

Education Learning Trust

Collaborate • Empower • Achieve



Education Learning Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019



HALLIDAYS

MORE THAN JUST ACCOUNTANTS

Hallidays
Chartered Accountants and Registered Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Education Learning Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 11
Governance Statement	12 to 14
Statement on Regularity, Propriety and Compliance	15
Statement of Trustees' Responsibilities	16
Independent Auditor's Report on the Financial Statements	17 to 20
Independent Reporting Accountant's Report on Regularity	21 to 22
Statement of Financial Activities incorporating Income and Expenditure Account	23 to 24
Balance Sheet	25
Statement of Cash Flows	26
Notes to the Financial Statements	27 to 51

Education Learning Trust

Reference and Administrative Details

MEMBERS

James Evans
Alice Spreckley
Jon Keating
Dave Cowhig (appointed 1/7/19)

TRUSTEES (DIRECTORS)

James Evans (Chair of Trustees)
Linda Hammersley-Fletcher (Vice-Chair of Trustees)
Michelle Murray (CEO/Executive Principal)
Amanda Webb
Lynsey Galley
Helen White
John Novak (appointed 1/4/19)

Company Secretary

Iain Huck

Senior Management Team

Michelle Murray, Chief Executive Officer/Executive Principal, Education Learning Trust
Iain Huck, Finance Director, Education Learning Trust

Vanessa McManus, Acting Executive Headteacher, Bredbury Green Primary and Gatley Primary School (From 1 April 2019)
Gemma Norman, Associate Head Teacher, Gatley Primary School (From 1 April 2019)
Rebecca Catton, Acting Assistant Headteacher, Gatley Primary (from 1 April 2019)
Joanne Marchi, Acting Assistant Headteacher, Gatley Primary School (From 1 April 2019)
Clare Kitchen, Learning Manager, Gatley Primary School

Helen Moorcroft, Acting Head of School, Bredbury Green Primary School (from 1 September 2019)
Sarah Burns, Acting Deputy Headteacher, Bredbury Green Primary School
Barbara Wilson, School Business Manager, Bredbury Green Primary
Janine Appleton, Headteacher, Meadowbank Primary School

Kellie Carrington, Deputy Headteacher, Meadowbank Primary School
Katherine Jenkins, Assistant Headteacher, Meadowbank Primary School
Jill Jones, School Business Manager, Meadowbank Primary School

Principal and Registered Office

c/o Gatley Primary School,
Hawthorn Road, Gatley,
CHEADLE, SK8 4NB

Company Registration Number

09142319

Education Learning Trust

Trustees' Report

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Education Learning Trust operates primary academies in Greater Manchester. Its academies have a combined pupil capacity of 1195 and had a roll of 1139 in the school census.

Structure, Governance and Management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Education Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company operates as Education Learning Trust.

Details of the trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

In addition, Gatley Primary School is designated a National Teaching School and National Support School.

Members' Liability

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

Trustees' Indemnities

Professional Indemnity Insurance under the Department of Education's Risk Protection Arrangement (RPA), is in place to protect Trustees, Governors and officers from claims arising from negligent acts, errors or omissions on Trust business.

Method of Recruitment and Appointment or Election of Trustees

Members of the trust are nominated by either the Secretary of State of Education (DFE) or the Academy Trust. The Articles of Association require the members of the trust to appoint at least three trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity, educational legal and financial matters. All new trustees are encouraged to visit Trust schools and have the chance to meet with staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plan and other documents that they will need to undertake their role as trustees. Induction is tailored specifically to the individual, including the support of a mentor during their first year in post.

Organisational Structure

The officers of the Academy together with other administrative information are listed on page 1 to the financial statement.

The central team comprised of a Chief Executive Officer (CEO) and Director of Finance and Operations (DFO). The Chief Executive Officer is the Accounting Officer for the Education Learning Trust and reports directly to the Trust Board.

Education Learning Trust

Trustees' Report (continued)

The Trust Board has approved and implemented a Scheme of Delegation that devolves roles and responsibilities to local academy governing bodies and individual Trust schools Heads, as appropriate. This Scheme of Delegation is regularly reviewed to ensure it meets the needs of the Trust and individual schools.

The Trustees are responsible for strategic planning, adopting an annual plan and budget, monitoring the Trust schools and making major decisions about the direction of the Trust, including capital expenditure, large value contracts and senior staff appointments. The Finance and HR Committee is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management and HR of the Trust. The Audit Committee is responsible for actively monitoring internal control systems and risk management, including audit activities.

The Senior Leadership Team of each academy is responsible for the day to day management of the academy, for carrying through the strategic decisions of the Trust Board, ensuring an annual development plan is set out, monitored and implemented successfully.

Arrangements for setting pay and remuneration of key management personnel

The Education Learning Trust Board annually agree the Pay Policy. This policy states that all teachers pay will be set in line with the School Teachers Pay and Conditions Document (STPCD, 2019). The Chief Executive Officer, Executive Headteacher, Headteacher/Head of School, Associate Headteacher, Deputy and Assistant Heads' pay and remuneration are thus set in accordance with the STPCD and are also benchmarked against other schools. The non-teaching staff's pay and remuneration are set in accordance with the Academy Trust's pay policy and are also benchmarked against other schools.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1%-50%	0
51%-99%	0
100%	0

Education Learning Trust

Trustees' Report (continued)

Percentage of pay bill spent on facility time

Provide the total cost of facility time	0
Provide the total pay bill	0
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) × 100	0

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) × 100	The ELT pays into the Stockport Local Authority central trade union facilities time. The contribution of £2927 covers each school in the multi-academy trust.
--	---

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union (Facility Time Publication Requirements) Regulations 2017 for calculation details.

