

**THE LEARNING PARTNERSHIP TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS, TRUSTEES  
AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Members</b>	Diane Hancock Robert Jones Rosalind Allsop Allan Wilton Iain Gilchrist
<b>Trustees</b>	Diane Hancock, Chair of Trustees John Clements, Chief Executive Officer & Accounting Officer Victoria Marrow Christopher Hancock Allan Wilton Michelle Dawson Iain Gilchrist Jackie Castle Neil Cobbe (appointed 12 July 2018)
<b>Company registered number</b>	09380027
<b>Company name</b>	The Learning Partnership Trust
<b>Principal and registered office</b>	Hatfield Heath Primary School Hatfield Heath Essex CM22 7EA
<b>Company Secretary</b>	Victoria Marrow
<b>Senior Management Team</b>	Executive Headteacher, John Clements Headteacher (Roseacres Primary School), Isobel Barron Headteacher (Takeley Primary School), Andy Cosslett Business Director, Victoria Marrow
<b>Independent Auditors</b>	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Lloyds Bank Plc 20 North Street Bishop's Stortford Herts CM23 2LN
<b>Solicitors</b>	Stone King 30 Station Road Cambridge CB1 2RE

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their Annual Report together with the financial statements and Auditor's Report of The Learning Partnership Trust (The Trust or the Charitable Company) for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

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

This Report should be read in context: The Trust is still developing with 2015/2016 being the first year in which there was more than one Academy in the Trust. The Trust is a collection of 3 local primary schools, only one of which is more than one-form entry. One opened in September 2015. As a result, the Trust is in the process of setting up the most efficient, cost effective and suitable procedures for a small primary group of academies. It has no secondary schools, preferring to be a small group of primaries working together pooling excellence in primary education, primary experience and sharing key staff across the schools.

### Structure, Governance and Management

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

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

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

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

### Members' Liability

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

### Trustees and Officers' Indemnities

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

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

### Method of Recruitment and Appointment or Election of Trustees

The Members may appoint up to 8 Trustees, through such process as they may determine. The Trustees may appoint co-opted Trustees. The long term approach to appointing new Trustees has not yet been determined (the Trust being less than 4 years old). Members will meet in the Autumn term to discuss and approve the approach to appointing new Trustees and are aware that the majority of Directors terms of office are due to expire in February 2019.

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

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

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

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

### Organisational Structure

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

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

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

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

The Trust's CEO is the Accounting Officer.

### Arrangements for setting pay and remuneration of key management personnel

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

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

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

### Trade Union Facility

We have no employees that are Trade Union Representatives.

### Related Parties and other Connected Charities and Organisations

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

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

### Objectives and Activities

#### Objects and Aims

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

#### Objectives, Strategies and Activities

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

- Working in partnership with the Local Authority to expand capacity at Roseacres to enable the 2018 Reception Class intake to be two form rather than one and therefore meet the demand within the local community.
- Continuing to develop leadership at Takeley Primary through the appointment of a new Head Teacher and two Assistant Heads plus middle leaders.
- Supporting staff development through the successful completion of moderation qualification.
- Facilitating Specialist Teacher (maths) release to support schools within the Trust and local area.
- Continuing to improve systems to monitor and track pupil progress.
- Providing opportunities for collaboration across the Trust focusing on moderation, staff development and the curriculum.
- Enhancing the learning environment to support pupil success.
- During the year Roseacres Primary was inspected by Ofsted and received a 'Good' rating in all areas.

#### Objectives for the Academic Year 2018/2019

- To further improve the quality of teaching.
- To further improve the rates of progress and attainment.
- To ensure all pupil premium children make better than expected progress.
- To ensure all schools within the trust are good or outstanding.
- Development of the foundation subjects.

#### Strategies to achieve our objectives:

- Strategic and effective recruitment plan for new staff.
- Collaboration and sharing of resources across the Trust.
- To review and develop a medium to long term strategic Trust structure to facilitate, support and maximise pupil's outcomes in all Schools.
- Providing additional resource for the CEO to enable enhanced guidance, leadership and support to improve effectiveness and pupil success in all Schools.

