

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2017

<b>Members</b>	Diane Hancock Robert Jones Rosalind Allsop Allan Wilton Iain Gilchrist
<b>Trustees</b>	Diane Hancock, Chair of Trustees John Clements, Chief Executive Officer & Accounting Officer (1 September 2016 to 17 April 2017) Victoria Marrow Christopher Hancock Allan Wilton, Accounting Officer (17 April to 31 August 2017) Michelle Dawson Iain Gilchrist Richard Waterhouse (resigned 26 June 2017) Jackie Castle
<b>Company registered number</b>	09380027
<b>Company name</b>	The Learning Partnership Trust
<b>Principal and registered office</b>	Hatfield Heath Primary School Hatfield Heath Essex CM22 7EA
<b>Company Secretary</b>	Victoria Marrow
<b>Senior Management Team</b>	Executive Headteacher, John Clements Headteacher (Roseacres Primary School), Isobel Barron Headteacher (Takeley Primary School), Gill Doyle Business Director, Victoria Marrow (Executive Headteacher from 17 April to 31 August 2017)
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank Plc 20 North Street Bishop's Stortford Herts CM23 2LN
<b>Solicitors</b>	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 2017

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 2017. 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). One (Roseacres) is a new school with only 106 children at present.

This Report should be read in context: The Trust is still developing with 2015/2016 being the first year in which there was more than one Academy in the Trust. The Trust is a collection of 3 local primary schools, only one of which is more than one-form entry. One opened in September 2015. As a result, the Trust is in the process of setting up the most efficient, cost effective and suitable procedures for a small primary group of academies. It has no secondary schools, preferring to be a small group of primaries working together pooling excellence in primary education, primary experience and sharing key staff across the schools. The Trust currently does not have the wish, resources or capacity for administration of large secondary led MATs.

### 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 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. Details of the Trustees who served during the year are included in the Reference and Administrative Details section.

### 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 11 to the accounts.

### 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 has not yet been determined (the Trust being less than 3 years old).

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.

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## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

### **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 in addition to the Finance 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 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 within agreed budgets and for the appointment of staff following vetting and safeguarding recruitment processes.

The Trust Senior Management Team comprising of 3 Headteachers (one of whom is the CEO) 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 CEO had a period of one term on sick leave in 2016-17 (summer term). An experienced temporary CEO and a temporary Executive Headteacher were appointed, and a substitute Accounting Officer was appointed for his absence.

### **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 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 committee and ratified by the MGB.

### **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:

- Continuing to grow and support Roseacres School in Takeley (now having year groups from year R to years 3/4).
- Continuing to support Takeley School, which joined the Trust in January 2016.

# THE LEARNING PARTNERSHIP TRUST

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## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

Our success in fulfilling our aims can be measured by:

- Maintaining the standards operated at Takeley School that helped them achieve being rated 'Good' by Ofsted in late 2015.
- Roseacres School is continuing to grow and thrive.
- Hatfield Heath School has provided support to both schools, but has continued to thrive and is over subscribed.

### 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 106 pupils, Takeley has 393 pupils on the role as at September 2017.

The Finance 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 Funding Agency (EFA). For the year ended 31 August 2017 the Trust received £3,389,479 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 £3,426,505 on general running costs. The Trust brought forward from 2015/16, £7,700,268 restricted funds and £248,035 unrestricted funding. The carry forward for 2016/17 is £7,461,646 restricted funding and £449,631 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,647,000. 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 £449,631. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2017 was £648,973.

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £873,085. 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 Audit 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 18 November 2015.

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

- each Academy within the Trust has considerable reliance on continued Government funding through the EFA 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 and SBM Services 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

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2017

- 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.

#### Plans for Future Periods

The Trust's plans for 2017/18 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 a 2 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 leadership at Takeley (new experienced HT, 2 new Assistant Heads)
- 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.