Related Parties and other Connected Charities and Organisations

Education Learning Trust seeks to build effective relationships with a range of partners who reflect, or can support us delivering our mission these include:

- Gatley National Teaching School and National Support School
- Empower Teaching School Alliance (Groups of Primary/Secondary schools) supporting Teaching School delivery of core areas, including national system leaders.
- Manchester Metropolitan University supporting the Teaching School Alliance to deliver School Direct and research and development opportunities across schools.
- Other Teaching School Alliance (North West) who form part of Greater Manchester Learning Partnership (GMLP)

Objectives and Activities

The Education Learning Trust's main strategy is encompassed in its mission statement Collaborate, Empower, Achieve. The Trust aims to grow a collaborative network of schools in the North West region, which provide the highest quality of education for learners.

This is articulated in our vision that education is preparation for life and we seek to prepare each child to be an autonomous learner when they leave our primary academies. We aspire to set high standards for personal behaviour and self-discipline, with consideration, courtesy and respect for other people. We aim to achieve high standards in every aspect of academy life with careful targeting of resources to achieve these ends. Our Curriculum and Teaching and Learning Charter exemplifies these expectations for all learners in our Trust community.

Education Learning Trust

Trustees' Report (continued)

Objects and Aims

Our overall aim at the Education Learning Trust is outlined below.

Aim - To collaborate to empower to achieve through:

- exciting, innovative and challenging learning communities
 - school improvement strategies arising from evidenced based research and professional enquiry
 - opportunities for professional development and leadership
 - a celebration of the diversity and uniqueness of individual settings
 - a recognition of the value to learning of partnership, both locally and nationally
- Resulting in an exceptional learning journey for all.

This is captured in our vision for all learners in the Education Learning Trust which is to **Collaborate Empower Achieve**.

Objectives, Strategies and Activities

The trustees have considered the Charity Commission's guidance on Public Benefit. The key public benefit delivered by the trust is the provision of a high quality education to its learners.

The Education Learning Trust has three primary schools, including Gatley Primary School, which includes a National Teaching School/National Support School. Bredbury Green Primary School converted to an academy, as a sponsored school on 1 September 2017 and Meadowbank Primary school converted on 1 April 2018 after requesting to join the Education Learning Trust.

All our senior leaders collaborate as part of our Strategic Leadership Group, to shape the direction of our Trust, and develop school improvements systems and processes to impact on learner achievement.

Public Benefit

The Education Learning Trust has a specific benefit purpose to operate institutions of state funded education: manage these academies at their optimum in terms of efficiency and value for money to maximise benefits to learners, to innovate in education and provide improved access to quality education.

Strategic Report

The Education Learning Trust has an established framework for Strategic Leadership and School Improvement, which underpins all future planning through the strategic deployment areas of standards, leadership planning for succession, compliance and expansion and sustainability. The key priorities for the Education Learning Trust are summarised in the Strategic Planning document.

All academies in the Education Learning Trust are continuing to challenge all learners to work at level beyond that which was demonstrated on transfer, overall the Education Learning Trust is at least in line with National expectations for achievement.

Achievements and Performance

Below is the pupil attainment and progress data for the academic year 2018/2019 alongside national comparisons for each school in the Education Learning Trust, based on Analysing School Performance (ASP) data, released in November 2019.

Education Learning Trust
Trustees' Report (continued)

Gatley Primary School

Key Stage 2: Test Results 2019

	% School Expected Standard	% National Expected Standard*	% School Greater Depth	% National Greater Depth*
Reading	98	73	55	27
Writing	98	78	45	20
Mathematics	98	79	60	27
Grammar, punctuation and spelling	98	78	63	36
Reading, writing and mathematics combined	98	65	38	11

Key Stage 2: Progress Scores 2019

	Value Added Progress	National Value Added Progress (Floor threshold)
Reading	+5.1	0.03
Writing	+3.7	0.03
Mathematics	+5.0	0.03

Key Stage 1: Teacher Assessments 2019

	% School Expected Standard	% National Expected Standard*	% School Greater Depth	% National Greater Depth*
Reading	92	75	38	25
Writing	90	69	32	15
Mathematics	92	76	35	22
Reading, writing and mathematics combined	87	65	27	12

Year 1 & 2 Phonics 2019

	% School Expected Standard	% National Expected Standard
Year 1	92	82
Year 2	80	62

Early Years Foundation Stage 2019

Overall	% School Good Level of Development	% National Good Level of Development *
	90	72

Education Learning Trust
Trustees' Report (continued)

Bredbury Green Primary School

Key Stage 2: Test Results 2019

	% School Expected Standard	% National Expected Standard*	% School Greater Depth	% National Greater Depth*
Reading	40	73	9	27
Writing	64	78	9	20
Mathematics	53	79	9	27
Grammar, punctuation and spelling	53	78	19	36
Reading, writing and mathematics combined	36	65	0	11

Key Stage 2: Progress Scores 2019

	Value Added Progress	National Value Added Progress (Floor threshold)
Reading	-2.4	0.03
Writing	-0.6	0.03
Mathematics	-2.2	0.03

