
THE LEARNING TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019**

Members

Jean Charlton
Hems de Winter
Paul Heath
Bank of America Merrill Lynch (Corporate)

Trustees

Euan Imrie
Paul Carter (appointed 24 September 2019)
Jean Charlton
Nick Crowther
Paul Heath
Vicky Higham (appointed 23 October 2018)
Kayte Parlevliet
Michael Dempsey (resigned 17 October 2018)

Company registered number

07523884

Company name

The Learning Trust

Principal and registered office

Christleton High School, Village Road, Christleton, Chester, CH3 7AD

Chief executive officer

Tony Lamberton (resigned 31 August 2019)
Nigel Follos (appointed Acting CEO 1 September 2019)

Senior management team

Tony Lamberton, Chief Executive Officer (Resigned 31 August 2019)
Nigel Follos, Academy Trust Business Director (ATBD) (Appointed Acting CEO 1 September 2019)
Damian Stenhouse, Headteacher (CHS) (Appointed Education Improvement Partner, 31 August 2019)
Darran Jones, Headteacher (CHS) (Appointed 1 September 2019)
Lyndsay Watterson, Headteacher (QPHS)
Kate Unsworth, Principal (CIS) (Resigned 31 August 2019)
Katrina Brown, Acting Principal (CIS) (Appointed 1 September 2019)

Independent auditor

Crowe U.K. LLP, 3rd floor, The Lexicon, Mount Street, Manchester, M2 5NT

Bankers

Lloyds Bank PLC, 8 Foregate Street, Chester, CH1 1XP

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

During the year the trust operated three secondary academies in Chester. Its academies have a combined pupil capacity of 2,580 and had a roll of 1,969 in the school census in October 2018. Each school has its own defined admissions policy to reflect individual school characteristics.

Principal Activities

The principal activity is to advance education for the public benefit by establishing, maintaining, managing and developing schools offering a broad and balanced curriculum for students of different abilities up to the age of 19.

As at 31 August 2019, those schools were Christleton High School (CHS), Queen's Park High School (QPHS) and Chester International School (CIS).

Structure, governance and management

a. Constitution

The Multi Academy Trust (MAT) is a charitable company limited by guarantee and an exempt charity. The Memorandum and Articles of Association, dated 9 February 2011 and revised on 3 September 2016, are the primary governing documents of the MAT.

During the year, the MAT had up to seven individuals, who acted as the Trustees for the charitable activities of The Learning Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Learning Trust. The Trustees are appointed on a four year rolling basis.

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

b. 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.

c. Trustees' indemnities

In accordance with normal commercial practice, the Learning Trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on The Learning Trust business. The limit of this indemnity is £10,000,000 maximum aggregate in any one membership year.

d. Method of recruitment and appointment or election of Trustees

On 1 September 2016 the members appointed six trustees, five of whom had served the predecessor academy school (CHS), as Trustees of the newly formed MAT. These trustees were initially appointed on a four year term of office, to provide initial stability. It was agreed at the time that, on expiry of the initial term, future appointments would be of varying terms, to ensure a staggered re-appointment or replacement process. That is taking place in 2019/20.

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On 1 June 2017, following QPHS joining the MAT, a further trustee was appointed. The seven trustees were all in position on 1 September 2017. However, one trustee, Sue Leake, subsequently resigned on 7 February 2018 and was not replaced within that financial year. However, Vicky Higham was appointed as a Trustee on 23 October 2018.

Mick Dempsey resigned as a Trustee on 17 October 2018. He remained as the nominee of BAML as corporate member. He was not replaced as a trustee within the year, albeit the selection process was completed in September 2019 with the appointment of Paul Carter as a trustee. Paul has vast education experience, most latterly as Chief Executive Officer of a Multi Academy Trust.

When appointing new Trustees, the Members give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development. This approach has been successfully used within recent recruitment processes.

All Trustees annually complete a Skills audit and Training Needs Analysis. All Trustees submit a comprehensive curriculum vitae and skills audit, which are used as a key part of the appointment process and to determine future training needs.

All members and Trustees have signed an appointment letter outlining the role, expectations and responsibilities. Trustees have a rolling programme of performance reviews.

e. Policies and procedures adopted for the induction and training of Trustees

There is a comprehensive Trustee Induction Programme, which has been managed by the Academy Trust Business Director (ATBD), who also operated as the Clerk to the Trustees throughout the year, tailored to the individual and includes briefings by senior staff, tours of the schools to meet staff and students as well as being provided with papers necessary for the fulfilment of the role.

All members and Trustees have signed relevant appointment letters and their roles and responsibilities are set out in Code of Governance Guidelines, previously adopted by members and Trustees. These are consistent with the guidance contained within Academies' Financial Handbook.

f. Organisational structure

The Trustees normally meet a minimum of three times per year. They have established an overall framework for the governance of the Trust and determine membership, terms of reference and procedures of Committees and other groups, which are reviewed whenever deemed necessary or annually as a minimum.

They receive reports including policies from its Committees and reports from the Executive team for ratification and monitor the activities of the Committees through the minutes of their meetings. The Trustee Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

Normally, there are two sub-committees, meeting termly, both of which are responsible for Trust policy, practice and performance and to monitor aspects of their work by discussion/ review/ challenge:

- ◆ Audit and Finance Committee - financial management, compliance with reporting and regulatory requirements, receiving reports from the Auditors and drafting the annual budget.
- ◆ Staffing and Standards Committee - performance management, staffing levels, strategic appointments, salaries, CPO, work-life balance and personnel policies.

During the year, to enhance the governance of the MAT in its third full year, these committees were not convened, with the exception of the Finance and Audit Committee, but the number of full Business meetings

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were increased and those committee agenda items discussed in the additional Business meetings. Therefore, during the year, eight Business meetings and one Annual General Meeting were held.

The following decisions are reserved for the Trustees:

- ◆ To consider any proposals for changes to the status or constitution of the Trust and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Chief Executive Officer (CEO) and Clerk to the Trustees, to approve the Trust Strategic Development Plans and budget.
- ◆ The Trustees are responsible for setting general policy, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, its schools, capital expenditure and staff appointments.

The Trustees devolved responsibility for day to day management of the Academy to the CEO, Headteachers of the schools and the ATBD.

During the year, the CEO was the Accounting Officer and the ATBD was the Financial Officer.

Organisational structures - Schools level

Each school within the Trust, has a leadership structure, which consists of a Local Governing Body (LGB) of elected and appointed Governors and a Senior Leadership Team (SLT). The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Leadership Teams within each school, normally consist of a Headteacher or Principal, Deputy Headteacher / Principal, Business Manager, Assistant Headteachers / Principals, and Senior Teachers. The exact numbers and make up at each school varies with the specific needs of that school.

The SLT controls the school at an executive level, implementing the policies laid down by the trustees and Governors and reporting back to them. The Headteacher, ATBD and LGB Resources Committees are responsible for the authorisation of spending within agreed budgets. Departmental spending control is devolved to budget holders. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts may often include a Governor.

Each Scheme of Delegation (Terms of Engagement) between the Trust and the LGB outlines that each LGB shall, in carrying out its role:

- ◆ Initiate all measures necessary to promote high standards and aim to ensure that students are attending a successful school which provides them with a good education and supports their well-being, helping them to achieve outstanding performance, including excellent personal achievement and attainment;
- ◆ Be responsible to the Trustees for its actions and follow the expectations of governors as laid down by the Trustees;
- ◆ Aim to establish that it is competent, accountable, always working in the best interests of its students and working in co-operation with other schools within the Trust and one that promotes best practice in governance, within the context set by the Trust;
- ◆ Aim to ensure that its governors promote and uphold high standards of conduct, probity and ethics;

and that the Trustees shall support the work of the LGB by:

- ◆ Setting a clear strategic vision to allow the LGB to set and achieve its own aims and objectives within such vision
- ◆ Ensuring that systems are put in place to allow the governors to be presented with timely and good data to allow the LGB to analyse Academy performance in order to support and challenge the Principal/Head of School and the SLT of the Academy.