#### 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 8 December 2017 and signed on the Board's behalf by:

**Diane Hancock**  
Chair of Trustees

# THE LEARNING PARTNERSHIP TRUST

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## 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 MGB has delegated the day-to-day responsibility to the Headteacher, 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 MGB 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 MGB has formally met 3 times during the year. Attendance during the year at meetings of the MGB was as follows:

Trustee	Meetings attended	Out of a possible
Diane Hancock, Chair of Trustees	3	3
John Clements, Chief Executive Officer	2	3
Victoria Marrow	3	3
Christopher Hancock	3	3
Allan Wilton, Accounting Officer (17 April to 31 August 2017)	3	3
Michelle Dawson	3	3
Iain Gilchrist	3	3
Richard Waterhouse	0	2
Jackie Castle	3	3

During the year Richard Waterhouse resigned.

There was a challenge in relation to:

- temporary (one term) illness of CEO: managed by SLT stepping up and appointment of temporary CEO from Lyons Hall academies; and
- managing the change of leadership at Takeley school as a result of the Headteacher and Deputy Headteacher handing in notice: managed by extra support to Takeley and successfully recruiting external experienced new Headteacher and 2 internal appointments as assistant Headteachers.

A self evaluation review of governance was undertaken in Summer 2017. The review acknowledged that there is suitable expertise and experience within Trustees and LGBs, with a training need for charity law expertise identified. The Charity Governance Code has since been circulated to all Trustees and training will be provided from the CAO.

The next review of governance is intended in the Summer term 2019 unless significant changes made via Government guidance and expectations and/or internal changes and identified needs.

The Finance and Operations Committee is a sub-committee of the MGB. Its purpose is to recommend budgets to the Trustees and LGBs, monitor performance against the budget and to review Finance Regulations and scrutinise compliance with the Academies Handbook.

The functions of an audit committee are currently undertaken by the Finance and Operations Committee. The purpose is to provide assurances to the MGB that all risks are being adequately identified and managed, with particular regard to reviewing the risks to internal financial control at the Trust and agreeing a programme of work to address, and provide assurance on, those risks.

# THE LEARNING PARTNERSHIP TRUST

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## GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Diane Hancock	3	3
Allan Wilton	2	3
John Clements	2	3
Richard Waterhouse	0	3
Christopher Hancock	2	3
Victoria Marrow	3	3
Iain Gilchrist	3	3

### REVIEW OF VALUE FOR MONEY

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

The Finance and Operations Committee 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 Finance and Operations Committee for the Trust has delivered improved value for money during the year by:

#### 1. Maximising opportunities to improve educational results

Our resources are directed where they will be the most effective in meeting educational requirements, for example:

- Robust tracking systems to record and monitor all aspects of pupil data including progress.
- Continue to monitor staffing levels and deploy staff efficiently to support the curriculum and areas of development.
- Provide a programme of lesson observations and work scrutinies combined with intensive staff development to ensure pupil progress.
- Funding is allocated to optimal effect, for example, providing targeted support and interventions for pupils such as small group tuition, individual pupil support and additional curricular activities.
- Working collaboratively with other schools, within the trust and wider, sharing good practice to improve CPD and improve standards.
- Implement strategies to monitor and improve attendance and therefore positively impact on attainment.
- Provide increased speech and language, gross and fine motor skill, and mentoring support for identified pupils where impact is monitored and reviewed.

#### 2. Financial Governance and Oversight

Financial governance arrangements include regular monitoring by the MGB and the Finance and Operations Committee. This includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports reviewed and agreed by the Finance and Operations Committee.
- Regular monitoring review of reports and data sources within MGB meetings, monitoring the impact of activities and funding streams, such as pupil premium.
- 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.
- Robust finance procedures and regular monitoring to ensure the Schools are operating within the regulations of the Academies Financial Handbook and Trust Financial Regulations.
- Comprehensive audit checks, monitoring and reporting and the Trust's financial procedures and performance.

#### 3. Better Purchasing

- Contracts and service level agreements are reviewed regularly to ensure the service remains suitable for the needs of the Trust and tenders/ quotations are obtained where appropriate to ensure value for money.
- Economies of scale through being a MAT are utilised where these can be negotiated with services and suppliers.