Key Stage 1: Teacher Assessments 2019

	% School Expected Standard	% National Expected Standard*	% School Greater Depth	% National Greater Depth*
Reading	54	75	26	25
Writing	44	69	5	15
Mathematics	74	76	26	22
Reading, writing and mathematics combined	39	65	5	12

Year 1 & 2 Phonics 2019

	% School Expected Standard	% National Expected Standard
Year 1	59	82
Year 2	50	62

Early Years Foundation Stage

Overall	% School Good Level of Development	% National Good Level of Development *
	57	72

Education Learning Trust
Trustees' Report (continued)

Meadowbank Primary School

Key Stage 2: Test Results 2019

	% School Expected Standard	% National Expected Standard*	% School Greater Depth	% National Greater Depth*
Reading	68	73	27	27
Writing	79	78	27	20
Mathematics	77	79	35	27
Grammar, punctuation and spelling	80	78	49	36
Reading, writing and mathematics combined	62	65	16	11

Key Stage 2: Progress Scores 2019

	Value Added Progress	National Value Added Progress (Floor threshold)
Reading	-0.99	0.03
Writing	-0.49	0.03
Mathematics	-1.38	0.03

Key Stage 1: Teacher Assessments 2019

	% School Expected Standard	% National Expected Standard*	% School Greater Depth	% National Greater Depth*
Reading	79	75	31	25
Writing	75	69	20	15
Mathematics	82	76	26	22
Reading, writing and mathematics combined	73	65	13	12

Year 1 & 2 Phonics 2019

	% School Expected Standard	% National Expected Standard
Year 1	90	82
Year 2	95	62

Early Years Foundation Stage 2019

Overall	% School Good Level of Development	% National Good Level of Development *
	81	72

Each academy within the Education Learning Trust, has implemented a School Development Plan which identified the key priorities for improvement for 2018/19. Each academy has monitored the implementation of the School Development Plan, through self-evaluation processes, monitoring visits and produced summary reports for stakeholders.

Education Learning Trust

Trustees' Report (continued)

In order to ensure that standards continue to rise, the academies operate a rigorous monitoring and evaluation timetable, which focuses on lesson observations, work and planning reviews, evidence trails as well as discussions with pupils. Through lesson observations, teachers improve their own practice and this is enhanced with carefully targeted joint professional development (JPD). Weekly professional development meetings focus on pedagogy and improving classroom practice.

The Trust's own self-evaluation mechanism acts as further monitoring layer and validates the impact of the plans during 2018/19. External reviews are completed in each academy at least annually by the Education Learning Trust School Improvement Team, which consists of Ex HMI, OFSTED inspectors and system leaders.

Key Performance Indicators

The Education Learning Trust uses national benchmarking tools to review financial expenditure, including the use of DFE School Resource Management Checklist and Dashboard. The Trust uses the following KPI's to aid review of performance:

Pay Cost%income	Target 79%	Actual 79%
Revenue reserves%income	Target 10%	Actual 12%.

Overall attendance for the Education Learning Trust in 2018/19 was in-line with national at 4.4% (4.2% national average). Unauthorised absence is also in-line with national 1.1% (1.1% national average). Staff will continue to use a range of strategies to reduce absence in individual schools, particularly any persistent absence.

DFE Workload Tool Kit has been used across schools in the multi-academy trust to review processes and practices which impact on staff workload, these has been used to plan and implement areas for further change.

Going Concern

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

Financial Review

Most of the trust income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA in the period ending 31st August 2019 and associated expenditure are shown as restricted funds in the Statement of Financial Activities. The Trust also received other grants from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ending 31st August 2019, total expenditure of £5,549,116 (excluding depreciation and actuarial pension costs) was more than covered by recurrent grant income from the ESFA together with other incoming resources which totalled £5,814,916 (excluding capital grant income). The excess of income over expenditure for the year was £265,080. Total funds carried forward amount to £781,037. This is in line with the Trust strategy to build and maintain adequate reserves to fund plans for the future.

Unrestricted income in the period ending 31st August 2019 amounted to £229,493. There was no unrestricted spend.

Education Learning Trust

Trustees' Report (continued)

At 31st August 2019 the net book value of fixed assets amounted to £9,259,556. Movements in fixed assets are shown in note 12 to the financial statements. The cost of fixed asset additions in the period ending 31st August 2019 amounted to £530,193.

Additional income comes through grants received via the National Teaching School and National support school together with additional allocated funds via successful bids to the Teaching School Council (TSC).

Reserves Policy

The Trustees review the level of reserves on an annual basis. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trust's current level of free reserves (Total reserves less amount held in the fixed asset reserve and restricted fund reserve) is £712,562. The amount will be kept secure for a time when it is needed to self-finance a major project.

The net liability due to the Trust's participation in the Local Government Pension Scheme (LGPS) amounts to £1,763,000. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of Academy closure, outstanding LGPS liabilities would be met by the Department of Education.

This guarantee provides comfort to the Governors in the unlikely event of Academy closure.

Cash balances are safeguarded by investing them in an interest bearing current account with a sound commercial bank (currently Lloyds Bank plc).

Investment Policy

The current policy of ELT is to hold any surplus cash reserves in a 32 day deposit account, with the current bank.