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g. Pay policy for key management personnel

A Performance Review Committee has been set up to monitor performance and remuneration for key Trust personnel. Performance targets and salaries for key Trust personnel are agreed annually by the committee. Remuneration for key management personnel is reviewed as roles change. Similar arrangements exist at each School level.

The Trustees consider the CEO and the Senior Management Team as comprising the key management personnel of the MAT in charge of directing and controlling the charity and running and operating the charity on a day to day basis.

All Trustees give of their time freely and no Trustee remuneration was paid in the year for their role as Trustees. Details of related party transactions are disclosed in note 26 to the accounts.

Trustees are required to disclose all relevant interests on an annual basis and as a standing agenda item at all board meetings, then in accordance with the Trust's policy withdraw from decisions where a conflict of interest arises.

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	-
Total pay bill	-
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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i. Connected organisations, including related party relationships

Brio Leisure (a Community Interest Company) manages the leisure facilities, which are owned by Cheshire West and Chester Borough Council (CWAC) and there is a shared use agreement between CWAC and Christleton

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High School, which took effect on 1st September 2014. This contract is delivering the anticipated benefits to the school.

The MAT has strong collaborative links with its feeder primary schools, the three other high schools in the area, Tarporley, Neston and Bishop Heber as part of the REAP group and with the University of Chester.

The MAT has active parent teacher associations - the Christleton High School Association (CHSA) which actively supports the work of Christleton High School and Queen's Park Parents Association supporting the work of Queen's Park High School.

At the time of transfer of QPHS to The Learning Trust, the boathouse was decrepit with a proposed investment from local community groups grants and local authority support for a rebuild costing circa £3m. This has subsequently gone to planning although all funds have not been raised. In amicable discussions, supported with legal advice to all parties (DFE acting for the MAT), it was decided to exclude the land transfer of the boathouse site to support the projects continuation. Safeguarding of the students participation and use of the facility is through the current joint use and with a direct representation on any future community interest company which takes over the management of the facility. The MAT is not exposed to any financial risk but wishes to actively support the proposed development.

Queen's Park High School Rowing Club is a sports club set up for the benefit of QPHS students and is run by a separate committee with its own constitution. There are strong links with the school and transactions have taken place with them and the school as well as subsidising the activities.

Bank of America Merrill Lynch are connected with The Learning Trust as a registered Corporate member. No financial transactions took place between the Trust and BAML.

There are no other related parties, which either control or significantly influence the decisions and operations of the school. There are no sponsors.

Objectives and Activities

a. Objectives, strategies and activities

The object of the MAT is to enable, manage, improve, develop and grow its current and future schools in offering a broad and balanced curriculum to allow its students to be the best they can be.

The MAT is an inclusive and nurturing trust that seeks to create opportunity through inspiring an ambition for limitless excellence, which provides students with high quality learning to give them the best possible life chances.

We aim to get the best for, and from, each student, so that they can "Be the best they can be". We intend to enable each student to realise his or her full academic, creative and physical potential, and to develop positive social and moral values.

These objectives are encapsulated in the Trust's strapline of "Nurturing, Ambition, Excellence". We also see our core values as critical elements in helping to both drive the Trust forward and to also measure behaviours and expectations.

- ◆ **Students are always first** - the prime consideration in all decisions will be the best interests and educational outcomes of current and prospective students.
- ◆ **Mutual benefit** - the interests of the Trust will always be combined with the interests of individual schools, seeking the very best and co-operating to share resources and success.
- ◆ **Inclusivity** - the Trust will welcome students of all backgrounds and abilities.
- ◆ **Fairness** - all students and staff will be treated with fairness and parity whilst encouraging diversity and

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identity.

- ◆ **Excellence and learning** - every student will be supported and challenged to achieve their potential. All adults employed by and associated with the Trust will have and exhibit a 'learning mindset'.
- ◆ **Partnership** - the Trust will continually seek to work in partnership to achieve better outcomes for current and prospective students, and to improve education in the area.
- ◆ **Freedom to innovate and make decisions** - optimum delegation to Local Governing Bodies and individual schools commensurate with the Trust's statutory responsibilities and efficiency.
- ◆ **Integrity** - all those associated with the Trust will act with kindness, courtesy and integrity, in accordance with both school and Trust ideals and values.

Our MAT is a community in which students, staff and parents are all a part of this nurturing and caring environment.

We currently have three academies with many high achieving students and strong, purposeful leadership determined to pursue excellence, to challenge existing norms and to be even more ambitious in our aspirations for the academies and their students. Our primary focus is to ensure our students make significant progress and achieve high degrees of success in their examinations.

We are continuing to work through and deliver the objectives laid out in each school's Strategic Development Plan to ensure that teaching and learning is of the highest standard so that our students receive a truly comprehensive education and achieve the very best they can.

We remain committed to growing the number of schools in our Trust, not for the vanity of Trust growth in itself but rather to allow more students to benefit from the core values of the Trust, which we believe can help improve educational standards for all.

Any potential schools joining the Trust must be of strategic benefit to both the Trust and the school itself. Given its current experience and expertise, the Trust will initially consider either other secondary schools that can bring synergistic benefits to its existing schools or will consider partnering with those Primary schools for which a partnership can provide tangible benefits for both parties in terms of either providing a future flow of students or in allowing the greater continuity in curriculum to improve students' future outcomes or both.

Any schools offered to or wishing to join the Trust will be subject to effective financial due diligence, detailed operational reviews and to its tried and tested Schools' Improvement process. Any decisions to allow any school to join the trust will be made solely within those frameworks.

Capital work and grants

At both sites, we continue to upgrade our buildings and enhance the learning environment for our students on an on-going basis.

During the 2018-19 finance year, CHS was awarded a Condition Improvement Funding Grant of £182,689 to undertake work on the overall security of the site. In addition, QPHS was awarded two Condition Improvement Funding Grants totalling £1,452,149 to complete works on the boilers and roof of the site. In both instances, the work was started during the year but was not completed by 31 August 2019.

Further bids for both of the sites at Christleton and Queen's Park will be made during the 2019/20 bidding process.

During the 2018/19 financial year, following the prior agreement of the Department for Education (DfE) to fund a new build to the value of £4.5m within the QPHS site, a new build school for CIS was opened. The project was managed directly by DfE.

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The previously refurbished buildings, used as a temporary home for CIS, will be utilised as a new Sixth Form block for QPHS or potential rental opportunities will be examined.

b. Achievements and Performance

As a general target, the Trust aims to improve on the previous year's results.

Christleton High School

Again, this year, our students have achieved excellent examination results.

Christleton prides itself on being a truly inclusive sixth Form and its A2 results for 147 students were in line with those of previous years, with 97% achieving A*-E grades. Nearly half of all grades were at A*- B level, a fifth of students achieving at least AAB in two facilitating subjects and 56% gained A*-B against maximum UCAS points available. These results have translated into an average 94 points per student, with the vast majority taking up places at universities or pursuing their preferred pathway.

