

Registered number: 09470229

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Stephen Gordon Peter Grindrod Roger Jones Stephen Ward Peterborough Diocese Church Schools Trust
Trustees/Directors	Stephen Ward, Chair Roger Jones, Vice Chair (resigned 31 August 2017) ¹ Peter Barratt (resigned 31 December 2016) ¹ Liz Carr-Archer ² Peter Grindrod (resigned 31 July 2017) ² Jan Marshall, Headteacher, ^{1 2} Penny Reading ² Joanne Sanchez-Thompson, Executive Headteacher (appointed 10 April 2017) ^{1 2} David Stuttle (appointed 27 January 2017) ¹ Mark Plant (appointed 1 September 2017) Paul Bedwell (appointed 1 September 2017) Abhijit Pani (appointed 1 September 2017) Sandy Hoyland (appointed 1 September 2017) ¹ Resources committee ² Learning and Achievement committee
Company registered number	09470229
Company name	The Irthlingborough and Finedon Learning Trust
Principal and registered office	Irthlingborough Junior School College Street Irthlingborough Wellingborough NN9 5TX
Senior management team	Joanne Sanchez-Thompson, Executive Headteacher Nick Garley, Headteacher Joanne Lloyd-Williams, Headteacher Jan Marshall, Headteacher Kate Oxford, Chief Finance Officer
Independent auditor	MHA MacIntyre Hudson Chartered Accountants Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Lloyds Bank Plc 37-39 High Street Rushden Northants NN10 0QE

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Solicitors	J A Walker Solicitor 14 Forsells End Houghton on the Hill Leicester LE7 9HQ
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THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

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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 charitable company for the period 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. The Multi-academy Trust converted on 1 April 2015.

The Trust operates four academies for pupils aged 3 to 11 serving a catchment area in Irthlingborough Finedon and surrounding areas. It has a pupil capacity of 1,183 and had a roll of 1,148 in the school census on 18 May 2017.

Structure, governance and management

CONSTITUTION

The academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of The Irthlingborough and Finedon Learning Trust are also the directors of the charitable company for the purpose of company law.

The Charitable Company is known as Irthlingborough and Finedon Learning Trust.

Details of the Trustees who served during the year are included in the Reference and administrative details on page 1.

MEMBERS' LIABILITY

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

TRUSTEES' INDEMNITIES

Trustees benefit from indemnity insurance to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was within the membership payment of the Government Risk Protection Arrangement.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

Trustees are recruited taking into account their individual skills and the experience that they bring to the Trust. Trustees will be allocated to a specific area of responsibility which will include finance, safeguarding, governance and health safety and premises.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The Academy Trust has a policy for Induction and Training of Trustees. New Trustees are given an induction pack, they will meet with the Executive Headteacher for the Trust and will receive a guided tour of each of the Trust schools by their Headteacher. New Trustees will work with a mentor from the Board of Trustees.

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

ORGANISATIONAL STRUCTURE

The Executive Headteacher is the Chief Executive Officer and also the Accounting Officer.

We have a Chair of Directors, a Vice Chair of Directors and for the financial year ending 31 August 2017 we had two Committees. The two committees were the Resources Committee and the Learning and Achievement Committee. There are Terms of Reference for the Full Directors and for all committees. Delegated powers are specified in the Trust's Scheme of Delegation. From 1 September 2017 there are five committees; Learning - Outcomes, Learning - Provision, Finance and Personnel, Health, Safety and Premises and Audit. There are new Terms of Reference in place for all of the new committees.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Trustees approved a Pay Policy for Teachers and adopted the Local Authority Pay Policy for Support Staff.

The Trustees developed job descriptions and person specifications for senior Trust staff and consulted with HR advisors to evaluate roles and in setting their pay scales.

The Trustees also delegated powers to a Pay Review Committee.

The appointment of senior leadership for the Academy Trust and for Trust schools is authorised by the Trustees. The Trustees directly appoint the Executive Headteacher and the individual school's Headteachers and work with the Local Governing Bodies to appoint Deputy and Assistant Headteachers.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

Peterborough Diocese appoints two Trustees. Otherwise there are no related parties which either control or significantly influence the decisions and operations of the Irthlingborough and Finedon Learning Trust.

The schools were members of the Pilgrim Learning Trust up to 31 August 2017, and members of Inspire from 1 April 2017. Both organisations provided support and training to sustain school improvement but neither organisation had any influence in any Academy Trust decisions or procedures.

Objectives and Activities

OBJECTS AND AIMS

The Academy Trust's vision is to develop and nurture, to the highest level, the talents and aspirations of our children, our schools, and the wider Trust community. We will raise achievement and attainment in our member schools to a consistently high level, thereby making a positive difference to the education and lives of all our children.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main focus for the year has been on improving standards in all year groups across the schools by raising expectations and developing the quality of teaching. Headteachers have worked closely together to develop the leadership skills of staff.

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

PUBLIC BENEFIT

The Trustees have complied with the duty to have high regard for the guidance on public benefit, published by the Charities Commission.

The children who attend the Academy Trust schools will benefit from the collaboration and strength of the schools working together. We aim to improve the standards at all our member schools and to educate the whole child.

We work in close collaboration with Huxlow Science College, the local secondary school, to ensure shared practices and values to support a positive transition for our pupils.

All schools are active in their local community, church services are held for Christmas and Easter. The premises are used for Brownies, sports clubs and remembrance parades.

Strategic report

ACHIEVEMENTS AND PERFORMANCE

The Executive Headteacher and two new headteachers took up post in September 2016. They have forged a strong team with the existing headteacher at INIS and work closely together to support improvements in all schools.

A School Improvement Consultant continued to work with the Leadership teams to drive through improvements.