# THE LEARNING PARTNERSHIP TRUST

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## GOVERNANCE STATEMENT (continued)

### 4. Reviewing controls and managing risks

- Cash flow forecasts are conducted regularly to identify any potential surplus cash balances for investment and maximise bank interest.
- Delegation of authority and segregation of duties are defined within the Trust Financial Regulations and Scheme of Delegation.
- Risk registers for individual Schools and the Trust are reviewed regularly and are a standing agenda item for LGB and MGB meetings.

### 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 ongoing 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 2016 to 31 August 2017 and up to the date of approval of the Annual Report and financial statements.

### CAPACITY TO HANDLE RISK

The MGB 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 MGB 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the MGB.

### 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 MGB;
- 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 MGB has considered the need for a specific internal audit function and has decided to appoint SBM Services and the Essex Education Services Internal Controls Evaluation Team 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.

The focus of internal audit during the year was to give assurance to the MGB that the Trust was compliant with the mandatory requirements prescribed by the Education and Skills Funding Agency Academies Financial Handbook 2016. Conforming to these 'musts' was deemed to be an important compliance objective for the Trust which, if not being met could cast significant doubt over the ability of the Board to hold Trust leaders to account for meeting the terms of the Trust funding agreement with the Secretary of State for Education to operate a group of academy schools, now and in the future.

On a bi-annual basis, the Internal Auditor reports to the MGB through the Finance and Operations Committee on the operation of the systems of control and on the discharge of the MGB's financial responsibilities.

The Internal Auditor has delivered their schedule of works as planned and any control issues have been identified and actioned.

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**GOVERNANCE STATEMENT (continued)**

**REVIEW OF EFFECTIVENESS**

As Finance and Operations Committee, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by the Board of Trustees on 8 December 2017 and signed on their behalf, by:

**Diane Hancock**  
**Chair of Trustees**

**John Clements, Headteacher**  
**Accounting Officer**

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### **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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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: 8 December 2017

## **THE LEARNING PARTNERSHIP TRUST**

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### **STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017**

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

Company law requires the Trustees to prepare 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 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 and signed on its behalf by:

**Diane Hancock,  
Chair of Trustees**

**Date: 8 December 2017**

# THE LEARNING PARTNERSHIP TRUST

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## 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 for the year ended 31 August 2017 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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' and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 and of its incoming resources and application of resources 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 2016 to 2017 issued by the Education and Skills Funding Agency.

### BASIS OF OPINION

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

### CONCLUSIONS RELATING TO GOING CONCERN

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

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

### 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 Auditor's Report thereon. Our opinion on the financial statements does not cover the 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.

## 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 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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' 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 not made; or
- we have not received all the information and explanations we require for our audit.

#### RESPONSIBILITIES OF TRUSTEES

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

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

#### AUDITOR'S 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 Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Gary Miller (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants and Statutory Auditors  
Causeway House, 1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
15 December 2017

## **THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

### **INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE LEARNING PARTNERSHIP TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 25 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 2016 to 31 August 2017 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Learning Partnership Trust and the 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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance;
- evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity;
- discussions with and representations from the Accounting Officer and other key management personnel; and
- an extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE  
LEARNING PARTNERSHIP TRUST AND THE EDUCATION FUNDING AGENCY (continued)**

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have 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**