Our GCSE results were particularly strong this year. 84% of all students achieved 9-4 grades including English and Maths. 91% of students achieved a 9-4 pass in English and 88% in Maths. On the harder measure of 9-5 passes in English and Maths, 65% achieved both - placing CHS well ahead of the local and national average. We are also very pleased that the provisional Progress8 figure is at a positive 0.36. These fantastic results, of which we are very proud, are, we believe, due in large part to the school's determination to develop independent and creative approaches to learning, together with the hard work of our students, inspirational teachers and supportive parents.

CHS is now five years on from its Outstanding Ofsted rating. This is something of which we are very proud and is a testimony to the hard work and commitment of the whole community within the school - Governors, staff, parents and students alike. We remain confident that our processes and procedures remain robust and strong enough for the rigour of a future inspection, whenever that maybe.

In relation to Sports, boys and girls have continued to achieve success in local, regional and national competitions within football, rugby, netball, athletics basketball, table tennis and handball. The school also produced two excellent musical productions with over 188 students taking part.

In the last financial year, the school's Combined Cadet Force (CCF) continues to expand and The Duke of Edinburgh Award Scheme goes from strength to strength with another record number of 210 students participating during the year. We believe that such extra curricular activities are vital in students' personal development and desire to be the best they can be.

Queen's Park High School

With a small Sixth form, A level results at QPHS were reasonably strong with 89% of the students achieving A*-E and 22% achieving A*-B. The GCSE results at QPHS were slightly down with 31% of all students achieving 9-5 grades including English and Maths and 56% of students achieving 9-4 grades. However, it was particularly pleasing that the Progress 8 Results dramatically improved year on year, attaining -0.20, compared to -0.64 in the previous year. Whilst slightly disappointing that the score was slightly below the norm, it was ahead of expectations and is set to improve further with the forthcoming results of the current Year 11 cohort.

The school continues to be very active within its local community, working in partnership with Handbridge Community Association. Whether it be performing in a musical, having students ranked in the Top 5 in the country for rowing in their age group, involving students in Duke of Edinburgh or enabling an Enterprise programme, QPHS has a number of programmes and activities designed to enrich its students during their time at the school.

Chester International School (CIS)

In its second year in existence, to provide a stronger brand presence and better reflect how the school has

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evolved within its first year, CIS changed its name from Christleton International Studio to Chester International School. As a result, CIS has performed in line with our expectations in both attracting new students to the School and in retaining existing students. Given the high levels of scrutiny from the DfE, it has been particularly pleasing to receive such positive assessments from the DfE.

This year saw the school enter its first round of GCSE and International Baccalaurate (IB) students within examinations. We were pleased with the results with 67% of our 75 IB students achieving the diploma - A package of 6 subjects plus the full core with a global pass rate of 78%. Our subjects averaged 4.5 subject points against the global average of 4.7. 88% of our IB career programme students gained the full career programme, better than the global pass rate of 75%.

It was particularly heartening that these IB results, whether it be the Diploma or Career Programme, were strong enough to allow all students to progress to the next stage on their chosen pathway.

GCSE results were also relatively encouraging given the nature of the cohort with 46% achieving 9-4 grades including English and Maths and 25% achieving at 9-5 including English and Maths. We expect that, as the school becomes more established and its teaching and learning more embedded, these results will improve further.

It is also pleasing to be able to report that a number have students have embraced the enrichment activities on offer including the Duke of Edinburgh programme and a series of student elective programmes, including First Aid, Driving Theory and Mindfulness.

c. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The Trustees met 8 times during the year in addition to the 5 Business meetings of the Governing Bodies of CHS, CIS and QPHS. In all their discussions and decision making they were conscious of their use of public funds for the furtherance of student education and the betterment of their experience whether this be employing the best staff or using capital to create a welcoming environment. The respective Terms of Reference provide a framework for information and challenge.

In support of Trustee and Governing Body decisions, the School Leadership Groups have used data to support their actions and proposals as well as creating an atmosphere for new initiatives and opportunities and challenging standing procedures.

There is a culture of celebration of student achievement.

Further information is contained in the sections on Objectives and Activities and Achievement and Performance.

Achievements and performance

Strategic report

a. Key performance indicators

A key financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, we give specific focus to the management of spending against General Annual Grant (GAG). It is the Trust's management policy that, in general terms, the income received in any one year is spent for the benefit of those students in the schools that year.

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As funding is based on student numbers this is also a key performance indicator. Student numbers at CHS for September 2018 were 1,065 in Years 7-11 and 287 in Sixth Form. It is anticipated that this number will be maintained in Years 7-11, as the school has recently been oversubscribed, but Sixth Form numbers can vary and this is a matter discussed regularly by the Academy Governors and Senior Leadership Team, bearing in mind the downward trend of Sixth Form funding. The total student numbers for all 3 schools at census within the Autumn Term of 2019 (generating funding for 2020/21) totalled 2,043.

Given the in-year nature of funding, student numbers at CIS at September 2018 were 96 in Key stage 4 (Year 10 & 11) and 37 in Key stage 5 (Year 12 & 13). It is important to note that funding at CIS is in year and not lagged as in CHS and QPHS.

The Trustees and local governors are kept aware of employee matters, particularly with respect to staff leavers and the summer of 2019 saw a small turnover in teaching staff across the Trust, attributable largely to contract expiry, promotions and retirements. The Trust does, however, remain committed to recruiting, developing and retaining the very best staff available and to this end, it supplements competitive pay and conditions with a strong programme of continuing professional development and proactive succession planning. The Trust always replaces, wherever possible, with 'the best staff available' and are confident this year's new recruits will again prove to be so.

b. Going concern

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

c. Changes during the year

Strategy

As we entered the financial year, the MAT comprised the three secondary schools, which is its current portfolio. Against this backdrop, the Trustees decided that the key Strategic focus in the year was four fold:

- ◆ School Improvement for CHS and QPHS to continue and further drive their school improvement activities to **improve outcomes for students**. For CIS to leverage into its new premises, run effectively in its second year of operation and achieve best outcomes for its students.
- ◆ Ensure the **financial** base of the Trust was secure and robust enough to create a balanced budget for 2019/20 against the uncertain background of National Fairer Funding and an increasing cost base over which the Trust had limited control.
- ◆ To further develop and improve the infrastructure and resources to **support** three or more schools effectively to allow the SLT to focus on improving outcomes for students
- ◆ To seize future opportunities to **grow** both the number and type of schools within the growth platforms agreed.

These strategies remain current as we enter the new financial year.

d. Changes in Management Structure

At the end of the financial year, a number of planned management changes took place.

At Trust level, Tony Lamberton, CEO and Accounting Officer, resigned with effect from 31 August 2019. Tony had previously been the Headteacher at CHS prior to his appointment. He had been in place for three years and had overseen the establishment of CIS in its new home. The Trustees wish to thank him for his sterling work over the last 18 years and wish him well in his retirement.

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Nigel Follos, currently Academy Trust Business Director, has agreed to take on the role of CEO and accounting officer on an acting basis for a minimum of six months. This will allow the Trustees to finalise a structure to match future strategic development for the Trust. The role will focus on the financial, growth and support elements of the Trust's strategy, whilst Damian Stenhouse, who was due to retire as Headteacher of CHS, after over 30 years of Teaching, has moved from his current post to assume the role of Education Improvement Partner at Trust level. This role will support all three schools and has the principle objective of enhancing processes to improve the educational outcomes for students.

Lesley Carding will become Financial Officer.

At CHS, Damian has been replaced by the Deputy, Darran Jones, who after a robust and lengthy recruitment process proved to be the outstanding candidate to take the outstanding school forward.