Principal Risks and Uncertainties

The principal risks to the Trust are documented and managed using a Risk Management Policy and a Risk Register with is reviewed regularly.

The main risks are seen as loss of reputation through failing standards at the Academy, falling student numbers; failure to safeguard our students, and failure on High Profile School to School support commissions.

Key controls in place to mitigate these risks are:

- an organisation structure with clearly defined roles, responsibilities and authorisation levels.
- documented terms of reference of the committees of the Trust
- financial planning, budgeting and regular management reporting highlighting key areas of financial risk
- formal written and published policies for employees
- vetting procedures as required by legislation for the protection of the vulnerable, and robust due diligence procedures for new contacts and commissions.

Fundraising

Fundraising for each school is promoted through the parent associations which is linked to social activities for both parents and children, which are planned as part of the annual diary. In addition, all schools, fundraise for local and national charities which are agreed on an annual basis. These mechanisms ensure time is provided to plan and structure events across an academic year, so all stakeholders are aware of the cycle and this also allows for rotation of groups involved in the fundraising. The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

All outcomes of fundraising are shared with the local stakeholders, via newsletters, website and wider social media informing these groups of the funds raised and how they will be used. Appropriate financial processes are in-place to review and audit the relevant school accounts.

Education Learning Trust
Trustees' Report (continued)

Plans for Future Periods

The Education Learning Trust will continue striving to provide the best possible education all its learners and to enable all children to achieve their full potential. The trust's core purpose is to deliver its strategic vision of providing exceptional opportunities for personal and academic success for its students and community.

Funds Held as Custodian Trustee on Behalf of Others


Not applicable

Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- 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.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 4 December 2019 and signed on the board's behalf by:


.....
James Evans
4 December 2019

Education Learning Trust

Governance Statement

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The **board of trustees** has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
James Evans (Chair)	6	7
Linda Hammersley- Fletcher (Vice-Chair)	5	7
Amanda Webb	6	7
Lynsey Galley	6	7
John Novak	2	3
Michelle Murray	7	7
Helen White	6	7

There have been no significant changes to the composition of the Trust Board during 2018/19. John Novak was appointed to the Board in spring 2019.

Education Learning Trust

The governance of the Education Learning Trust is included in the Trust Overall Improvement and Evaluation Plan, which includes processes to monitor and evaluate their effectiveness and impact on outcomes for learners.

During the summer term 2019, the Trust Board completed a self-audit in governance supported by an external consultant who regularly undertakes governance reviews, as part of a Development Day. All aspects of self-assessment and associated evidence, link to the following key features of Governance, as recorded in the Governance Handbook (2019), namely:

- Strategic Leadership that sets and champions vision, ethos and strategy
- Accountability that drives up educational standards and financial performance
- People with the right skills, experience, qualities and capacity
- Structures that reinforce clearly defined roles and responsibilities
- Compliance with statutory and contractual requirements
- Evaluation to monitor and improve the quality and impact of governance

The Trust self-review was used to establish priorities for 2019/20 which are published in the ELT Strategic Plan with clear timeframes for implementation, including success criteria.

The next review of governance will be completed in summer term 2020 with an external consultant.

Education Learning Trust

Governance Statement (continued)

The **finance and audit committee** is a sub-committee of the main board of trustees. Its general purpose is to:

- act on matters delegated by the full trust board
- liaise and consult with other committees where necessary.
- contribute to the School Improvement Plan.
- consider safeguarding and equalities implications when undertaking all committee functions.

During the year Amanda Webb, who is a qualified accountant, chaired the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Amanda Webb (Chair)	4	4
Iain Huck	4	4
James Evans	1	4
Michelle Murray	4	4

Review of Value for Money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- renegotiating technical service contracts with suppliers at reduced costs
- centralised finance function across Education Learning Trust increasing efficiency
- successfully bid for additional funding (CIF) to improve school premises and enhanced learning environment.

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

Education Learning Trust

Governance Statement (continued)

The Risk and Control Framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint Halliday's as internal auditor.

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

- Internal management accounts system
- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a quarterly basis, the reports from Halliday's are presented to the board of trustees, through the finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


Review of Effectiveness


As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the Halliday's
- the work of the external auditor
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on **4 December 2019** and signed on its behalf by:


.....
James Evans
Chair of Trustees


.....
Michelle Murray
Accounting Officer

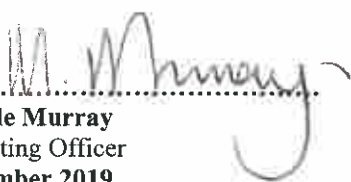
Education Learning Trust

Statement of Regularity, Propriety and Compliance

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

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

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

.....
Michelle Murray
Accounting Officer
4 December 2019

Education Learning Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations. Company law requires the trustees to prepare financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 4 December 2019 and signed on its behalf by:


.....
James Evans
Chair of Trustees

Education Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Education Learning Trust

Opinion

We have audited the financial statements of Education Learning Trust (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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 (covers the Reference and Administrative Details, the Trustees' Report and the Governance Statement)

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

Education Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Education Learning Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters where 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 [set out on page 16], the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Education Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Education Learning Trust (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

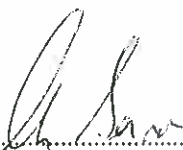
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Education Learning Trust

Independent Auditor's Report on the Financial Statements to the Members of Education Learning Trust (continued)



.....
Anna Bennett (Senior Statutory Auditor)
For and on behalf of Hallidays, Statutory Auditor

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 05/12/19

Education Learning Trust

Independent Reporting Accountant's Report on Regularity to Education Learning Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 26th July 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Education Learning Trust during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 27th June 2016 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.