The central Trust team has grown in a planned and coordinated way to ensure that key functions are supported across the Trust to enable the headteachers to focus on their core purpose of raising standards and improving the quality of teaching and leadership.

All schools were able to prepare balanced budgets for the 2017-18 school year.

The schools have developed a system for cross school moderation, support and networking with core groups in place for Attendance, Safeguarding, SEND, English and Maths.

An agreed schedule for policy review is in place, indicating those that remain the responsibility of the Directors and which are delegated to the Local Governing Bodies. Numerous policies have been agreed and adopted.

KEY PERFORMANCE INDICATORS

There was an Ofsted Inspection at Irlthlingborough Nursery and Infant School in May 2017 - the school remained Good.

'The leadership team has maintained the good quality of education in the school since the last inspection. You and your team have created a friendly and harmonious learning environment in which staff work closely together. Pupils are happy in school and parents are supportive. Parents speak highly of the care and quality of learning their children receive. As one parent commented: 'Staff are kind, caring and eager to bring out the best in every child.'

Outcomes in both Infant schools improved considerably.

Reception Good Level of Development

Finedon	+7%	INIS	+8%
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Year 1 Phonics

Finedon	+8%	INIS	+4%
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

KS1 Expected Reading			
Finedon	+13%	INIS	+15%
Writing			
Finedon	+13%	INIS	+18%
Mathematics			
Finedon	+16%	INIS	+19%
KS1 Greater Depth Reading			
Finedon	+1%	INIS	+12%
Writing			
Finedon	+0%	INIS	+19%
Mathematics			
Finedon	+15%	INIS	+21%

Standards at Finedon Mulso Junior School fell slightly from the high outcomes of 2016. This fall was anticipated by leaders as the cohort had had lower starting points. There were strengths in writing at the expected level and in achievement at the higher levels in mathematics and writing. Progress in writing also improved on 2016.

Standards at Irthlingborough Junior School also improved in reading, writing and mathematics although they remained below the national average in reading and mathematics. Progress measures in all three subjects were above 2016 in reading and mathematics and slightly below in writing.

Attendance in all schools improved as a result of a concerted focus on this area.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academy 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 Accounting Policies.

Financial review

The majority of the Academy Trust's income is obtained from the Department for Education (DFE) via the Education and Skills Funding Agency (ESFA) in the form of grants which are restricted for specified spending.

On formation of the Academy Trust and conversion of the schools in March and April 2015, the Academy Trust received a £110,000 Primary Chain Grant. There was £80,000 of this grant unspent at the 31 August 2016. This sum was used to support the salary of the Executive Headteacher during the financial year ending 31st August 2017.

All start up and conversion grants have now been spent. The central Trust charges for the financial year ending 31 August 2018 will be supported by a retention charge of 4% to all schools. The central trust charges include the salaries for the Executive Headteacher, Chief Finance Officer, School Improvement Consultant and Auditors fees.

Other restricted funding received by the schools from the ESFA includes; Pupil Premium Funding, Sports Funding, Capital Grant and monies for Universal Infant Free School Meals. Funding is received from the Local Authority for Special Educational Needs Top up funding and also Early Years funding for the Nursery provision

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

at Irthlingborough Nursery and Infant School. In accordance with the Statement of Recommended Practice (SORP), these funding sources are shown in the Statement of Financial Activities (SOFA) as Restricted Funds. other items of funding have been reflected in the financial statements in accordance with the guidelines set down by the SORP.

The premises used by the Irthlingborough and Finedon Learning Trust are leased under the following arrangements:

Irthlingborough Nursery and Infant School and Irthlingborough Junior School - joint 125 year lease for the two school sites;

Finedon Infant School -125 year lease; and

Finedon Mulso CE Junior School - Licence to occupy school and hardstanding, 125 year lease on adjacent land.

The following documents, financial policies and procedures have been adopted by the Academy Trust between 1 September 2016 and 31 August 2017:

- Scheme of Delegation
- Accounting Policies
- Financial Management Policy
- Financial Regulations and Procedures
- Debt Recovery
- Charging and Remissions
- Lettings
- Bribery
- Gifts and Hospitality
- Whistleblowing
- New Directors and Governors Induction
- Complaints
- Teachers' Pay Policy
- Support Staff Pay Policy

The deficit on the pension reserve of £1,600,000 as recorded in the balance sheet at 31 August 2017, relates to the non-teaching staff pension, where unlike the teachers' scheme, separate assets are held to fund future liabilities. The deficit can be met in the longer term from any combination of increased employer or employee contributions, increased government funding or changes to scheme benefits.

RESERVES POLICY

The Policy of the Academy Trust is to hold reserves of a prudent level to ensure the Academy Trust can meet short term cash flow and long term needs of asset renewal, premises upkeep and other unforeseen contingencies. Balances held will be within the levels recommended by the ESFA.

Levels of reserves will be closely monitored by the Academy Trust ensuring schools individually have the optimum levels of reserves and that overall the Academy Trust also have the correct level of reserves. Close attention is paid to budget preparation and forward planning to forecast the position for future years.

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

At 31 August 2017 the total funds comprised:

Unrestricted		444,768
Restricted:	Fixed asset funds	7,378,982
	Pension reserve	(1,600,000)
	Other	<u>266,153</u>
		<u>6,489,903</u>

INVESTMENT POLICY

The Academy Trust and its schools manage their cash by reviewing short and medium term requirements for funds. As a relatively new Multi Academy Trust, no investments have been made to date. In the future surplus funds will be invested into High Street bank accounts to give the best possible returns with reduced risks and easy access, for the period of time the funds are to be invested.

PRINCIPAL RISKS AND UNCERTAINTIES

An analysis of potential risk has been completed and strategies identified to control and manage risks to the Academy Trust through the Risk Register.