Kate Unsworth, having taken CIS from conception to reality and through its first set of external exams and into its new home, has decided to step down as Principal. She will be replaced by her current Deputy, Katrina Brown, for the remainder of the 2019/20 financial and academic year.

The Trustees have been aware of the likely changes for some time and have planned the above moves to best manage the short term opportunities and needs. The Trustees will always be pragmatic and responsive to changing needs.

Financial review

a. Reserves policy

The Trustees review the reserve levels of the MAT annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Trust and its Academies, the uncertainty over future income streams and other key risks (such as pupil numbers) identified during the risk review.

In 2018/19, the Trustees maintained the minimum level of free cash reserves at approximately £440k. The reason for this was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

However, for 2019/20, they have allowed a withdrawal from these reserves to offset the impact of lagged funding and the need to educate increased pupil numbers. It is expected that increased funding resulting from increased pupil numbers should ensure that this is a one-off draw down. Total funds as at 31 August 2019 were £30,407k. Of these, £29,669k related to restricted funds, leaving £738k as free reserves. This is in excess of the agreed minimum of £440k. Pupil numbers are rising at Queens Park High School but funding is based on the previous years' pupil numbers and there are uncertainties over the future funding. The trustees consider that the excess is likely to be utilised in the coming years.

A small fund for 2019/20 future development has also been created and a number of projects have been highlighted within the strategic planning process.

b. Investment policy and powers

All funds surplus to immediate requirements are invested to optimal effect. Where cash flow allows, sums may be invested on deposit for extended periods.

Due to the nature of funding, the MAT may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage

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of higher interest rates, ensuring the institution has an appropriate credit rating.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Day to day management of the surplus funds is delegated to the Academy Trust Business Director under approvals by the Board of Trustees.

c. Principal risks and uncertainties

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the proposed MAT developments to specific teaching, provision of facilities and other operational areas, and its finances.

The Trustees have implemented a system to assess risks to the MAT, especially in operational areas (e.g. in relation to teaching, health & safety, child protection and trips) and in relation to the control of finance. They have introduced systems, including operational and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that they have adequate insurance cover and have remained within the Government's RPA Programme within the financial year. A number of smaller risks, not covered by the scheme, are insured via commercial organisations.

The MAT has a formal Risk Management process to assess business risks and to implement risk management strategies. This process involves identifying the types of risk, scoring and prioritising the risks in terms of their potential operational and financial impact, assessing the likelihood of occurrence and identifying means of mitigating the risks. A MAT Risk Register is maintained and reviewed on a regular basis, and a formal end of year review within the Summer Term Business Meeting.

Specific school risks are delegated to the Local Governing Bodies and are formally reviewed by the Local Governing Bodies on a regular basis with a formal annual review. The management process is a mirror image of the MAT Risk management process.

The principal risks and uncertainties facing the MAT are as follows:

- ◆ Financial & Political - the MAT has considerable reliance on continued Government funding through the ESFA and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms beyond the short term. The Trust mitigates these risks through careful financial planning and its policy on reserves.
- ◆ Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the MAT's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- ◆ Reputational - the continuing success of the MAT is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored, reviewed and celebrated both internally and externally.
- ◆ Safeguarding and child protection - the Trustees, via the LGBs, continue to ensure that the highest standards are maintained in the areas of selection, monitoring and training of staff, the operation of child protection policies and procedures, health & safety and discipline.
- ◆ Staffing - the success of the MAT is reliant on the quality of its staff and so the Trustees and Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- ◆ Fraud and mismanagement of funds - The MAT has appointed Auditors to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training

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

to keep them up to date with financial practice requirements and develop their skills in this area.

d. Financial risk management objectives and policies

The MAT has agreed a Risk Management Policy incorporating a Risk Register. There are also business continuity plans.

These have been discussed by Trustees and include the financial risks to the MAT. The register and plan are constantly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the MAT is exposed, in particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover through the DfE RPA scheme.

Despite a temporary increase in Published Admission Number at Year 7, CHS remains over-subscribed at year 7. Therefore, risks to revenue funding from a falling roll are relatively small. However, 6th Form numbers can vary and this is a matter discussed regularly by the Governors and Leadership Team, bearing in mind the continued real time reduction in post 16 funding levels and Raising the Participation Age (RPA). Entry level requirements to the 6th Form were again reviewed and some uneconomic courses did not run, whilst new courses were introduced to ensure that an inclusive 6th Form remained.

However, despite improvements in funding related to National Fairer funding (NFF) recent significant changes in ever increasing employment and premises costs mean that budgets for CHS will become increasingly tight in coming years.

QPHS's circumstances are significantly different with difficult challenges in pupil numbers across the uniformed school and in the sixth form. The Trustees had previously recognised this risk and approved and resourced an effective Marketing Communications Plan designed to build the brand perceptions of QPHS and to generate greater pupil numbers.

Year 7 entry numbers joining in September 2019 (126) were again an encouraging indicator that the strategies are beginning to work. However, the nature of lagged funding means that short term budgets remain challenging.

Sadly, Sixth Form entry remains challenging due to the legacy of lower numbers passing through the uniformed school and, whilst there is still plenty of work still to do in this area, the number of in year transfers has also increased and is encouraging. Great credit is due to the team for their work in this area.

Therefore, the Trustees, whilst being well aware that optimising student numbers at QPHS will take time, are confident that with improving results, more beneficial demographics and an enhanced brand reputation, longer term success will be achieved.

Student enrolment at CIS remained largely in line with expectations and, pleasingly, student numbers remained largely consistent throughout the year. Given the school was in temporary accommodation, the enrolment numbers were at optimum levels for the space available. The new building, completed in March 2019, together with initial examination results, should provide the impetus and springboard to accelerate student number growth further in 2020 and beyond.

Again, the Trustees are aware that optimising student numbers at CIS will take time but are confident that, given the encouraging start to its life, longer term success can be achieved, with continued focus and investment. Given that funding is currently made directly within the same year, the cost base can be flexed to match the income and pupil numbers.

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

The Trustees financially review the MATs finances every term, reviewing performance against budgets and overall expenditure by means of regular update reports at all full Trustee meetings. Regular cash flow forecasts ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the MAT had no liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Trust Board recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in the Notes to the financial statements, represents a significant potential liability. However, as the Trustees consider that the MAT is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

The balance of unrestricted reserves at the year end were £738k, maintaining the reserves above the minimum set level of £440k.

During the year the new CIS building, donated by the DfE, with a value of £4.5m, was formally opened within the footprint of the Queen's Park High School leasehold land and buildings.

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

e. Review

Most of the Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities on page 29.

During the period ending 31 August 2019, total expenditure of £12,072k (2018: £12,647k) was covered by total income of £17,755k (2018: £11,992k)

Net assets on the balance sheet at 31 August 2019 were £30,407k (2018: £25,492k) after accounting for the local government scheme pension deficit of £2,295k (2018: £1,295k). The vast majority of the movement in the pension scheme assets is attributable to actuarial assumptions/losses – these have had no direct cash impact. Net cash flow from operating activities was a surplus of £345k (2018: £441k loss) and cash balances increased in the year from £2,098k to £2,313k

The land, buildings and other assets at CHS were transferred to the Academy upon conversion in April 2011. Land and buildings were professionally valued at that time. Other assets were included in the financial statements at a best estimate at that date, taking into account purchase price and remaining useful lives. The Sports Centre Buildings at Christleton site were retained by the Local Authority.