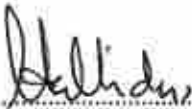
Education Learning Trust

Independent Reporting Accountant's Report on Regularity to Education Learning Trust and the Education & Skills Funding Agency (continued)

- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

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 from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


.....

Hallidays
Chartered Accountants
and
Registered Auditors

Riverside House
Kings Reach Business Park
Yew Street
Stockport
SK4 2HD

Date: 07/12/19

Education Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	-	22,008	-	686,769	708,777
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	5,457,567	-	-	5,457,567
Teaching schools		-	87,302	-	-	87,302
Other trading activities	4	228,646	17,826	-	-	246,472
Investments	5	847	-	-	-	847
Total		<u>229,493</u>	<u>5,584,703</u>	<u>-</u>	<u>686,769</u>	<u>6,500,965</u>
Expenditure on:						
Raising funds	6	-	1,174	-	-	1,174
<i>Charitable activities:</i>						
Academy trust educational operations	7	-	5,494,725	238,000	226,025	5,958,750
Teaching schools	25	-	53,217	-	-	53,217
Total		<u>-</u>	<u>5,549,116</u>	<u>238,000</u>	<u>226,025</u>	<u>6,013,141</u>
Net income/(expenditure)		229,493	35,587	(238,000)	460,744	487,824
Transfers between funds		(73,464)	49,340	-	24,124	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	-	(732,000)	-	(732,000)
Gains/losses on revaluation of fixed assets		-	-	-	(10,034,787)	(10,034,787)
Net movement in funds/(deficit)		156,029	84,927	(970,000)	(9,549,919)	(10,278,963)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2018		<u>556,533</u>	<u>(16,452)</u>	<u>(793,000)</u>	<u>19,104,266</u>	<u>18,851,347</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>712,562</u>	<u>68,475</u>	<u>(1,763,000)</u>	<u>9,554,347</u>	<u>8,572,384</u>

Education Learning Trust

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:						
Voluntary income						
Donations and capital grants	2	-	9,457	-	63,495	72,952
Transfer from local authority on conversion		164,703	-	(689,000)	15,990,648	15,466,351
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	4,239,505	-	-	4,239,505
Teaching schools		-	76,340	-	-	76,340
Other trading activities	4	102,396	38,453	-	-	140,849
Investments	5	601	-	-	-	601
Total		<u>267,700</u>	<u>4,363,755</u>	<u>(689,000)</u>	<u>16,054,143</u>	<u>19,996,598</u>
Expenditure on:						
Raising funds	6	390	-	-	-	390
<i>Charitable activities:</i>						
Academy trust educational operations	7	101	4,436,588	213,000	298,247	4,947,936
Teaching schools	25	-	60,286	-	-	60,286
Total		<u>491</u>	<u>4,496,874</u>	<u>213,000</u>	<u>298,247</u>	<u>5,008,612</u>
Net income/(expenditure)		267,209	(133,119)	(902,000)	15,755,896	14,987,986
Transfers between funds		(116,667)	116,667	-	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	23	-	-	360,000	-	360,000
Net movement in funds/(deficit)		150,542	(16,452)	(542,000)	15,755,896	15,347,986
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2017		<u>405,991</u>	<u>-</u>	<u>(251,000)</u>	<u>3,348,370</u>	<u>3,503,361</u>
Total funds/(deficit) carried forward at 31 August 2018		<u>556,533</u>	<u>(16,452)</u>	<u>(793,000)</u>	<u>19,104,266</u>	<u>18,851,347</u>

Education Learning Trust
(Registration number: 09142319)
Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	9,259,556	18,990,177
Current assets			
Debtors	13	753,845	215,432
Cash at bank and in hand		<u>1,242,535</u>	<u>1,569,243</u>
		1,996,380	1,784,675
Creditors: Amounts falling due within one year	14	<u>(874,118)</u>	<u>(1,113,966)</u>
Net current assets		<u>1,122,262</u>	<u>670,709</u>
Total assets less current liabilities		10,381,818	19,660,886
Creditors: Amounts falling due after more than one year	15	<u>(46,434)</u>	<u>(16,539)</u>
Net assets excluding pension liability		10,335,384	19,644,347
Defined benefit pension scheme liability	23	<u>(1,763,000)</u>	<u>(793,000)</u>
Net assets including pension liability		<u>8,572,384</u>	<u>18,851,347</u>
Funds of the Academy Trust:			
Restricted funds			
Restricted general fund	16	68,475	(16,452)
Restricted fixed asset fund	16	9,554,347	19,104,266
Restricted pension fund	16	<u>(1,763,000)</u>	<u>(793,000)</u>
		7,859,822	18,294,814
Unrestricted funds			
Unrestricted general fund	16	<u>712,562</u>	<u>556,533</u>
Total funds		<u>8,572,384</u>	<u>18,851,347</u>

The financial statements on pages 23 to 52 were approved by the Trustees, and authorised for issue on 4 December 2019 and signed on their behalf by:

.....
Mr James Evans
(Chair of Trustees)