A number of the risks are significant but in most cases the controls put in place by the Directors enable a revised assessment of medium or low risk. The key aspects of control are:

- Appointment of the Executive Headteacher to ensure there is a clear school improvement strategy;
- Appointment of the School Improvement Consultant;
- Policies and procedures put in place by the Directors to protect staff, pupils and the Academy Trust and reduce the risk of safeguarding failures and financial management.

Principal risks and their control measures are:

- Failure for pupils to meet national standards
 - o The risk at one school within the Academy Trust was known prior to conversion;
 - o The Executive Headteacher closely monitors the performance of all Trust schools;
 - o A School Improvement Consultant works closely with the Headteachers and Executive Headteacher.
- Quality of assessment
 - o A trust wide assessment system has been established;
 - o Controlled moderation has been established.
- Potential reduction in funding
 - o The Academy Trust is developing 3 year financial plans. Staffing structures are being reviewed across the Academy Trust to ensure increased efficiency and effectiveness. Procurement is being reviewed to ensure that funds are spent appropriately and savings are identified and made wherever possible;
 - o Reserves are in place to support a time of reduced funding;
 - o Regular monitoring of school performance to maintain and improve standards, with the result of schools being well subscribed;
 - o Current falling role at one of the Trust schools.
- Business Continuity and Disaster Recover Plans
 - o There are externally prepared Business Continuity and Disaster Recovery Plans;
 - o All schools have appropriate internet protection and external cloud back up protection for their IT systems.

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

LGPS pension deficit

- o The Trustees of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and employer to ensure that the pension scheme is properly funded overtime.

Plans for future periods

The Trust's priorities for 2017-19 are as follows:

Improve the quality of teaching and learning by:

Ensuring that assessment information is accurate and is then used to inform day to day teaching so all pupils' learning needs are met.

Improve outcomes by:

Developing more effective teaching of writing in EYFS;
Ensuring that the Pupil Premium is fully effective and that disadvantaged pupils' attainment rises rapidly;
Ensuring that all pupils who are at risk of underachievement or low attainment receive appropriate provision to catch up.

Improve personal development, behaviour and welfare by:

Improving attendance especially for the disadvantaged;
Increasing pupils' resilience;
Offering pupils high quality artistic, musical and sporting opportunities;
Ensuring all pupils have the highest aspirations for their future and know how to achieve their goals.

Improve the effectiveness of Leadership and Management by:

Providing middle leaders with the skills and experience to lead change and effect improvement;
Using performance management and CPD to improve the quality of teaching;
Developing the role and impact of LGBs.

Improve the long-term effectiveness of the Trust by:

Ensuring school leaders can focus on their core purpose of improving teaching and learning;
Establishing robust recruitment and retention practices including the provision of CPD;
Developing and implementing a three year financial plan and strategy;
Ensuring that all premises are fit for purpose;
Collaborating more widely with other schools and Trusts.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust does not act as custodian trustee on behalf of any others.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 14 December 2017 and signed on its behalf by:

Stephen Ward
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive 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 Irlthingborough and Finedon Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of possible
S Ward, Chair	5	5
J Sanchez-Thompson, Executive Headteacher	5	5
P Barratt (resigned 31 December 2016)	2	3
L Carr-Archer	4	5
P Grindrod (resigned 31 July 2017)	5	5
R Jones, Vice Chair (resigned 31 August 2017)	5	5
J Marshall, Headteacher	5	5
P Reading	4	5
D Stuttle (appointed 27 January 2017)	2	2

From 1 September 2016 the Academy Trust appointed an Executive Headteacher as Chief Executive Officer and Accounting Officer. The amended Memorandum and Articles were approved by the Department for Education and Peterborough Diocese and the Executive Headteacher was formally appointed as Chief Executive Officer and Accounting Officer on 10 April 2017. J Sanchez-Thompson was in attendance at meetings before appointment as Executive Headteacher and Accounting Officer.

The changes to the Memorandum and Articles were:

- use of the new format for the Memorandum and Articles for Church of England academies (combined with others) under the Academies Act 2010;
- Headteachers will not be automatically appointed as Trustees;
- Executive Headteacher will be appointed to the role of Chief Executive Officer and Accounting Officer.

Three Directors have resigned during the year:

- Peter Barratt on 31 December 2016
- Peter Grindrod on 31 July 2017
- Roger Jones on 31 August 2017

The recruitment of new Directors began in April 2017 and the Academy Trust successfully appointed four new Directors who will commence their four year term of office on 1st September 2017.

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GOVERNANCE STATEMENT (continued)

The Directors undertook a full internal review of the Scheme of Delegation and Terms of Reference during 2017 and created a new Scheme of Delegation. The Trust plans to have an external review of governance during 2018.

The Resources Committee was a sub-committee of the main Board of Trustees. Its areas of responsibility were financial, personnel, premises and estates and the management of health and safety. Specific areas of delegation are outlined in the Academy Trust's Scheme of Delegation:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Barratt (Chair) (resigned 31 December 2016)	1	1
R Jones	3	3
J Marshall	2	3
J Sanchez-Thompson	3	3
D Stuttle (appointed 27 January 2017)	1	2
S Ward, Chair (from 1 January 2017)	3	3

The Learning and Achievement committee was also a sub-committee of the main Board of Trustees. Its areas of responsibility were pupil standards and achievements, pupil welfare, safeguarding and governance throughout the Academy Trust from Trustees to Local Governing Bodies. Specific areas of delegation are outlined in the Academy Trust's Scheme of Delegation:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
P Grindrod (Chair) (resigned 31 July 2017)	4	4
L Carr-Archer	1	4
J Marshall	4	4
P Reading	3	4
J Sanchez-Thompson	4	4
sward	3	4

REVIEW OF VALUE FOR MONEY

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

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

- Continued savings on HR and Payroll service through move to a new provider of both services;
- Continued joint professional development across the school and increased use of staff expertise within the Academy Trust to save on cost of external support;
- Initial review of administrative support resulting in saving within staffing costs;
- Review of ICT support contracts has resulted in reduction in costs and also a more effective cross trust provision.