#### Public Benefit

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

#### Strategic Report

##### Achievements and Performance

##### Key Performance Indicators

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

As funding is based on pupil numbers this is a key performance indicator. Hatfield Heath is full; Roseacres has 145 pupils, Takeley has 398 pupils on the role as at September 2018.

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

# THE LEARNING PARTNERSHIP TRUST

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## TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

### Going Concern

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

### Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year ended 31 August 2018 the Trust received £3,550,858 of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education. During the year the Trust spent £3,374,930 on general running costs. The Trust brought forward from 2016/17, £7,586,295 restricted funds and £248,982 unrestricted funding. The carry forward for 2017/18 is £7,906,964 restricted funding and £295,982 unrestricted funding.

Due to the accounting rules for the Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £1,491,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

### Reserves Policy

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

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £295,982. This has been built up from a mixture of locally raised income and balances transferred from the predecessor schools.

The Trust's surplus on restricted general funds (excluding pension reserve) plus unrestricted funds was £347,861, resulting in a year end balance of £996,834.

The cash balance of the Trust has been very healthy all year, ending the year with a balance of £1,179,282. A significant proportion of this cash is held against specific projects and is not available to meet normal recurring expenditure. The Trustees monitor cash flow as part of the remit of the Finance and Audit Committee and attempt to hold a minimum of £350,000 to cover short term cash flow variances.

### Investment Policy

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

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

## THE LEARNING PARTNERSHIP TRUST

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018

#### Principal Risks and Uncertainties

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

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

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

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

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

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

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

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

## **THE LEARNING PARTNERSHIP TRUST**

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### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2018**

#### **Fundraising**

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

#### **Plans for Future Periods**

The Trust's plans for 2018/19 are:

- Recruitment and retention – to ensure good quality focused staff development/training – grow our own leaders at all levels. Directly linked to above we aim to be involved in teacher training – using external providers including Cambridge University, Essex SCITT, Catalyst and FIPC.
- Quality of teaching – no teaching less than a 2 with the encouragement and support to develop further and ensure that all children's outcomes show good+ progress from their baseline.
- Ensuring an unremitting focus on School improvement through leadership, challenge and support.
- Embedding the new leadership at Hatfield Heath and further supporting the leadership at Roseacres and Takeley.
- Stronger together – identifying, building, utilizing our talents, skills, experience, passions and resource to support success in ensuring that our children get the best education and outcomes possible.
- Financial stability and security – ensure that budgetary control is strong and that budgetary planning for the longer term is secure by producing a five-year strategic plan.

#### **Funds Held as Custodian Trustee on Behalf of Others**

There are no funds held on behalf of third parties.

#### **Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by the Board of Trustees on 5 December 2018 and signed on the Board's behalf by:

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

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

## GOVERNANCE STATEMENT

### SCOPE OF RESPONSIBILITY

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

The MGB has delegated the day-to-day responsibility to the Headteacher of Hatfield Heath, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Learning Partnership Trust and the Secretary of State for Education. They are also responsible for reporting to the MGB any material weaknesses or breakdowns in internal control.

### GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Diane Hancock, Chair of Trustees	5	5
John Clements, Chief Executive Officer	3	3
Victoria Marrow	5	5
Christopher Hancock	5	5
Allan Wilton	4	5
Michelle Dawson	4	5
Iain Gilchrist	5	5
Jackie Castle	5	5
Neil Cobbe	1	1

During the year Neil Cobbe was appointed to the board on 12th July 2018.

There was a challenge in relation to:

- Managing the change of leadership at Hatfield Heath Primary following the resignation of the Headteacher. This was managed by successfully recruiting an external, experienced new Headteacher.
- KS2 performance outcomes slightly lower than expected at Takeley (although these had improved from the results when judged good by Ofsted in December 2015)
- A cohort specific dip in the Hatfield Heath 2018 performance outcomes at KS1 and KS2.