.....
Ms Michelle Murray (CEO)
Trustee

Education Learning Trust

Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(484,131)	1,368,354
Cash transferred on conversion to an academy trust		-	(211,159)
Cash flows from investing activities	20	<u>157,423</u>	<u>(164,438)</u>
Change in cash and cash equivalents in the year		(326,708)	992,757
Cash and cash equivalents at 1 September		<u>1,569,243</u>	<u>576,486</u>
Cash and cash equivalents at 31 August	21	<u><u>1,242,535</u></u>	<u><u>1,569,243</u></u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019

1 Accounting policies

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

Basis of preparation

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

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

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Transfer on conversion

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

Donated fixed assets

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

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Charitable activities

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

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Asset class	Depreciation method and rate
Leasehold Land	125 years Straight Line
Fixtures, Fittings & Equipment	10% Reducing Balance
Computer Equipment	33% Straight Line
Leasehold Buildings	50 years Straight Line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Liabilities

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 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 instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Pension benefits

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

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

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities 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.

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

T

2 Donations and capital grants

	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
Other voluntary income				
Capital grants	-	686,769	686,769	63,495
Other donations	22,008	-	22,008	9,457
	<u>22,008</u>	<u>686,769</u>	<u>708,777</u>	<u>72,952</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
DfE/ESFA revenue grants			
General Annual Grant	4,316,647	4,316,647	3,402,630
Other DfE/ESFA Grants	602,268	602,268	445,775
	<u>4,918,915</u>	<u>4,918,915</u>	<u>3,848,405</u>
Other government grants			
Local Authority Grants	538,652	538,652	391,100
Total grants	<u>5,457,567</u>	<u>5,457,567</u>	<u>4,239,505</u>

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	6,290	-	6,290	9,753
Catering income	9,506	-	9,506	2,801
Recharges and reimbursements	66,103	-	66,103	45,801
Other income	146,747	17,826	164,573	82,494
	<u>228,646</u>	<u>17,826</u>	<u>246,472</u>	<u>140,849</u>

5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	847	847	601

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure

	Non Pay Expenditure			Total 2019	Total 2018
	Staff costs £	Premises £	Other costs £	£	£
Expenditure on raising funds	-	-	1,174	1,174	390
Academy's educational operations					
Direct costs	3,984,208	189,518	294,493	4,468,219	3,478,766
Allocated support costs	719,178	305,099	466,254	1,490,531	1,469,170
Teaching School	28,578	-	24,639	53,217	60,286
	<u>4,731,964</u>	<u>494,617</u>	<u>786,560</u>	<u>6,013,141</u>	<u>5,008,612</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating leases - other leases	18,210	20,430
Fees payable to auditor - audit	8,750	8,960
- other audit services	10,096	10,550
Depreciation	<u>226,027</u>	<u>298,247</u>

7 Charitable activities

	Total 2019 £	Total 2018 £
Direct costs - educational operations	4,468,219	3,478,766
Support costs - educational operations	<u>1,490,531</u>	<u>1,469,170</u>
	<u>5,958,750</u>	<u>4,947,936</u>

	Educational operations £	2018/19 Total £	2017/18 Total £
Analysis of support costs			
Support staff costs	719,178	719,178	611,233
Depreciation	36,507	36,507	127,111
Premises costs	268,592	268,592	279,285
Other support costs	435,831	435,831	419,771
Governance costs	<u>30,423</u>	<u>30,423</u>	<u>31,770</u>
Total support costs	<u>1,490,531</u>	<u>1,490,531</u>	<u>1,469,170</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff

Staff costs

	2019 £	2018 £
Staff costs during the year were:		
Wages and salaries	3,423,777	2,640,773
Social security costs	295,087	233,890
Pension costs	764,352	673,118
	<u>4,483,216</u>	<u>3,547,781</u>
Supply teacher costs	239,615	163,226
	<u>4,722,831</u>	<u>3,711,007</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £22,660 (2018: £Nil). Individually, the payments were:

Non-contractual payments £22,660

Staff numbers

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

	2018/19 No	2017/18 No
Charitable Activities		
Teachers	48	48
Administration and support	121	129
Management	12	15
	<u>181</u>	<u>192</u>

Higher paid staff

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

	2019 No	2018 No
£70,001 - £80,000	2	3
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

8 Staff (continued)

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £926,708 (2018: £1,087,751).

9 Central services

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

- Governance
- Finance
- Professional services

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

Fixed percentage of General Annual Grant (GAG) income from each school.

The actual amounts charged during the year were as follows:

	2019 £
Gatley Primary School	70,738
Bredbury Green Primary School	77,632
Meadowbank Primary School	63,146
	<hr/>
	211,516

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Ms Michelle Murray (CEO) (Executive Principal):

Remuneration: £100,000 - £105,000 (2018 - £90,000 - £95,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £10,000 - £15,000)

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Computer hardware £	Total £
Cost				
At 1 September 2018	18,439,107	933,697	73,201	19,446,005
Revaluations	(10,168,937)	-	-	(10,168,937)
Additions	469,256	40,321	20,616	530,193
At 31 August 2019	<u>8,739,426</u>	<u>974,018</u>	<u>93,817</u>	<u>9,807,261</u>
Depreciation				
At 1 September 2018	291,318	105,992	58,518	455,828
Revaluations	(134,150)	-	-	(134,150)
Charge for the year	127,370	85,268	13,389	226,027
At 31 August 2019	<u>284,538</u>	<u>191,260</u>	<u>71,907</u>	<u>547,705</u>
Net book value				
At 31 August 2019	<u>8,454,888</u>	<u>782,758</u>	<u>21,910</u>	<u>9,259,556</u>
At 31 August 2018	<u>18,147,789</u>	<u>827,705</u>	<u>14,683</u>	<u>18,990,177</u>

During the prior period, the transfer value on conversion to academy of both Bredbury Green Primary School and Meadowbank Primary School of leasehold buildings was based on the replacement insurance value. During the current year the desktop valuation has been received and adjusted by way of revaluation.