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Irlthlingborough and Finedon Learning 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 Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks, that has been in place for the 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 Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed MHA MacIntyre Hudson, the external auditor, to perform additional checks.

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

testing of payroll systems
testing of purchase systems
testing of control account/bank reconciliations

On a twice yearly basis, MHA MacIntyre Hudson, the auditor, reports to the Board of Trustees through the Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. There were no material control issues identified as a result of MHA MacIntyre Hudson's reviews.

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GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive 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 Chief Finance Officer
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the Headteachers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 14 December 2017 and signed on their behalf,
by:

Stephen Ward
Chair of Trustees

Joanne Sanchez-Thompson
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Irthlingborough and Finedon Learning Trust I have considered my responsibility to notify the Academy Trust 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 Academy Trust 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.

.....
Joanne Sanchez-Thompson
Accounting Officer

Date: 14 December 2017

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

The Trustees (who act as governors of The Irthlingborough and Finedon Learning Trust and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 14 December 2017 and signed on its behalf by:

.....
Stephen Ward
Chair of Trustees

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

OPINION

We have audited the financial statements of The Irlthlingborough and Finedon Learning 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 FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy 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's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of trustees' responsibilities, the trustees (who are also the directors of the academy 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.

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

In preparing the financial statements, the trustees are responsible for assessing the academy'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 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. The description forms part of our Auditor's report.

Rebecca Hughes BSc(Hons) FCCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 15 December 2017

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 20 September 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 Irthlingborough and Finedon Learning 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 Irthlingborough and Finedon Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Irthlingborough and Finedon Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Irthlingborough and Finedon Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Irthlingborough and Finedon Learning Trust's funding agreement with the Secretary of State for Education dated 19 March 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's income and expenditure.

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE
IRTHLINGBOROUGH AND FINEDON LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING
AGENCY (continued)

The work undertaken to draw to our conclusion includes:

- Reviewing the minutes of meetings of the Academy Trust and other evidence made available to us, relevant to our consideration of regularity;
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy;
- Testing a sample of payroll payments to staff;
- Testing a sample of payments to suppliers and other third parties;
- Testing a sample of grants received and other income streams;
- Evaluating the internal control procedures and reporting lines, and testing as appropriate;
- Making appropriate enquiries of the Accounting Officer.

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.

MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

Date: 15th December 2017

THE IRTHLINGBOROUGH AND FINEDON LEARNING 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 17 month period 2016 £
INCOME FROM:						
Donations & capital grants:						
Subtotal	2					6,525,233
Other donations and capital grants	2	15,443		59,556	74,999	110,593
Charitable activities	3		4,945,649		4,945,649	7,145,089
Other trading activities	4	215,844	110,512		326,356	328,877
Investments	5	767			767	1,736
TOTAL INCOME		232,054	5,056,161	59,556	5,347,771	14,111,528
EXPENDITURE ON:						
Raising funds		215,276	199,952		415,228	400,344
Charitable activities:						
Other charitable activities			5,064,130	205,435	5,269,565	7,006,259
TOTAL EXPENDITURE	6	215,276	5,264,082	205,435	5,684,793	7,406,603
NET INCOME/ (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	17	16,778 (1,556)	(207,921) (168,193)	(145,879) 169,749	(337,022)	6,704,925
NET INCOME/ (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
Actuarial gains/(losses) on defined benefit pension schemes	19	15,222	(376,114)	23,870	(337,022)	6,704,925
NET MOVEMENT IN FUNDS		15,222	212,886	23,870	251,978	6,237,925
RECONCILIATION OF FUNDS:						
Total funds brought forward		429,546	(1,546,733)	7,355,112	6,237,925	
TOTAL FUNDS CARRIED FORWARD		444,768	(1,333,847)	7,378,982	6,489,903	6,237,925

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 09470229

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		7,378,982		7,351,963
CURRENT ASSETS					
Debtors	14	189,315		177,407	
Cash at bank and in hand		873,758		1,113,248	
			<u>1,063,073</u>	<u>1,290,655</u>	
CREDITORS: amounts falling due within one year	15	(337,228)		(364,055)	
NET CURRENT ASSETS			<u>725,845</u>		<u>926,600</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>8,104,827</u>		<u>8,278,563</u>
CREDITORS: amounts falling due after more than one year	16		(14,924)		(17,638)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>8,089,903</u>		<u>8,260,925</u>
Defined benefit pension scheme liability	19	(1,600,000)		(2,023,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>6,489,903</u>		<u>6,237,925</u>
FUNDS OF THE ACADEMY					
Fixed asset fund:					
Restricted income funds	17	266,153		476,267	
Restricted fixed asset funds	17	7,378,982		7,355,112	
			<u>7,645,135</u>	<u>7,831,379</u>	
Restricted income funds excluding pension liability					
Pension reserve	19,20	(1,600,000)		(2,023,000)	
			<u>6,045,135</u>	<u>5,808,379</u>	
Total fixed asset fund					
Unrestricted income funds	17		444,768		429,546
			<u>6,489,903</u>		<u>6,237,925</u>
TOTAL FUNDS			<u>6,489,903</u>		<u>6,237,925</u>

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 22 to 53 were approved by the trustees, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Stephen Ward
Chair of Trustees

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	17 month period end 2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(60,276)	787,394
Cash flows from investing activities:			
Dividends, interest and rents from investments		767	1,736
Purchase of tangible fixed assets		(232,452)	(538,474)
Capital grants from DfE/ESFA		55,185	39,903
Cash transferred on conversion to an academy trust			802,337
Net cash (used in)/provided by investing activities		(176,500)	305,502
Cash flows from financing activities:			
Repayments of borrowings		(2,714)	
Cash inflows from new borrowing			20,352
Net cash (used in)/provided by financing activities		(2,714)	20,352
Change in cash and cash equivalents in the year		(239,490)	1,113,248
Cash and cash equivalents brought forward		1,113,248	
Cash and cash equivalents carried forward	22	873,758	1,113,248

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

The Irlthlingborough and Finedon Learning Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy 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 Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy 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**

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.

