

Company Registration No. 07523884 (England and Wales)

**THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2018**

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## REFERENCE AND ADMINISTRATIVE DETAILS

---

### Members/ Trustees

- Member  
Hems de Winter  
Bank of America Merrill Lynch (Corporate)
- Member/ Trustee  
Paul Heath  
Jean Charlton  
Sue Leake (Chair) (resigned as Chair 16 January 2018)
- Trustees  
Euan Imrie (Chair) (appointed as Chair from 7 February 2018)  
Nick Crowther  
Michael Dempsey (nominated Trustee of BAML) (resigned on 17 October 2018)  
Kayte Parlevliet  
Vicky Higham (appointed 23 October 2018)

### Senior management team

- Chief Executive Officer (CEO) Tony Lamberton
- Academy Trust Business Director (ATBD) Nigel Follos
- Headteacher (CHS) Damian Stenhouse
- Headteacher (QPHS) Lyndsay Watterson
- Principal (CIS) Kate Unsworth

Company registration number 07523884 (England and Wales)

Principal and Registered Office  
Christleton Learning Trust  
Village Road  
Christleton  
Chester  
CH3 7AD

### Academies operated

Christleton High School  
Queen's Park High School  
Chester International School

### Location

Christleton, Chester, CH3 7AD  
Handbridge, Chester, CH4 7AE  
Handbridge, Chester, CH4 7AE

### Principal

D Stenhouse  
L Watterson  
K Unsworth

Independent auditor  
RSM UK Audit LLP  
5th Floor  
One City Place  
Queens Road  
Chester  
CH1 3BQ

Bankers  
Lloyds Bank PLC  
8 Foregate Street  
Chester  
CH1 1XP

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT

---

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year the MAT operated three secondary academies in Chester. Its academies have a combined pupil capacity of 2,580 and had a roll of 1,895 in the school census in June 2018.

To allow the MAT to have a wider geographic appeal, the Members of the MAT authorised a change in the name of the MAT from Christleton Learning Trust to The Learning Trust. This became effective on 27 July 2018.

### **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 2018, those schools were Christleton High School (CHS), Queen's Park High School (QPHS) and Chester International School (CIS), which on its official opening for students, joined the MAT on 01 September 2017.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The Multi Academy Trust (MAT) is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the MAT.

During the year, the MAT had up to seven individuals, who acted as the Trustees for the charitable activities of Christleton 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 throughout the year (except as noted) are included in the Reference and Administrative Details on page 1.

### **Members' liability**

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

### **Trustees' indemnities**

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

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### **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-election or replacement process.

On 1 June 2017, following QPHS joining the MAT, a further Trustee was appointed. The seven Trustees were all in post on 1 September 2017. However, one trustee, Sue Leake, subsequently resigned on 16 January 2018 and was not replaced within the year. Euan Imrie was appointed as Chair of Trustees with effect from 7 February 2018. The recruitment process was initiated, using an external specialist Agency (Academy Ambassadors) and the appointment of a replacement Trustee, Vicky Higham, was made on 23 October 2018.

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 for the latest recruitment process.

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 role and responsibilities.

### **Policies and procedures adopted for the induction and training of trustees**

There is a comprehensive Trustee Induction Programme managed by the Academy Trust Business Director (ATBD), who is also the Clerk to the Trustees, 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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### **Organisational structure**

The Trustees normally meet a minimum of three times per year. They have established an overall framework for the governance of the MAT 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 MAT Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

Normally, during the year there are two sub-committees, meeting termly, both of which are responsible for MAT 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, CPD, work-life balance and personnel policies.

During the year, to enhance the governance of the MAT in its second full year, these committees were not convened but the number of full Business meetings was increased and those committee agenda items discussed in those Business meetings. Therefore, during the year, ten 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 MAT 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 Development Plan 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 MAT, its schools, capital expenditure and staff appointments.

The Trustees devolved responsibility for day to day management of the MAT to the CEO, Headteachers of the schools and the Academy Trust Business Director.

The CEO is the Accounting Officer and the ATBD is the Financial Officer.