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

13 Debtors

	2019 £	2018 £
Trade debtors	2,115	26,771
VAT recoverable	68,936	40,448
Other debtors	33,220	400
Prepayments	34,018	30,090
Accrued grant and other income	615,556	117,723
	<u>753,845</u>	<u>215,432</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

14 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	493,685	921,388
Other creditors	29,483	49,698
Accruals	251,067	33,092
Deferred income	93,250	106,480
Salix Loan	6,633	3,308
	<u>874,118</u>	<u>1,113,966</u>
	2019	2018
	£	£

Deferred income

Deferred income at 1 September 2018	43,227	42,293
Resources deferred in the period	93,250	106,480
Amounts released from previous periods	<u>(43,227)</u>	<u>(42,293)</u>
Deferred income at 31 August 2019	<u>93,250</u>	<u>106,480</u>

Deferred income represents £90,751 received for Free School Meal provision and other income amounting to £2,499 all relating to the period after 31st August 2019.

15 Creditors: amounts falling due after one year

	2019	2018
	£	£
Other creditors	<u>46,434</u>	<u>16,539</u>

At the balance sheet date, the academy had received Salix funding relating to capital projects. Salix funding is an interest free loan approved by the Education and Skills Funding Agency (ESFA) repayable in equal instalments over eight years. Repayments falling due within one year are included in note 14 above.

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	(16,452)	4,316,647	(4,331,199)	49,340	18,336
Other DfE/ESFA Grants	-	602,268	(602,268)	-	-
Other Government Grants/Income	-	538,652	(538,652)	-	-
Restricted other income	-	127,136	(76,997)	-	50,139
	(16,452)	5,584,703	(5,549,116)	49,340	68,475
Restricted fixed asset funds					
DFC Grant	19,329	74,507	(2,930)	-	90,906
Assets transferred on conversion	18,762,565	-	(196,732)	(10,034,787)	8,531,046
Capital Expenditure from GAG	14,941	-	-	24,124	39,065
CIF Funding	307,431	612,262	(26,363)	-	893,330
	19,104,266	686,769	(226,025)	(10,010,663)	9,554,347
Restricted pension funds					
Restricted Pension fund	(793,000)	-	(238,000)	(732,000)	(1,763,000)
Total restricted funds	18,294,814	6,271,472	(6,013,141)	(10,693,323)	7,859,822
Unrestricted funds					
Unrestricted general funds	556,533	229,493	-	(73,464)	712,562

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Total funds	18,851,347	6,500,965	(6,013,141)	(10,766,787)	8,572,384

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	3,402,630	(3,535,749)	116,667	(16,452)
Other DfE/ESFA Grants	-	445,775	(445,775)	-	-
Other Government Grants/Income	-	391,100	(391,100)	-	-
Restricted other income	-	124,250	(124,250)	-	-
	-	4,363,755	(4,496,874)	116,667	(16,452)
Restricted fixed asset funds					
DFC Grant	32,986	40,838	(54,495)	-	19,329
Assets transferred on conversion	2,997,004	15,990,649	(225,088)	-	18,762,565
Capital Expenditure from GAG	14,941	-	-	-	14,941
CIF Funding	303,439	22,656	(18,664)	-	307,431
	3,348,370	16,054,143	(298,247)	-	19,104,266

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted pension funds					
Restricted Pension fund	(251,000)	(689,000)	(213,000)	360,000	(793,000)
Total restricted funds	3,097,370	19,728,898	(5,008,121)	476,667	18,294,814
Unrestricted funds					
Unrestricted general funds	405,990	267,700	(490)	(116,667)	556,533
Total funds	3,503,360	19,996,598	(5,008,611)	360,000	18,851,347

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the Academy.

Restricted fixed asset funds are those funds relating to the long term assets of the Academy used in delivering the objects of the Academy.

Unrestricted funds are funds which the Governors may use in the pursuance of the Academy's objectives and are expendable at the discretion of the Governors.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

16 Funds (continued)

	2019 £	2018 £
Gatley Primary School	490,048	401,859
Bredbury Green Primary School	(79,297)	(70,152)
Meadowbank Primary School	369,797	214,772
Central services	489	(6,398)
Total before fixed assets and pension reserve	781,037	540,081
Restricted fixed asset fund	9,554,347	19,104,266
Restricted Pension fund	(1,763,000)	(793,000)
Total	8,572,384	18,851,347

Total cost analysis by academy

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2019 £	Total 2018 £
Gatley Primary School	1,234,212	109,021	53,395	309,270	1,705,898	1,738,532
Bredbury Green Primary School	1,360,178	157,976	33,927	211,634	1,763,715	1,842,339
Meadowbank Primary School	1,259,634	239,162	58,036	317,762	1,874,594	822,781
Central services	158,762	-	430	46,148	204,910	250,489
Academy Trust	4,012,786	506,159	145,788	884,814	5,549,117	4,654,141