- **Donated fixed assets (excluding Transfers on conversion/into trust)**

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

- **Donations**

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

- **Other income**

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 IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

- **Expenditure on Raising Funds**
This includes all expenditure incurred by the academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable Activities**
These are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 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:

Long-term leasehold property	2% straight line
Motor vehicles	33.33% straight line
Fixtures and fittings	20% straight line
Computer equipment	33.33% 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.

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

1. ACCOUNTING POLICIES (continued)

1.6 Liabilities

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 academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 Provisions

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

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

1.8 Leased assets

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.

1.9 Licence to occupy

The Trustees of The Irlthlingborough and Finedon Learning Trust, in agreement with the Board of Education of the Diocese of Peterborough, own the leasehold interest in the building which is occupied by the Finedon Mulso C of E Junior School on a rent free licence to occupy. Full details of the arrangement are detailed in note 13.

The Trustees have considered the guidance in the Academies Accounts Direction 2016 to 2017 paragraph 8.7.5 in relation to properties occupied under licence. Having considered the arrangements under which the Academy Trust is occupying the buildings, for the reasons given in note 13, the Trustees have concluded that the arrangement should not be included as an asset on the balance sheet nor any notional rental expense for the donated use of the buildings. The Trustees have not included any value of buildings or donated services provided by the Board of Education of the Diocese of Peterborough in the financial statements.

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.10 Financial instruments

The academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy 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. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment.

1.11 Taxation

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

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

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 Pension benefits

Retirement benefits to employees of the academy 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 Academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, 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 LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

1.13 Fund accounting

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

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

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

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

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

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds 17 month period 2016
	2017 £	2017 £	2017 £	2017 £	2016 £
Funds inherited on conversion					6,525,233
Subtotal					6,525,233
Donations	15,443		4,371	19,814	70,690
Capital grants			55,185	55,185	39,903
Subtotal	15,443		59,556	74,999	110,593
	15,443		59,556	74,999	6,635,826
Total 17 month period 2016	873,027	(1,407,000)	7,169,799	6,635,826	

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
(A company limited by guarantee)

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 month period 2016
	2017 £	2017 £	2017 £	2016 £
DfEIESFA grants				
General annual grant (GAG)		4,134,197	4,134,197	5,817,309
Other DFE/ESFA grants		181,214	181,214	244,996
Pupil premium		375,825	375,825	503,170
Start up grant				214,000
		4,691,236	4,691,236	6,779,475
Other government grants				
Local authority grants		221,359	221,359	312,204
Other government grants		9,241	9,241	23,450
		230,600	230,600	335,654
Other funding				
Other income		23,813	23,813	29,960
		23,813	23,813	29,960
		4,945,649	4,945,649	7,145,089
Total 17 month period 2016	24,870	7,120,219	7,145,089	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 month period 2016
	2017 £	2017 £	2017 £	2016 £
Trips and activities	163,413	110,512	273,925	300,901
Hire of facilities	10,911		10,911	15,882
Miscellaneous income	41,520		41,520	12,094
	215,844	110,512	326,356	328,877
Total 17 month period 2016	203,919	124,958	328,877	

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5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total funds	Total funds 17 month period 2016
	2017 £	2017 £	2017 £	2016 £
Bank interest	767		767	1,736
Total 17 month period 2016	1,736		1,736	

6. EXPENDITURE

	Staff costs	Premises	Other costs	Total	Total 17 month period 2016
	2017 £	2017 £	2017 £	2017 £	2016 £
Expenditure on raising voluntary income	87,998			87,998	144,353
Expenditure on fundraising trading	166,025		161,205	327,230	255,991
Educational operations:					
Direct costs	3,337,572		377,241	3,714,813	5,196,713
Allocated support costs	686,734	500,166	367,852	1,554,752	1,809,546
	4,278,329	500,166	906,298	5,684,793	7,406,603
Total 17 month period 2016	5,359,835	708,146	1,338,622	7,406,603	

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7. CHARITABLE ACTIVITIES

	Direct costs	Support costs	Total	Total 17 month period 2016
	2017 £	2017 £	2017 £	2016 £
Educational operations	3,714,813	1,554,752	5,269,565	7,006,259
Total 17 month period 2016	5,196,713	1,809,546	7,006,259	

Analysis of support costs

	2017 £	17 month period 2016 £
Support staff costs	686,734	775,178
Depreciation	205,435	316,410
Technology costs	75,189	103,630
Premises costs	294,731	391,736
Other support costs	272,498	270,351
Governance costs	20,165	20,241
Total support costs	1,554,752	1,877,546

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	17 month period 2016 £
Depreciation of tangible fixed assets: - owned by the charity	205,433	316,410
Fees payable to auditor for - audit	9,000	8,500
Fees payable to auditor for - other services	10,995	9,250
Operating lease rentals	11,936	14,279

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9. STAFF COSTS

Staff costs were as follows:

	2017	17 month period 2016
	£	£
Wages and salaries	3,296,055	4,283,951
Social security costs	221,481	244,855
Operating costs of defined benefit pension schemes	661,612	757,057
	<hr/>	<hr/>
Apprenticeship levy	4,179,148	5,285,863
Supply teacher costs	1,292	
	97,889	73,972
	<hr/>	<hr/>
	4,278,329	5,359,835
	<hr/>	<hr/>

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

	2017	17 month period 2016
	No.	No.
Teachers	61	54
Administration and Support	117	126
Management	6	5
	<hr/>	<hr/>
	184	185
	<hr/>	<hr/>

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

	2017	2016
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	0
In the band £80,001 - £90,000	0	2
In the band £90,001 - £100,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2017 employer's pension contributions for these staff amounted to £23,048 (2016 - £41,410).