The net book value of fixed assets and movements in tangible fixed assets are shown in the notes to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of each Academy.

The premises at Queen's Park site were transferred to the Trust on 1 April 2017 on a 125 year lease in line with current academisation guidelines.

Key financial policies adopted or reviewed during the year include the Financial Handbook which lays out the framework for financial management, including financial responsibilities of the Trustees, CEO, Headteachers, Academy Trust Business Director, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included (Allegations of Financial Impropriety, Retention of Records, Charges and Risk Management) as well as a review of Insurance needs. All financial and staff related policies were reviewed in line with the new MAT structure to ensure consistency across MAT schools.

Trustees appointed Hall Livesey Brown to undertake a programme of internal checks on financial controls to ensure compliance with the conditions of the revised Financial Handbook, and acted fully on the small number of low risk, low impact suggestions made.

During the period, the Trustees approved the investment of surplus funds in a higher earning bank account, in accordance with the finance committee's authority.

Fundraising

The academy had no fundraising activities requiring disclosure under the provision of the Charities (Protection and Social Investment) Act 2016.

Plans for future periods

a. Future developments

Our primary focus in 2019/20 is again to ensure our students be the very best they can be and therefore make significant progress to both achieve high degrees of success in their examinations and personal development.

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

The continual drive to further improve our schools remains a key platform in achieving this. In addition, the need to optimise students at each of the schools will also receive total focus.

The effective and efficient development of the smooth operational running of the MAT will continue to ensure that policies, terms of reference, accountabilities and responsibilities between the Trust and the Local Governing Bodies will best allow future improvement and development. The Trustees have set clear objectives to ensure the Trust enables the schools to improve, whilst ensuring that the school development plans are effectively delivered.

It is also likely that the Trustees will continue to actively seek new opportunities for new schools to join the MAT but will review any and all opportunities on their merits in relation to the Trust's founding principles.

However, the Trustees will only look at further opportunities once they are assured the Trust can thrive and allow all of our current students to be the very best they can be.

Funds held as custodian

The financial statements include the results of the CHS Prize Fund, a registered charity (number 1031383) which is under the control of the Academy Trust. The objects of the Fund are to provide benefits of any kind to the Academy not normally provided by public funds. At 31 August the Trustees were Mr A Lamberton, Mr N Follos and Mr P Heath. Since the year end and Mr Lamberton's retirement, Mrs J Charlton has been appointed as a trustee of this charity.

Employee involvement and employment of the disabled

The Learning Trust fully understands the principles of the Act and the work needed to ensure that those with protected characteristics are not discriminated against and are given equal opportunities.

A protected characteristic, under the Act, is as follows:

- Age
- Disability
- Race, colour, nationality, ethnic or national origin
- Sex (including transgender people)
- Gender reassignment
- Maternity and pregnancy
- Religion and belief
- Sexual orientation
- Marriage and civil partnership (for employees).

Information relevant to employees is available via:

- Equality Policy
- Racial Equality Policy
- Staff Handbook
- Application forms for prospective employees
- Information pack for prospective employees

Disclosure of information to auditor

Insofar as the Trustees are aware:

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

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

any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Auditor

Following a competitive tender, Crowe UK were appointed as the Trust's Auditors and they have indicated their willingness to continue in office.

The Trustees would like to place on record their appreciation to RSM for their work and advice over the last seven years.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2019 and signed on its behalf by:



Euan Imrie
Chair of Trustees

THE LEARNING TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The 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 CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Learning 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 8 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
Euan Imrie	8	8
Paul Carter	8	8
Jean Charlton	8	8
Nick Crowther	3	8
Paul Heath	0	0
Vicky Higham	7	8
Kayte Parlevliet	5	7
Michael Dempsey	0	0

The Audit and Finance Committee is a sub-committee of the main board of trustees. Its purpose is to monitor the financial administration of the school to ensure efficient and effective use of funds in accordance with current regulations by discussion, review and challenge at its meetings. This was included within an increased number of Business Meetings within 2018/19, but met once for presentation of the report of the Auditors.

Review of Value for Money

As Accounting Officer, the CEO has responsibility for ensuring that the academy 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'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.

Student attainment and welfare

Our focus here is demonstrated by the longer term trends in exam results, particularly as GCSE results for 2018/19 academic year were again relatively strong across the MAT.

The MAT tracks attendance and behaviour of all students, these are significantly better than national and local averages and continue to improve. At QPHS there were three permanent exclusions each during the financial year 2018/19, at CHS, no permanent exclusion and a single permanent exclusion at CIS.

At all schools, Pupil premium funds are utilised to try to narrow the educational attainment gap. Accountability is through direct reporting (including VFM reviews) by the relevant Assistant Headteachers to the Head and to the

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GOVERNANCE STATEMENT (continued)

relevant governors committees. Pupil premium achievement outcomes are reported to full governors annually at each school.

Trustee challenge, awareness and oversight of MAT finances

The MAT benefits from the provision of a suitably qualified Audit Committee which reviews key financial policies, systems and procedures, including the use of tenders. Auditors present reports on compliance to the Finance and Audit Committees.

The Finance and Audit Committees and Local Governing Bodies receive termly budget monitoring and cashflow reports. The accounting officer receives monthly statements with full explanations of budget variances and has day to day access to all staff involved in purchasing.

The full Board of Trustees approves the budget each year and is mindful of the need to best balance expenditure against income to ensure a secure financial foundation for the MAT.

The Board of Trustees also receives and approves the Annual Accounts and the External Auditors Management Report. The MAT benchmarks financial performance against other academy Trusts to demonstrate that the Trust provides good value for money.

Tender exercises are undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts remain competitive.

Controls and managing risks

Monthly budget monitoring reports are produced and reviewed by the ATBD, CEO and the relevant Headteacher and any necessary remedial actions taken to address any significant variances that may have an impact on the budget out-turn. These are shared with Chair of Trustees.

The MAT ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential with recorded Trustee approval of the transaction.

The Leadership Groups within each school, review expenditure within each budget heading both on a quarterly and annual basis. As a result, adjustments are made based on the effectiveness of strategies introduced in previous years, the curriculum offer and any new strategies identified in the Academy Development Plans.

The Purpose of the System of Internal Control

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

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GOVERNANCE STATEMENT (continued)

Capacity to Handle Risk

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

The Risk and Control Framework

The academy'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 Trust Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hall Livesey Brown, to carry out a programme of internal checks.

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

- Budgeting
- General ledger
- Account reconciliations
- Petty Cash
- Payroll processing
- Expenditure and Creditors
- Income and Debtors
- Fixed Assets

On a quarterly basis, the reviewer reports to the board of trustees through the 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 CEO has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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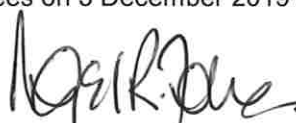
GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Hall Livesey Brown 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 3 December 2019 and signed on their behalf, by:



Euan Imrie
Chair of Trustees



Nigel Follos

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

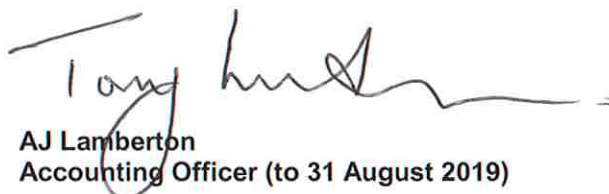
As Accounting Officer of The Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 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.



N Follos
Accounting Officer (from 1 September 2019)



AJ Lamberton
Accounting Officer (to 31 August 2019)

Date: 3 December 2019

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 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 3 December 2019 and signed on its behalf by:



Euan Imrie
Chair of Trustees

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LEARNING TRUST**

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), 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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LEARNING TRUST**

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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.