Chartered Accountants

15 December 2017

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>INCOME FROM:</b>						
Donations & capital grants:						
Transferred on conversion	2	-	-	-	-	4,688,068
Other donations and capital grants	2	3,746	38,160	18,706	60,612	1,886,597
Charitable activities	3	90,387	2,980,950	-	3,071,337	2,316,140
Other trading activities	4	257,037	-	-	257,037	74,173
Investments	5	493	-	-	493	912
<b>TOTAL INCOME</b>		<u>351,663</u>	<u>3,019,110</u>	<u>18,706</u>	<u>3,389,479</u>	<u>8,965,890</u>
<b>EXPENDITURE ON:</b>						
Charitable activities		150,067	3,295,826	156,612	3,602,505	2,562,768
<b>TOTAL EXPENDITURE</b>	6	<u>150,067</u>	<u>3,295,826</u>	<u>156,612</u>	<u>3,602,505</u>	<u>2,562,768</u>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		201,596	(276,716)	(137,906)	(213,026)	6,403,122
Actuarial gains/(losses) on defined benefit pension schemes	21	-	100,000	-	100,000	(612,000)
<b>NET MOVEMENT IN FUNDS</b>		<u>201,596</u>	<u>(176,716)</u>	<u>(137,906)</u>	<u>(113,026)</u>	<u>5,791,122</u>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		248,035	(1,270,942)	8,971,210	7,948,303	2,157,181
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><u>449,631</u></u>	<u><u>(1,447,658)</u></u>	<u><u>8,833,304</u></u>	<u><u>7,835,277</u></u>	<u><u>7,948,303</u></u>

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)  
REGISTERED NUMBER: 09380027**

**BALANCE SHEET  
AS AT 31 AUGUST 2017**

	Note	£	2017 £	£	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	13		8,790,184		8,906,666
<b>CURRENT ASSETS</b>					
Debtors	14	111,002		134,380	
Cash at bank and in hand	19	873,085		711,885	
			<u>984,087</u>	<u>846,265</u>	
<b>CREDITORS:</b> amounts falling due within one year	15	(291,994)		(233,628)	
<b>NET CURRENT ASSETS</b>			<u>692,093</u>		<u>612,637</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,482,277</u>		<u>9,519,303</u>
Defined benefit pension scheme liability	21		(1,647,000)		(1,571,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>7,835,277</u></u>		<u><u>7,948,303</u></u>
<b>FUNDS OF THE ACADEMY</b>					
Restricted income funds:					
Restricted income funds	16	199,342		300,058	
Restricted fixed asset funds	16	8,833,304		8,971,210	
			<u>9,032,646</u>	<u>9,271,268</u>	
Restricted income funds excluding pension liability					
Pension reserve		(1,647,000)		(1,571,000)	
			<u>7,385,646</u>	<u>7,700,268</u>	
Total restricted income funds					
Unrestricted income funds	16		449,631		248,035
<b>TOTAL FUNDS</b>			<u><u>7,835,277</u></u>		<u><u>7,948,303</u></u>

The financial statements on pages 17 to 37 were approved by the Trustees, and authorised for issue, on 8 December 2017 and are signed on their behalf, by:

**Diane Hancock**  
Chair of Trustees

THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	182,131	28,602
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(40,130)	(63,655)
Capital grants from DfE/ESFA		18,706	128,199
Cash transferred on conversion to an academy		-	98,362
<b>Net cash (used in)/provided by investing activities</b>		<b>(21,424)</b>	<b>162,906</b>
Interest received		493	912
<b>Net cash provided by financing activities</b>		<b>493</b>	<b>912</b>
<b>Change in cash and cash equivalents in the year</b>		<b>161,200</b>	<b>192,420</b>
Cash and cash equivalents brought forward		711,885	519,465
<b>Cash and cash equivalents carried forward</b>		<b>873,085</b>	<b>711,885</b>

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation of financial statements

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Learning Partnership Trust constitutes a public benefit entity as defined by FRS 102.

#### 1.2 Company status

The Academy Trust is a company limited by guarantee. The Members are named on page 1. In the event of the Academy Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Academy Trust.

#### 1.3 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 Department for Education 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 and include grants from the Department for Education.

#### 1.4 Income

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES (continued)

#### 1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

#### 1.6 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 its ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised 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 incorporating Income and Expenditure Account 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 incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	50 years straight line
Leasehold land	-	125 years straight line
Long leasehold property	-	50 years straight line
Fixtures and fittings	-	10 years straight line
Computer equipment	-	5 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 incorporating Income and Expenditure Account.