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £338,969 (2016 - 397,337).

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

10. CENTRAL SERVICES

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

- human resources
- financial services
- legal services
- educational support services
- others as arising

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

All Education Service Grant received from the ESFA is recharged for central services.

The actual amounts charged during the year were as follows:

	2017	17 month period 2016
	£	£
Irthlingborough Nursery and Infants School	27,600	38,232
Irthlingborough Junior School	34,660	44,520
Finedon Infant School	9,780	12,024
Finedon Mulso C of E Junior School	<u>12,940</u>	<u>14,340</u>
	<u>84,980</u>	<u>109,116</u>

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FOR THE YEAR ENDED 31 AUGUST 2017

11. TRUSTEES' REMUNERATION AND EXPENSES

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal 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	17 month period 2016
		£	£
A Wise (Headteacher)	Remuneration	N/A	90,000-95,000
	Pension contributions paid	N/A	10,000-15,000
J L Marshall (Headteacher)	Remuneration	65,000-70,000	85,000-90,000
	Pension contributions paid	10,000-15,000	10,000-15,000
S Drake (Headteacher)	Remuneration	N/A	50,000-55,000
	Pension contributions paid	N/A	5,000-10,000
J Sanchez-Thompson (Executive Headteacher and Accounting Officer)	Remuneration	70,000-75,000	N/A
	Pension contributions paid	10,000-15,000	N/A

During the year ended 31 August 2017, no trustees received any reimbursement of expenses (2016 - £Nil).

Other related party transactions involving the trustees are set out in note 24.

12. TRUSTEES' AND OFFICERS' INSURANCE

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

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13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2016	7,427,813	5,613	83,780	151,167	7,668,373
Additions	81,563		45,401	105,488	232,452
At 31 August 2017	7,509,376	5,613	129,181	256,655	7,900,825
Depreciation					
At 1 September 2016	195,510	1,715	61,245	57,940	316,410
Charge for the year	143,817	1,871	5,951	53,794	205,433
At 31 August 2017	339,327	3,586	67,196	111,734	521,843
Net book value					
At 31 August 2017	7,170,049	2,027	61,985	144,921	7,378,982
At 31 August 2016	7,232,303	3,898	22,535	93,227	7,351,963

The buildings occupied by Irthlingborough Nursery and Infants School, Irthlingborough Junior School and Finedon Infant School are leased by the school after being transferred from the Local Authority on conversion to an Academy Trust. The land and buildings which were occupied by the academies within the Trust are held under a 125 year lease from Northamptonshire County Council.

The Academy Trust is responsible for the maintenance and insurance of the land and buildings.

License to occupy

The Trustees of The Irthlingborough and Finedon Learning Trust, in agreement with the Board of Education of the Diocese of Peterborough, own the leasehold interest in the building which is occupied by the Finedon Mulso C of E Junior School on a rent free licence to occupy. This continuing permission of their trustees is pursuant to, and subject to, the Trustees' charitable objects, and is part of the Church of England's contribution to provide State funded education in partnership with the State and detailed in a supplemental agreement with the academy. The licence delegates aspects of the management of the building to the Academy Trust company for the time being, but does not vest any rights over the land in the Academy Trust company, the terms of which have been agreed between the Secretary of State and the Trustees of The Irthlingborough and Finedon Learning Trust. This agreement can be revoked at any time and without the agreement is a termination clause with the trustees of The Irthlingborough and Finedon Learning Trust giving two years notice. The Trustees have concluded that the land and buildings should not be recognised as an asset of the academy as the Academy Trust does not control the asset.

The financial statements do not reflect any notional rental expense for the donated use of the land and buildings as the Trustees have concluded that no reliable figure can be measured for this donation as there are no rental premises for academy operations which are considered to be comparable and reliably measured.

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NOTES TO THE FINANCIAL STATEMENTS
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14. DEBTORS

	2017	2016
	£	£
Trade debtors	1,137	2,814
VAT recoverable	66,911	46,615
Prepayments and accrued income	121,267	127,978
	<hr/>	<hr/>
	189,315	177,407
	<hr/>	<hr/>

15. CREDITORS: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	82,282	139,074
Other taxation and social security	59,837	54,066
Salix loan	2,714	2,714
Other creditors		19,514
Accruals and deferred income	192,395	148,687
	<hr/>	<hr/>
	337,228	364,055
	<hr/>	<hr/>

	2017	2016
	£	£
Deferred income		
Deferred income at 1 September 2016	98,647	
Resources deferred during the year	105,422	98,647
Amounts released from previous years	(98,647)	
	<hr/>	<hr/>
Deferred income at 31 August 2017	105,422	98,647
	<hr/>	<hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for Universal Infant Free School Meals, Devolved Formula Capital, Rates Relief and Other Government Grants for the autumn term 2017.

The Academy Trust has a Salix loan of £17,638 from Northamptonshire County Council Salix Finance Limited which is provided on an interest free basis payable over 8 years. £2,714 is payable within one year and £14,924 is payable after more than one year.