An internal self-evaluation is currently being undertaken and the results will be reported at the Autumn term 2018 Governor and Trustee meetings. The previous review was conducted in July 2017 and the results presented to Trustees at the meeting on 15 November 2017. The membership of the local Governing Bodies and Trust Board has not changed during this time (Neil Cobbe, newly appointed Director is also a Governor at Takeley). The previous self-evaluation showed that Charity Law was the only area of weakness. This has subsequently been addressed through circulating The Charity Governance Code and offering further support as required.

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

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

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

Membership has remained the same however, from now on all Head teachers are also invited to attend should they wish.

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## GOVERNANCE STATEMENT (continued)

Challenges include:

- setting a three year forecast with unknown revenue
- setting annual budgets when staff salaries/payscale are still under negotiation
- maintaining reserves to meet the challenges of maintenance issues that arise
- reviewing centrally held funds to ensure the Trust is able to deliver a sustainable, successful structure that supports pupil outcomes in all three Schools

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Diane Hancock	4	4
Allan Wilton	3	4
John Clements	4	4
Neil Cobbe	2	4
Christopher Hancock	2	4
Victoria Marrow	4	4
Iain Gilchrist	4	4

### REVIEW OF VALUE FOR MONEY

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

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

- going out to tender for the catering contract at Roseacres and Takeley. The Trust approached 3 Suppliers and awarded the contract to the best value tender at Roseacres and upon review decided that Takeley Primary's catering should remain in house as that was best value in their case;
- seeking three quotes reviewing the Broadband contract at Takeley Primary School. All tenders were reviewed and there were significant cost variances between the tenders. The contract was awarded to the best value tender; and
- seeking three quotes when upgrading the ICT Suite equipment at Hatfield Heath. All tenders were reviewed and it whilst each tender was competitive it was decided to award the contract to the best value tender.

### THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Learning Partnership Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements.

### CAPACITY TO HANDLE RISK

The MGB has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The MGB is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the MGB.

## **THE LEARNING PARTNERSHIP TRUST**

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### **GOVERNANCE STATEMENT (continued)**

#### **THE RISK AND CONTROL FRAMEWORK**

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

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

The MGB has considered the need for a specific internal audit function and has decided to appoint Essex Education Services Internal Controls Evaluation Team as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems.

The focus of internal audit during the year was to give assurance to the MGB that the Trust was compliant with the mandatory requirements prescribed by the Education and Skills Funding Agency Academies Financial Handbook 2017. Conforming to these 'musts' was deemed to be an important compliance objective for the Trust which, if not being met could cast significant doubt over the ability of the Board to hold Trust leaders to account for meeting the terms of the Trust funding agreement with the Secretary of State for Education to operate a group of academy schools, now and in the future.

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

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

#### **REVIEW OF EFFECTIVENESS**

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

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

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

Approved by the Board of Trustees on 5 December 2019 and signed on their behalf, by:

**Diane Hancock**  
Chair of Trustees

**John Clements, Headteacher**  
Accounting Officer

## **THE LEARNING PARTNERSHIP TRUST**

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### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of The Learning Partnership Trust I have considered my responsibility to notify the Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

**John Clements**  
**Accounting Officer**

Date: 5 December 2018

## **THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business .

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

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

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

Approved by the Board of Trustees and signed on its behalf by:

**Diane Hancock,  
Chair of Trustees**

**Date: 5 December 2018**

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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

### OPINION

We have audited the financial statements of The Learning Partnership Trust (the 'Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

### BASIS FOR OPINION

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

### CONCLUSIONS RELATING TO GOING CONCERN

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

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

### OTHER INFORMATION

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

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

We have nothing to report in this regard.