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
LEARNING TRUST**

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Vicky Szulist (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date:

17th December 2019

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

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

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

Respective responsibilities of The Learning Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Learning Trust's funding agreement with the Secretary of State for Education dated 20 April 2017, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

Conclusion

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

THE LEARNING TRUST
(A company limited by guarantee)

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

Crowe UK LLP

Crowe U.K. LLP

Statutory Auditor

3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

Date: *17th December 2019*

THE LEARNING TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Restated Total funds 2018 £000</i>
Income from:						
Donations and capital grants	2	58	-	6,317	6,375	1,384
Charitable activities	3	-	10,890	-	10,890	10,263
Other trading activities	4	165	321	-	486	340
Investments	5	4	-	-	4	5
Total income		<u>227</u>	<u>11,211</u>	<u>6,317</u>	<u>17,755</u>	<u>11,992</u>
Expenditure on:						
Raising funds		-	46	-	46	77
Charitable activities		63	11,371	592	12,026	12,570
Total expenditure	6	<u>63</u>	<u>11,417</u>	<u>592</u>	<u>12,072</u>	<u>12,647</u>
Net income / (expenditure) before investment losses		<u>164</u>	<u>(206)</u>	<u>5,725</u>	<u>5,683</u>	<u>(655)</u>
Net losses on investments	14	-	-	(1)	(1)	-
Net income / (expenditure) before other recognised gains and losses		<u>164</u>	<u>(206)</u>	<u>5,724</u>	<u>5,682</u>	<u>(655)</u>
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(767)	-	(767)	444
Net movement in funds		<u>164</u>	<u>(973)</u>	<u>5,724</u>	<u>4,915</u>	<u>(211)</u>
Reconciliation of funds:						
Total funds brought forward		<u>574</u>	<u>(941)</u>	<u>25,859</u>	<u>25,492</u>	<u>25,703</u>
Total funds carried forward		<u><u>738</u></u>	<u><u>(1,914)</u></u>	<u><u>31,583</u></u>	<u><u>30,407</u></u>	<u><u>25,492</u></u>

The 2018 comparatives have been restated to gross up the impact of school trip income and expenditure.

THE LEARNING TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07523884

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£000	2019 £000	£000	2018 £000
Fixed assets					
Tangible assets	13		30,523		24,685
Investments	14		17		18
			30,540		24,703
Current assets					
Stocks	15	3		2	
Debtors	16	1,344		1,207	
Cash at bank and in hand		2,313		2,098	
		3,660		3,307	
Creditors: amounts falling due within one year	17	(1,384)		(1,095)	
Net current assets			2,276		2,212
Total assets less current liabilities			32,816		26,915
Creditors: amounts falling due after more than one year	18		(114)		(128)
Net assets excluding pension scheme liabilities			32,702		26,787
Defined benefit pension scheme liability	24		(2,295)		(1,295)
Net assets including pension scheme liabilities			30,407		25,492
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	381		354	
Restricted fixed asset funds	19	31,583		25,859	
Restricted income funds excluding pension liability		31,964		26,213	
Pension reserve		(2,295)		(1,295)	
Total restricted income funds			29,669		24,918
Unrestricted income funds	19		738		574
Total funds			30,407		25,492

THE LEARNING TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2019

The financial statements on pages 29 to 54 were approved by the Trustees, and authorised for issue, on 3 December 2019 and are signed on their behalf, by:



Euan Imrie
Chair of Trustees

THE LEARNING TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	345	(441)
Cash flows from investing activities:			
Dividends, interest and rents from investments		4	5
Purchase of tangible fixed assets		(1,932)	(270)
Capital grants from DfE Group		1,818	1,176
Net cash (used in)/provided by investing activities		(110)	911
Cash flows from financing activities:			
Repayments of borrowings		(20)	-
Net cash used in financing activities		(20)	-
Change in cash and cash equivalents in the year		215	470
Cash and cash equivalents brought forward		2,098	1,628
Cash and cash equivalents carried forward	22	2,313	2,098

THE LEARNING TRUST
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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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

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

1.2 Going concern

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

At the balance sheet date the Academy Trust had net assets of £30.4m after providing for long term pension commitments of £2.3m in respect of the support staff defined benefit pension scheme. Net current assets were £2,276k (2018: £2,212k) and cash balances amounted to £2,313k (2018: £2,098k).

Future funding from the ESFA remains uncertain and given known significant expenditure increases due to affect future years and lagged funding affecting Queen's Park High School the Trust will be drawing down on its reserves in the relative short term. Forecasts show that deficits will be generated in future years and management are actively looking at areas where additional income can be generated to ensure that the long term future of the Trust can be ensured.

THE LEARNING TRUST
(A company limited by guarantee)

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

1. Accounting Policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

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

1. Accounting Policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Freehold property	-	2% straight line
Leasehold property	-	2% straight line
Leasehold land	-	0.8% straight line
Furniture and fixtures	-	20-25% straight line
Freehold land	-	Not depreciated
Assets under construction	-	Not depreciated

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

1.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of financial activities incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.8 Stocks

Unsold uniforms and books for resale are valued at the lower of cost and estimated selling price less costs to complete and sell.

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

1. Accounting Policies (continued)

1.9 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

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

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 17 and 18. 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 the academy's wholly owned subsidiary are held at face value less any impairment.

1.13 Taxation

The academy 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 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.

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

1. Accounting Policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.15 Agency arrangements

The Academy acts as an agent in the administering of 16-19 Bursary Funds from the ESFA. Related payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities to the extent that the Academy does not have a beneficial interest in the individual transactions. The allowance of 5% as a contribution to administration costs is however recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 27.

1.16 Fund accounting

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

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

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

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

1. Accounting Policies (continued)

1.17 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy 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.

Critical areas of judgment:

The trustees believe that critical areas of judgement do not have a significant risk of causing a material difference to the carrying amounts of assets and liabilities within the next financial year.

2. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000	<i>Restated Total funds 2018 £000</i>
Donations	58	-	4,500	4,558	25
Capital Grants	-	-	1,817	1,817	1,359
	<u>58</u>	<u>-</u>	<u>6,317</u>	<u>6,375</u>	<u>1,384</u>
<i>Total 2018</i>	<u>2</u>	<u>23</u>	<u>1,359</u>	<u>1,384</u>	

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

3. Funding for Academy's educational operations

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Restated Total funds 2018 £000</i>
DfE/ESFA grants				
GAG	-	9,463	9,463	9,050
Start Up Grants	-	146	146	184
Other DfE Group grants	-	464	464	247
	-	10,073	10,073	9,481
Other government grants				
Local Authority Grants	-	168	168	246
SEN Income	-	113	113	71
	-	281	281	317
Other funding				
Other incoming resources	-	104	104	126
School trip income	-	432	432	339
	-	536	536	465
	-	10,890	10,890	10,263
<i>Total 2018</i>	-	10,263	10,263	

4. Other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Restated Total funds 2018 £000</i>
Hire of facilities	14	-	14	34
Sundry Sales	16	-	16	35
Other income	135	321	456	272
	165	321	486	341
<i>Total 2018</i>	171	170	341	

THE LEARNING TRUST
(A company limited by guarantee)

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

5. Investment income

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Restated Total funds 2018 £000</i>
Investment income	4	-	4	5
<i>Total 2018</i>	5	-	5	