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	9,259,556	9,259,556
Current assets	1,996,380	-	-	1,996,380
Current liabilities	-	(874,117)	-	(874,117)
Creditors over 1 year	-	(46,434)	-	(46,434)
Pension scheme liability	-	(1,763,000)	-	(1,763,000)
Total net assets	<u>1,996,380</u>	<u>(2,683,551)</u>	<u>9,259,556</u>	<u>8,572,385</u>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	18,990,177	18,990,177
Current assets	556,533	623,115	114,089	1,293,737
Current liabilities	-	(623,028)	-	(623,028)
Creditors over 1 year	-	(16,539)	-	(16,539)
Pension scheme liability	-	(793,000)	-	(793,000)
Total net assets	<u>556,533</u>	<u>(809,452)</u>	<u>19,104,266</u>	<u>18,851,347</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

18 Commitments under operating leases

Operating leases

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	9,020	11,491
Amounts due between one and five years	15,017	2,872
	<u>24,037</u>	<u>14,363</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2019 £	2018 £
Net income	487,824	14,987,986
Depreciation	226,027	298,247
Capital grants from DfE and other capital income	(686,769)	(63,495)
Interest receivable	(847)	(601)
Defined benefit pension scheme obligation inherited	-	689,000
Defined benefit pension scheme cost less contributions payable	213,000	191,000
Defined benefit pension scheme finance cost	25,000	22,000
(Increase)/decrease in debtors	(538,413)	131,409
(Decrease)/increase in creditors	(209,953)	892,297
Cash transferred on conversion to an academy trust	-	211,159
Assets inherited on conversion	-	(15,990,648)
Net cash (used in)/provided by Operating Activities	<u>(484,131)</u>	<u>1,368,354</u>

20 Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	847	601
Purchase of tangible fixed assets	(530,193)	(228,534)
Capital funding received from sponsors and others	686,769	63,495
Net cash provided by/(used in) investing activities	<u>157,423</u>	<u>(164,438)</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

21 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,242,535	1,569,243
Total cash and cash equivalents	<u>1,242,535</u>	<u>1,569,243</u>

22 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.

23 Pension and similar obligations

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 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:

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £Nil (2018: £269,263).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £307,000 (2018 - £267,000), of which employer's contributions totalled £241,000 (2018 - £210,000) and employees' contributions totalled £66,000 (2018 - £57,000). The agreed contribution rates for future years are 21.4 per cent for employers and between 5.5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.10	3.20
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	<u>1.80</u>	<u>2.80</u>

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

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

	2019	2018
Retiring today		
Males retiring today	20.60	21.50
Females retiring today	23.10	24.10
Retiring in 20 years		
Males retiring in 20 years	22.00	23.70
Females retiring in 20 years	24.80	26.20
Sensitivity analysis		
	2019	2018
	£	£
Discount rate -0.1%	132,000.00	98,000.00
Mortality assumption – 1 year increase	202,000.00	146,000.00
CPI rate +0.1%	111,000.00	79,000.00

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

	2019	2018
	£	£
Equities	2,241,000	1,941,000
Government bonds	494,000	457,000
Property	264,000	200,000
Cash and other liquid assets	296,000	256,000
Total market value of assets	3,295,000	2,854,000

The actual return on scheme assets was £60,000 (2018 - £52,000).

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

23 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018/19 £	2017/18 £
Current service cost	(213,000)	(191,000)
Interest income	84,000	52,000
Interest cost	(109,000)	(74,000)
Total amount recognized in the SOFA	<u>(238,000)</u>	<u>(213,000)</u>

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

	2018/19 £	2017/18 £
At start of period	3,647,000	988,000
Conversion of academy trusts	-	2,402,000
Current service cost	399,000	401,000
Interest cost	109,000	74,000
Employee contributions	66,000	57,000
Actuarial (gain)/loss	792,000	(264,000)
Benefits paid	(10,000)	(11,000)
Past service cost	55,000	-
At 31 August	<u>5,058,000</u>	<u>3,647,000</u>

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

	2018/19 £	2017/18 £
At start of period	2,854,000	737,000
Conversion of academy trusts	-	1,713,000
Interest income	84,000	52,000
Actuarial gain/(loss)	60,000	96,000
Employer contributions	241,000	210,000
Employee contributions	66,000	57,000
Benefits paid	(10,000)	(11,000)
At 31 August	<u>3,295,000</u>	<u>2,854,000</u>

Education Learning Trust

Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

24 Related party transactions

Owing to the nature of the Academy Trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

25 Teaching school trading account

	2018/19 £	2017/18 £
Income		
Direct Income		
Other income	67,301	65,985
Other Income		
Fundraising and other trading activities	<u>20,001</u>	<u>10,355</u>
Total Income	<u>87,302</u>	<u>76,340</u>
Expenditure		
Direct costs		
Direct staff costs	28,578	29,998
Other costs		
Other support costs	<u>24,639</u>	<u>30,288</u>
Total Expenditure	<u>(53,217)</u>	<u>(60,286)</u>
Surplus from all sources	34,085	16,054
Teaching school balances at 1 September 2018	<u>16,054</u>	<u>-</u>
Teaching school balances at 31 August 2019	<u><u>50,139</u></u>	<u><u>16,054</u></u>