### **Organisational structures – Schools level**

Each school within the MAT, has a leadership structure which consists of a local Governing Body of elected and appointed Governors and a Senior Leadership Group. 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 Leadership Group controls the school at an executive level, implementing the policies laid down by the Trustees and Governors and reporting back to them. The Headteacher, Academy Trust Business Director and 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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

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

A Performance Review Committee has been set up to monitor performance and remuneration. Performance targets and salaries for key MAT 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 Board of Trustees, 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 remuneration was paid in the year for their role as Trustees. Details of related party transactions are disclosed in note 28 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.

### **Trade Union facility time**

There are two trade union representatives, none of their working hours are spent on facility time.

### **Related parties and other connected charities and organisations**

Connected charities and organisations

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 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.

### **Related party**

In the year, transactions took place with Chester International School, the limited company set up to open the new school. When the school was in project development stage, three of the Trustees, Mrs S Leake, Mr M Dempsey and Mrs J Charlton were Trustees of Chester International School. The assets of the company were transferred to The Learning Trust and the company dissolved in February 2018.

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 it 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 and with their nominated Trustee during the year ended 31 August 2018. 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 MAT. There are no sponsors.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### **Risk management**

The Trustees have assessed the major risks to which the MAT 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 that the MAT faces, especially in operational areas (e.g. in relation to teaching, health & safety and school 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 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 LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### OBJECTIVES 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"

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

We currently have three schools 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 the MAT to allow more students to benefit from the core values of the Trust, which we believe can help improve educational standards for all.

Given its current experience and expertise, the MAT will initially consider other secondary schools that can bring synergistic benefits to its existing schools and will consider partnering with those primary schools that can provide tangible benefits to 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 the MAT will be subject to effective financial due diligence, detailed operational reviews and to its tried and tested Schools' Improvement process. Any decisions to take on any school offered to the MAT will be made within those frameworks.

### **Capital work and grants**

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

During the 2017-18 finance year, CHS was awarded Condition Improvement Funding Grant of £391k to complete works on the fire security of the site. In addition, QPHS was awarded Condition Improvement Funding Grant of £986k to complete works on the roofs of the site. In both instances, the work was started during the year but was not completed by 31 August 2018.

A further two bids in 2017/2018, within the Condition Improvement Fund were unsuccessful, even after lodging appeals, but further bids for both the Christleton site and Queen's Park site will be made during the 2018/19 financial year.



# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

Additionally, in 2016/17, the MAT was awarded Grants totalling £520k by DfE to provide Equipment and Temporary Accommodation for the Chester International School. At the current financial year end, £426k of the grant cash awarded had been spent. £56k of the Temporary Accommodation Grant was reallocated back to DfE by mutual agreement to support the CIS new build at the Queen's Park High Campus.

The sponsorship grant paid to CHS on the academisation of QPHS and the start up grant paid to date for QPHS have both also been used to develop the MAT on projects, identified by the schools to enhance the educational outcomes of the students.

In addition, Department for Education (DfE) agreed to fund a new build to the estimated value of £4.1m within the QPHS site for CIS with an opening planned for Spring 2019. The project was managed directly by DfE. The previously refurbished buildings will be utilised as a new Sixth Form block for QPHS.

### **Public benefit**

The Trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in the exercise of their duties.

The Trustees met 10 times during the year in addition to the 5 Business meetings of the Governing Bodies of both 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. Their 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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### STRATEGIC REPORT

#### **Achievements and performance**

##### **Christleton High School**

Again, this year, students have achieved excellent examination results. A2 results were in line with the previous year's, with nearly half of all grades at A\* - B level and a quarter at A\* - A. These results have translated into the vast majority of students taking up places at universities or pursuing their preferred pathway.

The GCSE results were again strong this year. 73% of all students achieved 5 A\* - C (or 9-4), with 70% of all students achieving 5 A\* - C (or 9-4) including English and Maths. 83% of students achieved a 9-4 pass in English and 78% in Maths. On the harder measure of 9-5 passes in English and Maths, 40% achieved both – placing CHS in line with the local and national average.

CHS is now three years on from its Outstanding Ofsted rating. This is something of which we are very proud and was 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 197 students taking part.

In the last financial year, the school's new Combined Cadet Force (CCF) expanded with 54 cadets regularly attending. The Duke of Edinburgh Award Scheme continues to go from strength to strength with another record number of students participating during the year.