6. Expenditure

	Staff costs 2019 £000	Premises 2019 £000	Other costs 2019 £000	Total 2019 £000	<i>Total 2018 £000</i>
Expenditure on fundraising trading					
Direct costs	-	-	46	46	77
Support costs	-	-	-	-	-
Educational Operations:					
Direct costs	6,975	592	1,084	8,651	8,569
Support costs	2,135	642	598	3,375	4,001
	9,110	1,234	1,728	12,072	12,647
<i>Total 2018</i>	8,967	2,241	1,439	12,647	

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total 2019 £000	<i>Total 2018 £000</i>
Educational Operations	8,651	3,375	12,026	12,570
<i>Total 2018</i>	8,569	4,001	12,570	

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

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational Operations £000	Total 2019 £000	<i>Total 2018 £000</i>
Staff costs	2,135	2,135	2,035
Catering	99	99	75
Governance	18	18	23
Legal & Professional	97	97	106
Other Support Costs	185	185	860
Premises Costs	706	706	767
Recruitment	-	-	8
Technology	135	135	127
	<u>3,375</u>	<u>3,375</u>	<u>4,001</u>
<i>At 31 August 2018</i>	<u>4,001</u>	<u>4,001</u>	

8. Net income/(expenditure)

This is stated after charging:

	2019 £000	<i>2018 £000</i>
Depreciation of tangible fixed assets:		
- owned by the charity	592	517
Auditor's remuneration - audit	15	18
Auditor's remuneration - other services	4	4
Operating lease rentals	19	13
	<u>620</u>	<u>552</u>

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

9. Staff costs

a. Staff costs

Staff costs were as follows:

	2019 £000	2018 £000
Wages and salaries	8,086	6,555
Social security costs	661	621
Operating costs of defined benefit pension schemes	233	1,628
	<u>8,980</u>	<u>8,804</u>
Agency staff costs	115	140
Staff restructuring costs	15	23
	<u>9,110</u>	<u>8,967</u>

Staff restructuring costs comprise:

	2019 £000	2018 £000
Severance payments	15	26

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £15,000 (2018: £23,357). Individually the payments were £15,000 (2018: £20,000 and £3,357).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	123	138
Administration and support	180	167
Management	16	17
	<u>319</u>	<u>322</u>

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	4
In the band £70,001 - £80,000	2	0
In the band £80,001 - £90,000	1	2
In the band £90,001 - £100,000	1	0

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

9. Staff costs (continued)

All but one of the above employees participated in the Teachers' Pension Scheme a defined benefit scheme.

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team at all schools 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 £619k (2018: £660k).

10. Central services

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

- financial services
- strategic leadership
- others as arising

The academy charges for these services on the following basis:

- Amount per pupil or other bases as arising

The actual amounts charged during the year were as follows:

	2019	<i>2018</i>
	£000	<i>£000</i>
Christleton High School	240	<i>268</i>
Queens' Park High School	86	<i>94</i>
Chester International School	23	<i>15</i>
	<hr/> 349 <hr/>	<hr/> <i>377</i> <hr/>
Total		

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration (2018 - £NIL).

During the year, no Trustees received any benefits in kind (2018 - £NIL).

During the year ended 31 August 2019, no Trustees received any reimbursement of expenses (2018 - £11 to 1 Trustees).

12. Trustees' and Officers' Insurance

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

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

13. Tangible fixed assets

	Freehold property £000	Leasehold property £000	Furniture and fixtures £000	Assets under construction £000	Total £000
Cost					
At 1 September 2018	14,537	11,305	799	264	26,905
Additions	82	4,500	67	1,782	6,431
Transfer between classes	770	546	-	(1,316)	-
At 31 August 2019	<u>15,389</u>	<u>16,351</u>	<u>866</u>	<u>730</u>	<u>33,336</u>
Depreciation					
At 1 September 2018	1,411	273	536	-	2,220
Charge for the year	295	218	79	-	592
At 31 August 2019	<u>1,706</u>	<u>491</u>	<u>615</u>	<u>-</u>	<u>2,812</u>
Net book value					
At 31 August 2019	<u>13,683</u>	<u>15,860</u>	<u>251</u>	<u>730</u>	<u>30,524</u>
At 31 August 2018	<u>13,126</u>	<u>11,032</u>	<u>263</u>	<u>264</u>	<u>24,685</u>

14. Fixed asset investments

	Listed securities £000
Market value	
At 1 September 2018	18
Revaluations	(1)
At 31 August 2019	<u>17</u>
Historical cost	
	<u>12</u>
Investments at market value comprise:	
	2019 £000
Listed investments	17
	2018 £000
	18

All the fixed asset investments are held in the UK

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15. Stocks

	2019 £000	2018 £000
Uniforms, books and stationery	3	2

16. Debtors

	2019 £000	2018 £000
Trade debtors	21	6
VAT recoverable	195	120
Other debtors	133	113
Prepayments and accrued income	995	968
	1,344	1,207

17. Creditors: Amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	782	319
Other taxation and social security	168	160
Other creditors	346	506
Accruals and deferred income	88	110
	1,384	1,095

The balance in deferred income is £nil (2018: £18,246). The 2018 balance related to Falling Roll Income.

	2019 £000	2018 £000
Deferred income		
Deferred income at 1 September 2018	18	-
Resources deferred during the year	-	18
Amounts released from previous years	(18)	-
	-	18

18. Creditors: Amounts falling due after more than one year

	2019 £000	2018 £000
Other creditors	114	128

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18. Creditors: Amounts falling due after more than one year (continued)

Included with other creditors are loans of £138,851 (2018: £158,982) from Salix, these are provided on the terms that the loans are repayable by annual instalments of £23,464 (2018: £23,166). At least £24,865 will be repaid annually with full repayment by September 2024. The loans are interest free and unsecured.

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds					
General Funds	574	227	(63)	-	738
Restricted funds					
General Annual Grant (GAG)	-	9,464	(9,083)	-	381
Start Up Grants	47	146	(193)	-	-
Other DfE/EFSA grants	-	561	(561)	-	-
Other restricted funds	307	682	(989)	-	-
Local Authority grants	-	168	(168)	-	-
Non government grants	-	77	(77)	-	-
SEN funding	-	113	(113)	-	-
Pension reserve	(1,295)	-	(233)	(767)	(2,295)
	(941)	11,211	(11,417)	(767)	(1,914)
Restricted fixed asset funds					
Transfer on conversion	18,644	-	(368)	(1)	18,275
DfE group capital grants	6,199	1,817	-	-	8,016
Capital expenditure from GAG	652	-	(147)	-	505
Football Foundation grant	364	-	(39)	-	325
Donation from DfE	-	4,500	(38)	-	4,462
	25,859	6,317	(592)	(1)	31,583
Total restricted funds	24,918	17,528	(12,009)	(768)	29,669
Total of funds	25,492	17,755	(12,072)	(768)	30,407

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

a) Restricted General Fund

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education and Skills Funding Agency (ESFA).

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19. Statement of funds (continued)

Other ESFA grants are grants received from the ESFA which can only be utilised for the purpose intended. Other funds generated by the Academy include specific donations.

The Pension Reserve is the deficit in the Local Government Pension Scheme.

b) Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants, including capital grants from the Football Foundation for the all weather pitch, from the Academies Capital Maintenance Fund and Conditional Improvement Fund for the Renewal of External Curtain Walling, renewal of Crittle Steel Framed Windows, Roof Covering renewals and a Boiler replacement programme. Additional amounts in prior years include income in relation to new roof repairs work and safety compliance work. This has continued in the current year.