## **THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law 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 Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

**USE OF OUR REPORT**

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

Gary Miller (Senior Statutory Auditor)  
for and on behalf of  
**Price Bailey LLP**  
Chartered Accountants  
Statutory Auditors  
Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT  
7 December 2018

## **THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

In accordance with the terms of our engagement letter dated 2 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Learning Partnership Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **RESPECTIVE RESPONSIBILITIES OF THE LEARNING PARTNERSHIP TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of The Learning Partnership Trust's funding agreement with the Secretary of State for Education dated 23 January 2015, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

#### **APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

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

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

**CONCLUSION**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

**Price Bailey LLP**

Chartered Accountants

7 December 2018

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	2,371	50,355	19,504	72,230	60,612
Charitable activities	3	106,038	3,289,771	-	3,395,809	3,071,337
Other trading activities	4	82,255	-	-	82,255	56,388
Investments	5	564	-	-	564	493
<b>TOTAL INCOME</b>		<b>191,228</b>	<b>3,340,126</b>	<b>19,504</b>	<b>3,550,858</b>	<b>3,188,830</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		139,665	3,235,265	160,259	3,535,189	3,401,856
<b>TOTAL EXPENDITURE</b>	6	<b>139,665</b>	<b>3,235,265</b>	<b>160,259</b>	<b>3,535,189</b>	<b>3,401,856</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
		51,563	104,861	(140,755)	15,669	(213,026)
Transfers between Funds	17	(4,563)	-	4,563	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		47,000	104,861	(136,192)	15,669	(213,026)
Actuarial gains on defined benefit pension schemes	22	-	352,000	-	352,000	100,000
<b>NET MOVEMENT IN FUNDS</b>		<b>47,000</b>	<b>456,861</b>	<b>(136,192)</b>	<b>367,669</b>	<b>(113,026)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward (as restated)		248,982	(1,247,009)	8,833,304	7,835,277	7,948,303
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>295,982</b>	<b>(790,148)</b>	<b>8,697,112</b>	<b>8,202,946</b>	<b>7,835,277</b>

**THE LEARNING PARTNERSHIP TRUST**

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

**BALANCE SHEET  
AS AT 31 AUGUST 2018**

	Note	£	2018 £	As restated 2017 £
<b>FIXED ASSETS</b>				
Tangible assets	13		8,697,112	8,790,184
<b>CURRENT ASSETS</b>				
Debtors	14	73,681		111,002
Cash at bank and in hand	20	1,179,282		873,085
		<u>1,252,963</u>		<u>984,087</u>
<b>CREDITORS:</b> amounts falling due within one year	15	(256,129)		(291,994)
<b>NET CURRENT ASSETS</b>			<u>996,834</u>	<u>692,093</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>9,693,946</u>	<u>9,482,277</u>
Defined benefit pension scheme liability	22		(1,491,000)	(1,647,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>8,202,946</u></u>	<u><u>7,835,277</u></u>
<b>FUNDS OF THE TRUST</b>				
Restricted income funds:				
Restricted income funds	17	700,852		399,991
Restricted fixed asset funds	17	8,697,112		8,833,304
Restricted income funds excluding pension liability		9,397,964		9,233,295
Pension reserve		(1,491,000)		(1,647,000)
Total restricted income funds			<u>7,906,964</u>	<u>7,586,295</u>
Unrestricted income funds	17		295,982	248,982
<b>TOTAL FUNDS</b>			<u><u>8,202,946</u></u>	<u><u>7,835,277</u></u>

The financial statements on pages 18 to 38 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

**Diane Hancock**  
Chair of Trustees

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	353,315	182,131
		<hr/>	<hr/>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(67,186)	(40,130)
Capital grants from DfE Group		19,504	18,706
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(47,682)</b>	<b>(21,424)</b>
		<hr/>	<hr/>
Interest received		564	493
		<hr/>	<hr/>
<b>Net cash provided by financing activities</b>		<b>564</b>	<b>493</b>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the year</b>		<b>306,197</b>	<b>161,200</b>
Cash and cash equivalents brought forward		873,085	711,885
		<hr/>	<hr/>
<b>Cash and cash equivalents carried forward</b>		<b>1,179,282</b>	<b>873,085</b>
		<hr/> <hr/>	<hr/> <hr/>