#### 1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account 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 2017

### 1. ACCOUNTING POLICIES (continued)

#### 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.

#### 1.11 Liabilities and provisions

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

#### 1.12 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 basis 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 14. 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 costs as detailed in note 15. 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 instruments.

#### 1.13 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### 1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 1. ACCOUNTING POLICIES (continued)

The LGPS is a funded 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 incorporating Income and Expenditure Account 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 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Trustees 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Transferred on conversion	-	-	-	-	4,688,068
Donations	3,746	38,160	-	41,906	1,758,398
Capital grants	-	-	18,706	18,706	128,199
Subtotal	3,746	38,160	18,706	60,612	1,886,597
	3,746	38,160	18,706	60,612	6,574,665
<b>Total 2016</b>	<b>98,362</b>	<b>(540,825)</b>	<b>7,017,128</b>	<b>6,574,665</b>	

**3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,537,496	2,537,496	1,978,014
Other DfE / EFA grants	-	282,134	282,134	187,526
	-	2,819,630	2,819,630	2,165,540
<b>Other Government grants</b>				
Other Government grants	-	161,320	161,320	86,612
	-	161,320	161,320	86,612
<b>Other funding</b>				
Catering income	90,387	-	90,387	63,988
	90,387	-	90,387	63,988
	90,387	2,980,950	3,071,337	2,316,140
<b>Total 2016</b>	<b>63,988</b>	<b>2,252,152</b>	<b>2,316,140</b>	

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings income	1,291	-	1,291	1,875
Other activities	255,746	-	255,746	72,298
	<u>257,037</u>	<u>-</u>	<u>257,037</u>	<u>74,173</u>
<i>Total 2016</i>	<u>74,173</u>	<u>-</u>	<u>74,173</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	493	-	493	912
	<u>493</u>	<u>-</u>	<u>493</u>	
<i>Total 2016</i>	<u>912</u>	<u>-</u>	<u>912</u>	

**6. EXPENDITURE**

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Provision of education:					
Direct costs	1,931,383	-	311,904	2,243,287	1,557,711
Support costs	613,681	321,324	424,213	1,359,218	1,005,057
	<u>2,545,064</u>	<u>321,324</u>	<u>736,117</u>	<u>3,602,505</u>	<u>2,562,768</u>
<i>Total 2016</i>	<u>1,849,890</u>	<u>265,720</u>	<u>447,158</u>	<u>2,562,768</u>	

**THE LEARNING PARTNERSHIP TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. CHARITABLE ACTIVITIES**

	2017 £	2016 £
Direct costs	2,243,287	1,557,711
Support costs	1,359,218	1,005,057
	<u>3,602,505</u>	<u>2,562,768</u>

Analysis of support costs:

	2017 £	2016 £
Support staff costs	613,681	419,063
Technology costs	38,170	74,431
Premises costs excluding depreciation	164,712	139,770
Other support costs	369,932	232,323
Governance costs	16,111	13,520
Depreciation	156,612	125,950
	<u>1,359,218</u>	<u>1,005,057</u>

In the prior year, the Trust only consisted on three schools for part of the period and therefore comparative expenditure appears significantly lower than in the current year.

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

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the Trust	156,612	125,950
Auditors' remuneration - audit	6,950	6,950
Auditors' remuneration - non-audit	4,950	4,950
Operating lease rentals	1,732	1,732
	<u>166,244</u>	<u>139,582</u>

# THE LEARNING PARTNERSHIP TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,934,494	1,462,916
Social security costs	152,301	104,213
Operating costs of defined benefit pension schemes	451,259	262,980
	<u>2,538,054</u>	<u>1,830,109</u>
Supply teacher costs	7,010	19,781
	<u>2,545,064</u>	<u>1,849,890</u>

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

	2017 No.	2016 No.
Teachers	28	22
Administration and support	45	32
Management	4	4
	<u>77</u>	<u>58</u>

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

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	2	1

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 £312,496 (2016: £265,285).

Included in the above are employer pensions contributions of £39,893 (2016 - £32,636).