16. CREDITORS: Amounts falling due after more than one year

	2017	2016
	£	£
Salix loan	14,924	17,638
	<hr/>	<hr/>

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

16. CREDITORS: Amounts falling due after more than one year (continued)

The Academy Trust has a Salix loan of £17,638 from Northamptonshire County Council Salix Finance Limited which is provided on an interest free basis payable over 8 years. £2,714 is payable within one year and £14,924 is payable after more than one year.

17. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Unrestricted funds						
General Funds	429,546	232,054	(215,276)	(1,556)		444,768
Restricted funds						
General Annual Grant (GAG)	339,223	4,134,197	(4,103,740)	(158,997)		210,683
Local authority income	3,790	221,359	(225,149)			
ESFA Income	21,861	181,214	(166,517)			36,558
Pupil Premium	22,873	375,825	(380,179)			18,519
Miscellaneous restricted	1,850	143,566	(135,827)	(9,196)		393
Transfer from LA	86,670		(86,670)			
Pension reserve	(2,023,000)		(166,000)		589,000	(1,600,000)
	(1,546,733)	5,056,161	(5,264,082)	(168,193)	589,000	(1,333,847)
Restricted fixed asset funds						
Unspent capital	3,149	32,746		(35,895)		
Capital exp from GAG	10,481			160,436		170,917
Capital income transferred from LA	6,834,396		(205,435)			6,628,961
Other capital expenditure	507,086	26,810		45,208		579,104
	7,355,112	59,556	(205,435)	169,749		7,378,982
Total restricted funds	5,808,379	5,115,717	(5,469,517)	1,556	589,000	6,045,135
Total of funds	6,237,925	5,347,771	(5,684,793)		589,000	6,489,903

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

STATEMENT OF FUNDS -PRIOR YEAR

	Balance at4 March 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Unrestricted funds						
General Funds		1,103,552	(182,764)	(491,242)		429,546
		1,103,552	(182,764)	(491,242)		429,546
Restricted funds						
General Annual Grant (GAG)		5,817,309	(5,467,605)	(10,481)		339,223
Local authority income		312,204	(308,414)			3,790
ESFA Income		244,996	(223,135)			21,861
Pupil Premium		503,170	(480,297)			22,873
Miscellaneous restricted		153,498	(213,906)	62,258		1,850
Start Up Grant		214,000	(65,072)	(62,258)		86,670
Pension reserve		(1,407,000)	(149,000)		(467,000)	(2,023,000)
		5,838,177	(6,907,429)	(10,481)	(467,000)	(1,546,733)
Restricted fixed asset funds						
Unspent capital		39,903		(36,754)		3,149
Capital exp from GAG				10,481		10,481
Capital income transferred from LA		7,129,896	(295,500)			6,834,396
Other capital expenditure			(20,910)	527,996		507,086
		7,169,799	(316,410)	501,723		7,355,112
Total restricted funds		13,007,976	(7,223,839)	491,242	(467,000)	5,808,379
Total of funds		14,111,528	(7,406,603)		(467,000)	6,237,925

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

17. STATEMENT OF FUNDS (continued)

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

The transfer between the restricted General Annual Grant fund and restricted fixed asset funds represents amounts capitalised during the period.

Restricted general funds will be used for educational purposes in line with academy trust's objects and its funding agreement with the EFA.

Restricted fixed assets funds amounting to £7,378,982 will be reserved against future depreciation charges.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Irthlingborough Nursery and Infant School	132,835	239,577
Irthlingborough Junior School	84,685	276,353
Finedon Infant School	193,279	188,457
Finedon Muise C of E Junior School	109,142	91,447
Central services	190,980	109,979
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	710,921	905,813
Restricted fixed asset fund	7,378,982	7,355,112
Pension reserve	(1,600,000)	(2,023,000)
Total	<hr/> 6,489,903	<hr/> 6,237,925

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

17. 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 depre- ciation £	Total 2017 £	Total 2016 £
The Irthlingborough and Finedon Learning Trust		164,687	187	227,226	392,100	171,143
Irthlingborough Nursery and Infant School	1,094,155	222,447	28,110	271,231	1,615,943	2,213,588
Irthlingborough Junior School	1,308,129	159,233	86,720	456,404	2,010,486	2,545,593
Finedon Infant School	445,756	60,638	21,787	148,250	676,431	966,963
Finedon Mulso C of E Junior School	552,667	63,847	18,036	149,848	784,398	1,043,290
	<u>3,400,707</u>	<u>670,852</u>	<u>154,840</u>	<u>1,252,959</u>	<u>5,479,358</u>	<u>6,940,577</u>

The Local Government Pension Scheme costs have been allocated to The Irthlingborough and Finedon Learning Trust in the current year. Further information on the Local Government Pension Scheme can be found in note 19.

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

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets			7,378,982	7,378,982
Current assets	444,768	618,305		1,063,073
Creditors due within one year		(337,228)		(337,228)
Creditors due in more than one year		(14,924)		(14,924)
Pension scheme liability		(1,600,000)		(1,600,000)
	444,768	(1,333,847)	7,378,982	6,489,903

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			7,351,963	7,351,963
Current assets	429,546	857,960	3,149	1,290,655
Creditors due within one year		(364,055)		(364,055)
Creditors due in more than one year		(17,638)		(17,638)
Provisions for liabilities and charges		(2,023,000)		(2,023,000)
	429,546	(1,546,733)	7,355,112	6,237,925

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NOTES TO THE FINANCIAL STATEMENTS
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19. PENSION COMMITMENTS

The Academy 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 Northamptonshire 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 £Nil were payable to the schemes at 31 August 2017 (2016- 12,114) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 on 9 June 2014. The key results of the valuation are:

- employer contribution rates set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;

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

19. PENSION COMMITMENTS (continued)

- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

The employer's pension costs paid to TPS in the period amounted to £318,369 (2016 - £396,829).