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES

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

#### 1.1 Basis of preparation of financial statements

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

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

#### 1.2 Company status

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

#### 1.3 Fund accounting

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

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

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

#### 1.4 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.5 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

#### 1.6 Going concern

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

#### 1.7 Tangible fixed assets and depreciation

All assets costing more than £2,500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	-	50 years straight line
Leasehold land	-	125 years straight line
Long leasehold property	-	50 years straight line
Furniture and fixtures	-	10 years straight line
Computer equipment	-	5 years straight line

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

#### 1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES (continued)

#### 1.9 Debtors

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

#### 1.10 Cash at Bank and in hand

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

#### 1.11 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

#### 1.12 Financial instruments

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

**Financial assets** - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

**Financial liabilities** - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

#### 1.13 Taxation

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

#### 1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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

### 1. ACCOUNTING POLICIES (continued)

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

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

#### 1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the Actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

### 2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	2,371	50,355	-	52,726	41,906
Capital grants	-	-	19,504	19,504	18,706
	<u>2,371</u>	<u>50,355</u>	<u>19,504</u>	<u>72,230</u>	<u>60,612</u>
Total 2017	<u>3,746</u>	<u>38,160</u>	<u>18,706</u>	<u>60,612</u>	

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

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

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
<b>DfE/ESFA grants</b>				
General Annual Grant (GAG)	-	2,737,711	2,737,711	2,537,496
Other DfE / ESFA grants	-	329,600	329,600	282,134
	<u>-</u>	<u>3,067,311</u>	<u>3,067,311</u>	<u>2,819,630</u>
<b>Other Government grants</b>				
Other Government grants	-	222,460	222,460	161,320
	<u>-</u>	<u>222,460</u>	<u>222,460</u>	<u>161,320</u>
<b>Other funding</b>				
Catering income	106,038	-	106,038	90,387
	<u>106,038</u>	<u>-</u>	<u>106,038</u>	<u>90,387</u>
	<u>106,038</u>	<u>3,289,771</u>	<u>3,395,809</u>	<u>3,071,337</u>
Total 2017	<u>90,387</u>	<u>2,980,950</u>	<u>3,071,337</u>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
Lettings income	2,165	-	2,165	1,291
Other activities	80,090	-	80,090	55,097
	<u>82,255</u>	<u>-</u>	<u>82,255</u>	<u>56,388</u>
Total 2017	<u>56,388</u>	<u>-</u>	<u>56,388</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Investment income	564	-	564	493
Total 2017	<u>493</u>	<u>-</u>	<u>493</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. EXPENDITURE**

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	As restated Total 2017 £
Provision of education:					
Direct costs	2,106,112	-	222,687	2,328,799	2,155,870
Support costs	578,940	317,475	309,975	1,206,390	1,245,986
	<u>2,685,052</u>	<u>317,475</u>	<u>532,662</u>	<u>3,535,189</u>	<u>3,401,856</u>
Total 2017	<u>2,545,064</u>	<u>321,324</u>	<u>535,468</u>	<u>3,401,856</u>	

In 2017, of total expenditure, £150,067 was to unrestricted funds, £3,095,177 was to restricted funds and £156,612 was to restricted fixed asset funds.

