific allocated funding for the purpose of delivering education in line with the Academy Funding Agreement.

Other Government grants

This represents various grants from local and national Government bodies for the provision of specific services to pupils of the Academies.

Restricted trip donations

This represents amounts received as contributions towards trips.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Academies on conversion from state controlled schools.

Restricted fixed asset fund

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

Capital grants

This relates to funding from the Local Authority and ESFA in respect of either recurrent or capital expenditure agreed between the Secretary of State and the Trust.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Hatfield Heath Primary Academy	141,690	116,704
Takeley Primary Academy	208,312	279,220
Roseacres Primary School	417,698	325,754
Central Services	199,968	275,156
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	967,668	996,834
Restricted fixed asset fund	9,004,695	8,697,112
Pension reserve	(2,017,000)	(1,491,000)
	<hr/>	<hr/>
Total	7,955,363	8,202,946
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Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Hatfield Heath Primary Academy	605,724	137,252	57,043	174,299	974,318	936,016
Takeley Primary Academy	1,249,154	257,114	126,939	191,215	1,824,422	1,644,650
Roseacres Primary School	487,745	101,029	45,970	142,633	777,377	570,739
Central Services	87,639	117,869	5,203	57,093	267,804	223,526
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Trust	2,430,262	613,264	235,155	565,240	3,843,921	3,374,931
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

In 2018, teaching and educational support staff costs was £2,106,112 of which £565,810 was by spent by Hatfield Heath Primary Academy, £1,124,554 by Takeley Primary Academy, £344,348 by Roseacres Primary Academy and £71,400 from central services.

In 2018, other support staff costs was £578,940 of which £125,758 was by spent by Hatfield Heath Primary Academy, £255,557 by Takeley Primary Academy, £77,830 by Roseacres Primary Academy and £119,795 from central services.

In 2018, educational supplies was £221,743 of which £74,560 was by spent by Hatfield Heath Primary Academy, £102,877 by Takeley Primary Academy, £43,500 by Roseacres Primary Academy and £806 from central services.

In 2018, other costs excluding depreciation was £468,136 of which £169,888 was by spent by Hatfield Heath Primary Academy, £161,622 by Takeley Primary Academy, £105,061 by Roseacres Primary Academy and £31,525 from central services.

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17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	248,982	191,228	(139,665)	(4,563)	-	295,982
Restricted general funds						
(GAG)	388,047	2,737,711	(2,519,679)	-	-	606,079
Pupil Premium	-	127,027	(127,027)	-	-	-
Other DfE/ESFA	11,944	202,573	(193,920)	-	-	20,597
(SEN)	-	147,884	(147,884)	-	-	-
Other						
Government	-	74,576	(400)	-	-	74,176
Restricted trip	-	50,355	(50,355)	-	-	-
Pension reserve	(1,647,000)	-	(196,000)	-	352,000	(1,491,000)
	<u>(1,247,009)</u>	<u>3,340,126</u>	<u>(3,235,265)</u>	<u>-</u>	<u>352,000</u>	<u>(790,148)</u>
Restricted fixed asset funds						
Fixed assets	8,790,184	-	(160,259)	67,187	-	8,697,112
Capital Grants	43,120	19,504	-	(62,624)	-	-
	<u>8,833,304</u>	<u>19,504</u>	<u>(160,259)</u>	<u>4,563</u>	<u>-</u>	<u>8,697,112</u>
Total Restricted funds	<u>7,586,295</u>	<u>3,359,630</u>	<u>(3,395,524)</u>	<u>4,563</u>	<u>352,000</u>	<u>7,906,964</u>
Total funds	<u>7,835,277</u>	<u>3,550,858</u>	<u>(3,535,189)</u>	<u>-</u>	<u>352,000</u>	<u>8,202,946</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	9,004,695	9,004,695
Current assets	601,877	665,681	-	1,267,558
Creditors due within one year	-	(299,890)	-	(299,890)
Provisions for liabilities and charges	-	(2,017,000)	-	(2,017,000)
Total	601,877	(1,651,209)	9,004,695	7,955,363