Included in the above are employer national insurance contributions of £28,600 (2016 - £22,633).

# THE LEARNING PARTNERSHIP TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 10. CENTRAL SERVICES

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

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

The Trust charges for these services by way of 2.5% GAG top slice:

The Trust has generated a surplus on its central services function in the current year which will be used to support it's Schools as they continue to make the operational transition from maintained to Academy Schools.

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Hatfield Heath Primary Academy	55,417	12,733
Roseacres Primary Academy	38,453	7,212
Takeley Primary Academy	89,821	19,533
	<u>183,691</u>	<u>39,478</u>
Total	<u><u>183,691</u></u>	<u><u>39,478</u></u>

### 11. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017	2016
		£	£
Mr J Clements (CEO)	Remuneration	65,000-70,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs V Marrow (Staff Trustee)	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Mrs M Dawson (Staff Trustee)	Remuneration	0-5,000	Nil
	Pension contributions paid	0-5,000	Nil

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £98 to 2 Trustees).

### 12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	L/Term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2016	5,118,727	3,741,750	135,468	46,702	9,042,647
Additions	-	-	33,917	6,213	40,130
At 31 August 2017	5,118,727	3,741,750	169,385	52,915	9,082,777
<b>Depreciation</b>					
At 1 September 2016	51,076	65,419	9,963	9,523	135,981
Charge for the year	76,615	55,853	14,700	9,444	156,612
At 31 August 2017	127,691	121,272	24,663	18,967	292,593
<b>Net book value</b>					
At 31 August 2017	4,991,036	3,620,478	144,722	33,948	8,790,184
At 31 August 2016	5,067,651	3,676,331	125,505	37,179	8,906,666

**14. DEBTORS**

	2017 £	2016 £
Trade debtors	2,122	1,335
Other debtors	36,867	99,079
Prepayments and accrued income	72,013	33,966
	111,002	134,380

**15. CREDITORS: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	104,247	70,294
Other taxation and social security	38,611	35,254
Other creditors	40,052	32,158
Accruals and deferred income	109,084	95,922
	291,994	233,628

	2017 £	2016 £
<b>Deferred income</b>		
Deferred income at 1 September 2016	67,469	18,354
Resources deferred during the year	78,914	67,469
Amounts released from previous years	(67,469)	(18,354)
Deferred income at 31 August 2017	78,914	67,469

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**15. CREDITORS: Amounts falling due within one year (continued)**

Deferred income relates to universal free school meals funding, breakfast club income, NSS bursary and SEN funding received during the year in question which relates to the 2017-18 academic year.

**16. STATEMENT OF FUNDS**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>Unrestricted funds</b>						
Unrestricted funds	248,035	351,663	(150,067)	-	-	449,631
<b>Restricted funds</b>						
	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	260,412	2,537,496	(2,610,510)	-	-	187,398
Special Educational Needs (SEN)	-	87,125	(87,125)	-	-	-
Pupil Premium	26,996	118,207	(145,203)	-	-	-
Other DfE/ESFA grants	12,630	163,927	(164,613)	-	-	11,944
Other Government grants	-	74,195	(74,195)	-	-	-
Restricted trip donations	20	38,160	(38,180)	-	-	-
Pension reserve	(1,571,000)	-	(176,000)	-	100,000	(1,647,000)
	(1,270,942)	3,019,110	(3,295,826)	-	100,000	(1,447,658)
<b>Restricted fixed asset funds</b>						
Fixed assets	8,906,666	-	(156,612)	40,130	-	8,790,184
Capital grants	64,544	18,706	-	(40,130)	-	43,120
	8,971,210	18,706	(156,612)	-	-	8,833,304
Total restricted funds	7,700,268	3,037,816	(3,452,438)	-	100,000	7,385,646
Total of funds	7,948,303	3,389,479	(3,602,505)	-	100,000	7,835,277

**STATEMENT OF FUNDS - PRIOR YEAR**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
<b>Unrestricted funds</b>						
Unrestricted funds	205,070	237,435	(194,470)	-	-	248,035
	205,070	237,435	(194,470)	-	-	248,035