**7. CHARITABLE ACTIVITIES**

	2018 £	As restated 2017 £
Direct costs	2,328,799	2,155,870
Support costs	1,206,390	1,245,986
	<u>3,535,189</u>	<u>3,401,856</u>
Total	<u>3,535,189</u>	<u>3,401,856</u>

	2018 £	As restated 2017 £
Analysis of support costs:		
Support staff costs	578,940	589,681
Technology costs	44,628	38,170
Premises costs excluding depreciation	157,217	164,712
Other support costs	255,547	280,700
Governance costs	9,800	16,111
Depreciation	160,258	156,612
	<u>1,206,390</u>	<u>1,245,986</u>
Total	<u>1,206,390</u>	<u>1,245,986</u>

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

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Trust	160,258	156,612
Auditors' remuneration - audit	7,090	6,950
Auditors' remuneration - non-audit	5,210	4,950
Operating lease rentals	2,357	1,732
	<u>175,115</u>	<u>170,244</u>

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

**9. STAFF COSTS**

**a. Staff costs**

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,993,190	1,913,224
Social security costs	160,161	152,301
Operating costs of defined benefit pension schemes	512,385	472,529
	2,665,736	2,538,054
Agency staff costs	19,316	7,010
	2,685,052	2,545,064

**b. Staff numbers**

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

	2018 No.	2017 No.
Teachers	32	33
Administration and support	108	108
Management	4	4
	144	145

**c. Higher paid staff**

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	1	2
In the band £ 70,001 - £ 80,000	1	0

**d. Key management personnel**

The key management personnel of the Trust comprise the Trustees and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £325,533 (2017 - £312,496).

Included in the above are employer pensions contributions of £44,211 (2017 - £39,893).

Included in the above are employer national insurance contributions of £29,271 (2017 - £28,600).

# THE LEARNING PARTNERSHIP TRUST

(A Company Limited by Guarantee)

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

### 10. CENTRAL SERVICES

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

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

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

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

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Hatfield Heath Primary School	65,378	55,417
Roseacres Primary School	213,935	38,453
Takeley Primary School	108,628	89,821
Total	<u>387,941</u>	<u>183,691</u>

### 11. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Trust. The 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:

		2018 £	2017 £
Mr J Clements (CEO)	Remuneration	70,000-75,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000
Mrs V Marrow (Staff Trustee)	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	10,000-15,000	5,000-10,000
Mrs M Dawson (Staff Trustee)	Remuneration	5,000-10,000	0-5,000
	Pension contributions paid	0-5,000	0-5,000

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

### 12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

**THE LEARNING PARTNERSHIP TRUST**

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

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Long term leasehold property £	Furniture and fixtures £	Plant and equipment £	Total £
<b>Cost</b>					
At 1 September 2017	5,118,727	3,741,750	169,385	52,915	9,082,777
Additions	-	26,899	5,176	35,111	67,186
At 31 August 2018	<u>5,118,727</u>	<u>3,768,649</u>	<u>174,561</u>	<u>88,026</u>	<u>9,149,963</u>
<b>Depreciation</b>					
At 1 September 2017	127,691	121,272	24,663	18,967	292,593
Charge for the year	76,615	56,122	16,938	10,583	160,258
At 31 August 2018	<u>204,306</u>	<u>177,394</u>	<u>41,601</u>	<u>29,550</u>	<u>452,851</u>
<b>Net book value</b>					
At 31 August 2018	<u>4,914,421</u>	<u>3,591,255</u>	<u>132,960</u>	<u>58,476</u>	<u>8,697,112</u>
At 31 August 2017	<u>4,991,036</u>	<u>3,620,478</u>	<u>144,722</u>	<u>33,948</u>	<u>8,790,184</u>

**14. DEBTORS**

	2018 £	2017 £
Trade debtors	1,305	2,122
VAT recoverable	33,805	36,867
Prepayments and accrued income	38,571	72,013
	<u>73,681</u>	<u>111,002</u>

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

	2018 £	2017 £
Trade creditors	66,729	104,247
Other taxation and social security	39,836	38,611
Other creditors	44,677	40,052
Accruals and deferred income	104,887	109,084
	<u>256,129</u>	<u>291,994</u>
<b>Deferred income</b>		
Deferred income at 1 September 2017	78,914	67,469
Resources deferred during the year	78,638	78,914
Amounts released from previous years	(78,914)	(67,469)
Deferred income at 31 August 2018	<u>78,638</u>	<u>78,914</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. CREDITORS: Amounts falling due within one year (continued)**

Deferred income relates to universal free school meals funding and breakfast club income received during the year in question which relates to the 2018-19 academic year.