Also included within this fund is the cost of the new CIS building which was donated by the DfE for £4.5m.

c) Unrestricted funds

These include surpluses transferred on Academy conversion, and any other funds generated by the Academy, or donations received by the Academy with no specific purpose attached.

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

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £000	<i>Total 2018 £000</i>
Christleton High School	10	-
Queen's Park High School	5	27
Chester International School (Formerly Christleton International Studio)	-	16
Central Services	1,104	885
Total before fixed asset fund and pension reserve	1,119	928
Restricted fixed asset fund	31,583	25,859
Pension reserve	(2,295)	(1,295)
Total	30,407	25,492

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19. Statement of funds (continued)

Analysis of academies by cost

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2019 £000	Total 2018 £000
Christleton High School	4,379	1,020	124	1,365	6,888	6,625
Queen's Park High School	1,806	619	51	509	2,985	3,115
Chester International School (formerly Christleton International Studio)	789	52	55	128	1,024	746
Central Services	-	281	3	65	349	207
	<u>6,974</u>	<u>1,972</u>	<u>233</u>	<u>2,067</u>	<u>11,246</u>	<u>10,693</u>

Statement of funds - prior year

	<i>Balance at 1 September 2017 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2018 £000</i>
General funds						
General Funds	457	177	(60)	-	-	574
Restricted funds						
General Annual Grant (GAG)	-	9,050	(9,050)	-	-	-
Start Up Grants	100	184	(237)	-	-	47
Other DfE/ESFA grants	-	247	(247)	-	-	-
Other government grants	159	317	(476)	-	-	-
Other restricted funds	306	394	(624)	231	-	307
Pension reserve	(1,462)	-	(277)	444	-	(1,295)
	<u>(897)</u>	<u>10,192</u>	<u>(10,911)</u>	<u>675</u>	<u>-</u>	<u>(941)</u>

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19. Statement of funds (continued)

Restricted fixed asset funds

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
Transfer on conversion	19,870	-	(1,226)	-	-	18,644
DfE group capital grants	5,218	1,359	(147)	(231)	-	6,199
Capital expenditure from GAG	652	-	-	-	-	652
Football Foundation grant	403	-	(39)	-	-	364
	<u>26,143</u>	<u>1,359</u>	<u>(1,412)</u>	<u>(231)</u>	<u>-</u>	<u>25,859</u>
Total restricted funds	<u>25,246</u>	<u>11,551</u>	<u>(12,323)</u>	<u>444</u>	<u>-</u>	<u>24,918</u>
Total of funds	<u>25,703</u>	<u>11,728</u>	<u>(12,383)</u>	<u>444</u>	<u>-</u>	<u>25,492</u>

20. Analysis of net assets between funds

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	30,524	30,524
Fixed asset investments	-	-	17	17
Current assets	738	1,880	1,042	3,660
Creditors due within one year	-	(1,385)	-	(1,385)
Creditors due in more than one year	-	(114)	-	(114)
Provisions for liabilities and charges	-	(2,295)	-	(2,295)
	<u>738</u>	<u>(1,914)</u>	<u>31,583</u>	<u>30,407</u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2018 £000</i>	<i>Restricted funds 2018 £000</i>	<i>Restricted fixed asset funds 2018 £000</i>	<i>Total funds 2018 £000</i>
Tangible fixed assets	-	-	24,684	24,684
Fixed asset investments	-	-	18	18
Current assets	574	1,577	1,157	3,308
Creditors due within one year	-	(1,095)	-	(1,095)
Creditors due in more than one year	-	(128)	-	(128)
Provisions for liabilities and charges	-	(1,295)	-	(1,295)
	<u>574</u>	<u>(941)</u>	<u>25,859</u>	<u>25,492</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. Reconciliation of net movement in funds to net cash flow from operating activities

	2019	<i>2018</i>
	£000	<i>£000</i>
Net income/(expenditure) for the year (as per Statement of Financial Activities)	5,682	<i>(655)</i>
Adjustment for:		
Depreciation charges	592	<i>517</i>
Loss on investments	1	<i>-</i>
Dividends, interest and rents from investments	(4)	<i>(5)</i>
Loss on the sale of fixed assets	-	<i>895</i>
Increase in debtors	(137)	<i>(225)</i>
Increase in creditors	296	<i>114</i>
Capital grants from DfE and other capital income	(6,318)	<i>(1,359)</i>
Defined benefit pension scheme cost less contributions payable	195	<i>237</i>
Defined benefit pension scheme finance cost	38	<i>40</i>
Net cash provided by/(used in) operating activities	345	<i>(441)</i>

22. Analysis of cash and cash equivalents

	2019	<i>2018</i>
	£000	<i>£000</i>
Cash in hand	2,313	<i>2,098</i>
Total	2,313	<i>2,098</i>

23. Contingent liabilities

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. This impacts all LGPS across the country. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

24. Pension commitments

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

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

Contributions amounting to £142k were payable to the schemes at 31 August 2019 (*2018 - £133k*) and are included within creditors.

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FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Teachers' Pension Scheme

The Academy Trust participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £851k (2018 - £874k) and at the year-end £142k (2018 - £133k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £404k (2018 - £381k), of which employer's contributions totalled £323k (2018 - £301k) and employees' contributions totalled £81k (2018 - £80k). The agreed contribution rates for future years are 24.15% until March 2020 and estimated at

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24. Pension commitments (continued)

24.65% FY 2020/21 (TBC) for employers and a range for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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
Discount rate for scheme liabilities	1.80 %	2.80 %
Rate of increase in salaries	2.60 %	2.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.40 %

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

	2019	2018
Retiring today		
Males	21.2	22.3
Females	23.5	24.5
Retiring in 20 years		
Males	22.1	23.9
Females	25.0	26.5

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

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	2,125	2,000
Corporate bonds	2,322	1,792
Property	395	333
Cash and other liquid assets	99	42
Total market value of assets	<u>4,941</u>	<u>4,167</u>

The actual return on scheme assets was £217k (2018 - £139k).

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24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2019 £000	2018 £000
Current service cost	489	538
Net interest cost	38	40
Past service cost	29	-
	<hr/>	<hr/>
Total	556	578
	<hr/> <hr/>	<hr/> <hr/>

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

	2019 £000	2018 £000
Opening defined benefit obligation	5,462	5,151
Current service cost	589	538
Interest cost	160	136
Employee contributions	81	80
Actuarial losses/(gains)	1,062	(401)
Benefits paid	(47)	(42)
Past service costs	29	-
	<hr/>	<hr/>
Closing defined benefit obligation	7,336	5,462
	<hr/> <hr/>	<hr/> <hr/>

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

	2019 £000	2018 £000
Opening fair value of scheme assets	4,167	3,689
Interest income	122	96
Actuarial gains	295	43
Employee contributions	81	80
Benefits paid	(47)	(42)
Employer contributions	323	301
	<hr/>	<hr/>
Closing fair value of scheme assets	4,941	4,167
	<hr/> <hr/>	<hr/> <hr/>

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25. Operating lease commitments

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

	2019 £000	2018 £000
Amounts payable:		
Within 1 year	27	14
Between 1 and 5 years	38	25
After more than 5 years	1	-
Total	<u>66</u>	<u>39</u>

26. 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.

27. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

28. Agency Arrangements

The Academy administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the ESFA. In the year it received £35,082 (2018: £34,415) and disbursed £33,446 (2018: £21,023) plus an administration fee of £1,754, therefore leaving an amount of £11,627 (2018: £11,782) included in other creditors.