**THE LEARNING PARTNERSHIP TRUST**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

**16. STATEMENT OF FUNDS (continued)**

**Restricted funds**

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2016 £
General Annual Grant (GAG)	-	1,978,014	(1,717,602)	-	-	260,412
Special Educational Needs (SEN)	-	42,117	(42,117)	-	-	-
Start Up Grant	76,079	-	(76,079)	-	-	-
Pupil Premium	-	82,917	(55,921)	-	-	26,996
Other DfE/ESFA grants	145,000	104,609	(236,979)	-	-	12,630
Other Government grants	-	44,495	(44,495)	-	-	-
Restricted trip donations	-	19,175	(19,155)	-	-	20
Pension reserve	(349,000)	(560,000)	(50,000)	-	(612,000)	(1,571,000)
	<u>(127,921)</u>	<u>1,711,327</u>	<u>(2,242,348)</u>	<u>-</u>	<u>(612,000)</u>	<u>(1,270,942)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	2,080,032	6,888,929	(125,950)	63,655	-	8,906,666
Capital grants	-	128,199	-	(63,655)	-	64,544
	<u>2,080,032</u>	<u>7,017,128</u>	<u>(125,950)</u>	<u>-</u>	<u>-</u>	<u>8,971,210</u>
Total restricted funds	<u>1,952,111</u>	<u>8,728,455</u>	<u>(2,368,298)</u>	<u>-</u>	<u>(612,000)</u>	<u>7,700,268</u>
Total of funds	<u>2,157,181</u>	<u>8,965,890</u>	<u>(2,562,768)</u>	<u>-</u>	<u>(612,000)</u>	<u>7,948,303</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.

**General Annual Grant (GAG)**

This represents funding from the ESFA to cover the costs of recurrent expenditure. The Trust is not subject to any clawback of GAG funding.

**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.

**Start Up Grant**

This represents funding from the ESFA to assist with raising standards and transform educational attainment.

**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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 16. STATEMENT OF FUNDS (continued)

#### 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.

### ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Hatfield Heath Primary Academy	131,889	126,202
Takeley Primary Academy	107,157	141,087
Roseacres Primary Academy	299,279	167,901
Central Services	110,648	112,903
Total before fixed asset fund and pension reserve	648,973	548,093
Restricted fixed asset fund	8,833,304	8,971,210
Pension reserve	(1,647,000)	(1,571,000)
Total	7,835,277	7,948,303

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. STATEMENT OF FUNDS (continued)**

**ANALYSIS OF ACADEMIES BY COST**

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 2017 £	Total 2016 £
Hatfield Heath Primary Academy	575,386	111,118	113,589	147,332	947,425	991,998
Takeley Primary Academy	1,010,848	231,528	102,880	275,263	1,620,519	958,289
Roseacres Primary Academy	256,236	54,987	31,814	122,744	465,781	416,538
Central Services	-	-	6,459	67,359	73,818	69,993
	<u>1,842,470</u>	<u>397,633</u>	<u>254,742</u>	<u>612,698</u>	<u>3,107,543</u>	<u>2,436,818</u>

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

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	8,790,184	8,790,184
Current assets	452,407	488,560	43,120	984,087
Creditors due within one year	(2,776)	(289,218)	-	(291,994)
Provisions for liabilities and charges	-	(1,647,000)	-	(1,647,000)
	<u>449,631</u>	<u>(1,447,658)</u>	<u>8,833,304</u>	<u>7,835,277</u>