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

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19. PENSION COMMITMENTS (continued)

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 £269,000. (2016 - £345,000), of which employer's contributions totalled £215,000 (2016 - £277,000) and employees' contributions totalled £54,000 (2016 - £68,000). The agreed contribution rates for future years are between 22.6% and 24.6% for employers and between 5.5% and 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Expected return on scheme assets at 31 August	2.40 %	2.10 %
Rate of increase in salaries	2.70 %	4.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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	22.1	22.3
Females	24.2	24.3
Retiring in 20 years		
Males	23.9	24.0
Females	26.1	26.6

	At 31 August 2017	At 31 August 2016
	£	£
Sensitivity analysis		
0.5% decrease in Real Discount Rate	383,000	374,000
0.5% increase in the Salary Increase Rate	68,000	128,000
0.5% increase in the Pension Increase Rate	309,000	233,000

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

19. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	986,000	624,000
Corporate bonds	213,000	167,000
Property	93,000	70,000
Cash and other liquid assets	40,000	18,000
Total market value of assets	<u>1,332,000</u>	<u>879,000</u>

The actual return on scheme assets was £202,000 (2016 - £92,000).

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

	2017 £	2016 £
Past service cost	(12,737)	
Interest income	21,000	29,000
Interest cost	(65,000)	(97,000)
Current service cost	(337,000)	(358,000)
Total	<u>(393,737)</u>	<u>(426,000)</u>

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

	2017 £	2016 £
Opening defined benefit obligation	2,902,000	
Transferred in on existing academies joining the trust		1,849,000
Interest cost	65,000	97,000
Employee contributions	54,000	68,000
Actuarial (gains)/losses	(408,000)	530,000
Benefits paid	(18,000)	
Current service cost	337,000	358,000
Closing defined benefit obligation	<u>2,932,000</u>	<u>2,902,000</u>

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Opening fair value of scheme assets	879,000	442,000
Upon conversion		29,000
Interest income	21,000	63,000
Actuarial losses	181,000	277,000
Employer contributions	215,000	68,000
Employee contributions	54,000	
Benefits paid	(18,000)	
		<hr/>
Closing fair value of scheme assets	<u>1,332,000</u>	<u>879,000</u>

20. OPERATING LEASE COMMITMENTS

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

	2017 £	2016 £
Amounts payable:		
Within 1 year	10,605	12,316
Between 1 and 5 years	4,794	13,956
		<hr/>
	<u>15,399</u>	<u>26,272</u>

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

21. 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)	(337,022)	6,704,925
Adjustment for:		
Depreciation charges	205,433	316,410
Dividends, interest and rents from investments	(767)	(1,736)
Increase in debtors	(11,908)	(177,444)
(Decrease)/increase in creditors	(26,827)	361,377
Capital grants from DfE and other capital income	(55,185)	(39,903)
Defined benefit pension scheme cost less contributions payable	122,000	81,000
Defined benefit pension scheme finance cost	44,000	68,000
Fixed assets inherited		(7,129,898)
Cash transferred on conversion to an academy trust		(802,337)
Pension deficit transferred on conversion		1,407,000
Net cash (used in)/provided by operating activities	(60,276)	787,394

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017	2016
	£	£
Cash in hand	873,758	1,113,248
Total	873,758	1,113,248

23. 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.

THE IRTHLINGBOROUGH AND FINEDON LEARNING TRUST

(A company limited by guarantee)

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

24. RELATED PARTY TRANSACTIONS

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

Peterborough Diocese Church Schools Trust is a member of The Irthlingborough and Finedon Learning Trust.

All the transactions with the Peterborough Diocese Church Schools Trust were conducted at arms length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The Irthlingborough and Finedon Learning Trust received no benefit from any such arrangement.

The transactions are as follows:

The Academy Trust incurred costs totalling £1,392 (2016 - £1,333) during the year.

At the year end a balance of £Nil (2016 - £Nil) was due to the Peterborough Diocese Church Schools Trust.

Steve Gordon, member of The Irthlingborough and Finedon Learning Trust, is the Headteacher of Huxlow Science College. Steve Ward, member and trustee of The Irthlingborough and Finedon Learning Trust is also a member and trustee at Huxlow Science College, In this capacity, they are not directly involved in making decisions relating to transactions with the Academy Trust.

All the transactions with Huxlow Science College were conducted at arms length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Steve Gordon and Steve Ward received no benefit from any such arrangement.

The transactions are as follows:

The Academy Trust incurred costs totalling £65 (2016 - £1,705) during the year, relating to staff recruitment training.

The Academy Trust recharged costs totalling £1,409 (2016 - £29) during the year, in respect of I-shirt costs, LITKITS awards and 'Key Governance' training.

The Academy Trust invoiced Huxlow Science College £545 (2016 - £500) during the year, in respect of minibus loan charges and numeracy catch up training.

At the year end a balance of £Nil (2016 - £Nil) was due to and from Huxlow Science College.

Liz Carr-Archer is a trustee of The Irthlingborough and Finedon Learning Trust. Her husband was the Chair of Pilgrim Learning Trust up until 20 April 2017. In this capacity, they were not directly involved in making decisions relating to transactions with the Academy Trust.

All the transactions with Pilgrim Learning Trust were conducted at arms length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. Liz Carr-Archer received no benefit from any such arrangement.

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

24. RELATED PARTY TRANSACTIONS (continued)

The transactions incurred up until 20 April 2017 are as follows:

The Academy Trust incurred costs totalling £3,266 (2016 - £Nil) during the period in respect of training courses and annual levy costs.

The Academy Trust invoiced Pilgrim Learning Trust £680 (2016 - £3,621) during the period for the hire of facilities.

At the year end a balance of £Nil (2016 - £Nil) was due to and from Pilgrim Learning Trust.