**16. PRIOR YEAR ADJUSTMENT**

An adjustment of £200,649 was made to the prior year figures in respect of the 2016-17 cross charges which needed to be removed from income and expenditure. The impact on the total free reserves brought forward was £Nil.

**17. STATEMENT OF FUNDS**

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

## THE LEARNING PARTNERSHIP TRUST

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

#### 17. STATEMENT OF FUNDS (continued)

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

##### **Unrestricted funds**

This represents income received that does not have restrictions.

##### **General Annual Grant (GAG)**

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

##### **Special Educational Needs (SEN)**

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

##### **Pupil premium**

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

##### **Other DfE/ESFA grants**

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

##### **Other Government grants**

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

##### **Restricted trip donations**

This represents amounts received as contributions towards trips.

##### **Pension reserve**

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

##### **Restricted fixed asset fund**

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

##### **Capital grants**

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

**THE LEARNING PARTNERSHIP TRUST**

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

**ANALYSIS OF ACADEMIES BY FUND BALANCE**

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Hatfield Heath Primary Academy	116,704	131,889
Takeley Primary Academy	279,220	107,157
Roseacres Primary Academy	325,754	299,279
Central Services	275,156	110,648
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	996,834	648,973
Restricted fixed asset fund	8,697,112	8,833,304
Pension reserve	(1,491,000)	(1,647,000)
	<hr/>	<hr/>
Total	<u>8,202,946</u>	<u>7,835,277</u>

**ANALYSIS OF ACADEMIES BY COST**

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Hatfield Heath Primary Academy	565,810	125,758	74,560	169,888	936,016	982,257
Takeley Primary Academy	1,124,554	255,557	102,877	161,662	1,644,650	1,697,369
Roseacres Primary Academy	344,348	77,830	43,500	105,061	570,739	495,121
Central Services	71,400	119,795	806	31,525	223,526	227,109
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,106,112</u>	<u>578,940</u>	<u>221,743</u>	<u>468,136</u>	<u>3,374,931</u>	<u>3,401,856</u>

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

**STATEMENT OF FUNDS - PRIOR YEAR**

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
<b>General funds</b>						
Unrestricted funds	248,035	151,014	(150,067)	-	-	248,982
<b>Restricted funds</b>						
General Annual Grant (GAG)	260,412	2,537,496	(2,409,861)	-	-	388,047
Special Educational Needs (SEN)	-	87,125	(87,125)	-	-	-
Pupil Premium	26,996	118,207	(145,203)	-	-	-
Other DfE/ESFA grants	12,630	163,927	(164,613)	-	-	11,944
Other Government grants	-	74,195	(74,195)	-	-	-
Restricted trip donations	20	38,160	(38,180)	-	-	-
Pension reserve	(1,571,000)	-	(176,000)	-	100,000	(1,647,000)
	<u>(1,270,942)</u>	<u>3,019,110</u>	<u>(3,095,177)</u>	<u>-</u>	<u>100,000</u>	<u>(1,247,009)</u>
<b>Restricted fixed asset funds</b>						
Fixed assets	8,906,666	-	(156,612)	40,130	-	8,790,184
Capital grants	64,544	18,706	-	(40,130)	-	43,120
	<u>8,971,210</u>	<u>18,706</u>	<u>(156,612)</u>	<u>-</u>	<u>-</u>	<u>8,833,304</u>
Total restricted funds	<u>7,700,268</u>	<u>3,037,816</u>	<u>(3,251,789)</u>	<u>-</u>	<u>100,000</u>	<u>7,586,295</u>
Total of funds	<u><u>7,948,303</u></u>	<u><u>3,188,830</u></u>	<u><u>(3,401,856)</u></u>	<u><u>-</u></u>	<u><u>100,000</u></u>	<u><u>7,835,277</u></u>