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

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	-	-	8,906,666	8,906,666
Current assets	248,035	607,686	64,544	920,265
Creditors due within one year	-	(307,628)	-	(307,628)
Provisions for liabilities and charges	-	(1,571,000)	-	(1,571,000)
	<u>248,035</u>	<u>(1,270,942)</u>	<u>8,971,210</u>	<u>7,948,303</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2017 £	2016 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(213,026)	6,403,122
<b>Adjustment for:</b>		
Depreciation charges	156,612	125,950
Dividends, interest and rents from investments	(493)	(912)
Decrease/(increase) in debtors	23,378	(66,523)
Increase in creditors	58,366	72,455
Capital grants from DfE and other capital income	(18,706)	(128,199)
Defined benefit pension adjustments	176,000	610,000
Net (loss) on assets and liabilities from local authority on conversion	-	(5,149,706)
Cash transferred on conversion	-	(98,362)
Fixed asset donations	-	(1,739,223)
	<b>182,131</b>	<b>28,602</b>
	<b>182,131</b>	<b>28,602</b>

**19. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2017 £	2016 £
Cash in hand	873,085	711,885
Total	873,085	711,885

**20. 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

**21. PENSION COMMITMENTS**

The Trust's employees belong to two principal pension schemes: the Teacher's 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 Pension Schemes.

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

Contributions amounting to £40,052 were payable to the schemes at 31 August 2017 (2016 - 32,158) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

### 21. PENSION COMMITMENTS (continued)

#### Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £182,506 (2016 - £146,719).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

Under the definitions set out in FRS 102, the TPS is a 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.

#### Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £183,000 (2016 - £47,000), of which employer's contributions totalled £142,000 (2016 - £35,000) and employees' contributions totalled £41,000 (2016 - £12,000). The agreed contribution rates for future years are 12.2% for employers and 6.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.60 %	2.20 %
Rate of increase in salaries	4.20 %	4.10 %
Rate of increase for pensions in payment / inflation	2.70 %	2.30 %

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**21. 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:

	2017	2016
Retiring today		
Males	22.2	22.9
Females	24.7	25.3
Retiring in 20 years		
Males	24.3	25.2
Females	27.0	27.7

	At 31 August 2017 £	At 31 August 2016 £
<b>Sensitivity analysis</b>		
Discount rate +0.1%	2,081,000	1,743,000
Discount rate -0.1%	2,203,000	1,847,000
Mortality assumption - 1 year increase	2,209,000	1,840,000
Mortality assumption - 1 year decrease	2,075,000	1,749,000
CPI rate +0.1%	2,189,000	1,836,000
CPI rate -0.1%	2,095,000	1,754,000

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	323,000	154,000
Gilts	30,000	-
Other bonds	19,000	18,000
Property	48,000	24,000
Cash and other liquid assets	16,000	7,000
Alternative assets	38,000	9,000
Other managed funds	20,000	11,000
<b>Total market value of assets</b>	<b>494,000</b>	<b>223,000</b>

The actual return on scheme assets was £46,000 (2016 - £20,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2017 £	2016 £
Current service cost	(286,000)	(119,000)
Interest income	8,000	5,000
Interest cost	(40,000)	(32,000)
<b>Total</b>	<b>(318,000)</b>	<b>(146,000)</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. PENSION COMMITMENTS (continued)**

Movements in the present value of the defined benefit obligation were as follows:

	2017 £	2016 £
Opening defined benefit obligation	1,794,000	427,000
Upon conversion	-	560,000
Current service cost	286,000	119,000
Interest cost	40,000	32,000
Employee contributions	41,000	29,000
Actuarial (gains)/losses	(19,000)	627,000
Benefits paid	(1,000)	-
	2,141,000	1,794,000
	2,141,000	1,794,000

Movements in the fair value of the Trust's share of scheme assets:

	2017 £	2016 £
Opening fair value of scheme assets	223,000	78,000
Interest income	8,000	5,000
Actuarial losses	81,000	15,000
Employer contributions	142,000	96,000
Employee contributions	41,000	29,000
Benefits paid	(1,000)	-
	494,000	223,000
	494,000	223,000

**22. OPERATING LEASE COMMITMENTS**

At 31 August 2017 the total of the Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
<b>Amounts payable:</b>		
Within 1 year	2,357	2,357
Between 1 and 5 years	505	2,861
	2,862	5,218
	2,862	5,218

**23. RELATED PARTY TRANSACTIONS**

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

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