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,697,112	8,697,112
Current assets	297,883	955,080	-	1,252,963
Creditors due within one year	(1,901)	(254,228)	-	(256,129)
Provisions for liabilities and charges	-	(1,491,000)	-	(1,491,000)
Total	295,982	(790,148)	8,697,112	8,202,946

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	81,417	15,669
Adjustments for:		
Depreciation	183,642	160,258
Capital grants from DfE and other capital income	(50,444)	(19,504)
Interest receivable	(704)	(564)
(Increase)/decrease in debtors	(43,890)	37,321
Increase/(decrease) in creditors	43,761	(35,865)
Defined benefit pension adjustments	197,000	196,000
Net cash provided by operating activities	410,782	353,315

20. Cash flows from investing activities

	2019 £	2018 £
Interest received	704	564
Purchase of tangible fixed assets	(491,225)	(67,186)
Capital grants from DfE Group	50,444	19,504
Net cash used in investing activities	(440,077)	(47,118)

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,149,987	1,179,282

22. Pension commitments

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

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NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

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

The employer's pension costs paid to TPS in the year amounted to £227,257 (2018 - £195,877).

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

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

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22. Pension commitments (continued)

Scheme Changes

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

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £251,000 (2018 - £210,000), of which employer's contributions totalled £199,000 (2018 - £165,000) and employees' contributions totalled £ 52,000 (2018 - £45,000). The agreed contribution rates for future years are 12.2% per cent for employers and 6.5% per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.67	3.80
Rate of increase for pensions in payment/inflation	2.17	2.30
Discount rate for scheme liabilities	1.90	2.68
Inflation assumption (CPI)	2.17	2.30
Inflation Assumption (RPI)	3.17	3.30

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Pension commitments (continued)

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

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.50
Females	25.4	27.10

As at the 31 August the Trust had a pension liability of £2,017,000 (2018 - £1,491,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way.

Sensitivity analysis

	2019	2018
Discount rate +0.1%	(88,000)	(63,000)
Discount rate -0.1%	90,000	65,000
Mortality assumption - 1 year increase	112,000	72,000
Mortality assumption - 1 year decrease	(109,000)	(69,000)
CPI rate +0.1%	78,000	55,000
CPI rate -0.1%	(76,000)	(53,000)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	224,000	476,000
Gilts	20,000	40,000
Corporate bonds	20,000	44,000
Property	28,000	68,000
CASH	11,000	26,000
Alternative assets	35,000	68,000
Other managed funds	18,000	29,000
Total market value of assets	356,000	751,000

The actual return on scheme assets was £72,000 (2018 - £38,000).

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

22. Pension commitments (continued)

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

	2019 £	2018 £
Current service cost	(316,000)	(320,000)
Past service cost	(43,000)	-
Interest income	23,000	16,000
Interest cost	(60,000)	(57,000)
Total amount recognised in the Statement of Financial Activities	(396,000)	(361,000)

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

	2019 £	2018 £
At 1 September	2,242,000	2,141,000
Interest cost	60,000	57,000
Employee contributions	52,000	45,000
Actuarial losses/(gains)	378,000	(330,000)
Benefits paid	(5,000)	9,000
Past service costs	43,000	-
Current Service cost	316,000	320,000
At 31 August	3,086,000	2,242,000

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

	2019 £	2018 £
At 1 September	751,000	494,000
Interest income	23,000	16,000
Actuarial losses	49,000	22,000
Employer contributions	199,000	165,000
Employee contributions	52,000	45,000
Benefits paid	(5,000)	9,000
At 31 August	1,069,000	751,000

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FOR THE YEAR ENDED 31 AUGUST 2019

23. Operating lease commitments

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

	2019 £	2018 £
Not later than 1 year	2,450	505
Later than 1 year and not later than 5 years	5,399	-
	<u>7,849</u>	<u>505</u>

24. Members' liability

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

25. Related party transactions

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

The spouse of Neil Cobbe, a Trustee is employed, by the Trust on a contract approved by the Trustees whose remuneration is in line with the standard pay scales for the role undertaken and their employment contract is subject to normal terms and conditions.

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