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

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

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**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

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

	Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds
	2017 £	2017 £	2017 £	2017 £
Tangible fixed assets	-	-	8,790,184	8,790,184
Current assets	251,758	689,209	43,120	984,087
Creditors due within one year	(2,776)	(289,218)	-	(291,994)
Provisions for liabilities and charges	-	(1,647,000)	-	(1,647,000)
	<u>248,982</u>	<u>(1,247,009)</u>	<u>8,833,304</u>	<u>7,835,277</u>

**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2018 £	2017 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	15,669	(213,026)
<b>Adjustment for:</b>		
Depreciation charges	160,258	156,612
Interest	(564)	(493)
Decrease in debtors	37,321	23,378
Increase/(decrease) in creditors	(35,865)	58,366
Capital grants from DfE and other capital income	(19,504)	(18,706)
Defined benefit pension adjustments	196,000	176,000
<b>Net cash provided by operating activities</b>	<u>353,315</u>	<u>182,131</u>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Cash in hand	1,179,282	873,085
<b>Total</b>	<u>1,179,282</u>	<u>873,085</u>

**21. 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.

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

#### 22. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex County Council. Both are Multi-Employer Defined Benefit Pension Schemes.

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

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

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £ 195,877 (2017 - £182,506).

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

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

##### 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 2018 was £210,000 (2017 - £183,000), of which employer's contributions totalled £165,000 (2017 - £142,000) and employees' contributions totalled £45,000 (2017 - £41,000). The agreed contribution rates for future years are 12.2% for employers and 6.5% for employees.

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

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:

	2018	2017
Discount rate for scheme liabilities	2.68 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.50	24.3
Females	27.10	27.0

As at the 31 August 2018 the Trust had a pension liability of £1,491,000 (2017 - £1,647,000). The sensitivity analysis detailed below would increase/ (decrease) the closing defined benefit obligation in the following way;

<b>Sensitivity Movement</b>	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(63,000)	(60,000)
Discount rate -0.1%	65,000	62,000
Mortality assumption - 1 year increase	72,000	68,000
Mortality assumption - 1 year decrease	(69,000)	(66,000)
CPI rate +0.1%	55,000	48,000
CPI rate -0.1%	(53,000)	(46,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	476,000	323,000
Gilts	40,000	30,000
Other bonds	44,000	19,000
Property	68,000	48,000
Cash and other liquid assets	26,000	16,000
Alternative assets	68,000	38,000
Other managed funds	29,000	20,000
<b>Total market value of assets</b>	<b>751,000</b>	<b>494,000</b>

The actual return on scheme assets was £ 38,000 (2017 - £46,000).

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

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

	2018 £	2017 £
Current service cost	(320,000)	(286,000)
Interest income	16,000	8,000
Interest cost	(57,000)	(40,000)
	(361,000)	(318,000)

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

	2018 £	2017 £
Opening defined benefit obligation	2,141,000	1,794,000
Current service cost	320,000	286,000
Interest cost	57,000	40,000
Employee contributions	45,000	41,000
Actuarial gains	(330,000)	(19,000)
Benefits paid	9,000	(1,000)
	2,242,000	2,141,000

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

	2018 £	2017 £
Opening fair value of scheme assets	494,000	223,000
Interest income	16,000	8,000
Actuarial losses	22,000	81,000
Employer contributions	165,000	142,000
Employee contributions	45,000	41,000
Benefits paid	9,000	(1,000)
	751,000	494,000

**23. OPERATING LEASE COMMITMENTS**

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

	2018 £	2017 £
<b>Amounts payable:</b>		
Within 1 year	505	2,357
Between 1 and 5 years	-	505
	505	2,862

**THE LEARNING PARTNERSHIP TRUST**

**(A Company Limited by Guarantee)**

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

**24. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a Trustee have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions .

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