##### **Queen's Park High School**

The GCSE results at QPHS again saw year on year improvement this year, with 40% of all students achieving 5 A\* - C (or 9-4) including English and Maths and 60% of students achieving 5 A\* - C (or 9-4). Results in the last three years continue to improve under new leadership.

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 first year in existence, CIS has performed well in attracting and retaining its first cohort of students to the school. Given the high levels of scrutiny from DfE, it has been particularly pleasing to receive positive assessments from DfE. The school has not had any students to take exams this year so has no results to report but we are pleased to be able to report that a number have students have embraced the enrichment activities on offer including its inaugural Duke of Edinburgh programme.

To provide a stronger brand presence and better reflect how the school has evolved within its first year, CIS changed its name with effect from August 2018 from Christleton International Studio to Chester International School.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### Financial 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 2018 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities on page 24. It should be noted that given that QPHS joined the Trust on 01 April 2017 and CIS on 01 September 2017, year on year comparisons are distorted.

During the period ending 31 August 2018, total expenditure was £12,383k (2017: £9,138k), total income of £11,728 (2017: £21,413k), including capital funding of £1,359k (2017: £684k).

Net assets on the balance sheet at 31 August 2018 were £25,492k (2017: £25,703k) after accounting for the local government scheme pension deficit of £1,295k (2017: £1,462k). 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 loss of £444k (2017: £624k surplus) and cash balances increased in the year from £1,627k to £2,098k.

The land, buildings and other assets at CHS were transferred to the MAT 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 school.

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 the schools.

During Autumn 2017, Trustees appointed RSM Risk Assurance Services LLP, and in Autumn 2018 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.

In 2016/17, the Trustees approved the investment of surplus funds in a higher earning bank account, this was opened during 2017/18 in accordance with the Audit and Finance Committee's authority.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### Financial and 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 discontinued, whilst new courses were introduced to ensure that an inclusive 6th Form remained.

However, recent significant changes in funding arrangements for special educational needs, at a time of increasing demand and the possible impact of the National Fairer Funding Formula, coupled with ever increasing employment and premises costs mean that budgets for CHS will be increasingly tight in coming years.

QPHS's circumstances are significantly different with difficult challenges in pupil numbers at both Years 7 and 12 and generally across the school. 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.

Whilst there is still plenty of work to do in this area, this has brought initial success and benefitted by the award of Headteacher of the Year for Cheshire in 2017 to Lyndsay Watterson, Headteacher of QPHS. The number of in year transfers has also increased. In addition, the school was announced as the winner of the Communication Award at the Trinity Mirror Cheshire Schools Awards, providing well merited recognition for the excellent work undertaken by the team in promoting the school and its brand within the local community.

Therefore, the Trustees, whilst being well aware that optimising student numbers at QPHS will take time, are confident that with both improving demographics and brand reputation, longer term success can be achieved. Year 7 entry numbers in September 2018 was an encouraging indicator that the strategies are beginning to work. Sixth Form entry remains challenging due to the legacy of lower numbers passing through the school.

Initial student enrolment at CIS was largely in line with expectations and, pleasingly, has remained largely consistent throughout the year. Given the school remains in temporary accommodation, the enrolment numbers for 2018/19 are again in line with expectations. The new building, due to be completed in spring 2019, together with initial examination results, will provide the impetus and springboard to accelerate student number growth further in 2019/20.

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.

The Trustees 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 significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The MAT 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 LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### 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 MAT and its schools, the uncertainty over future income streams and other key risks (such as pupil numbers) identified during the risk review.

In 2017/18, the Trustees maintained the appropriate level of free cash reserves at a planned minimum of £440,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. A fund for 2018/19 of circa £100,000 for future development has also been created and a number of projects have been highlighted within the strategic planning process.

### 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 of higher interest rates, ensuring the institution has 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.

### Key performance indicators

The main 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.

As funding is based on student numbers this is also a key performance indicator. Student numbers at CHS for September 2017 were 1,056 in Years 7-11 and 292 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 Local Governing Bodies and Leadership Team, bearing in mind the downward trend of Sixth Form funding.

Student numbers at QPHS at September 2017 were 371 in Years 7-11 and 107 in Sixth Form. It is anticipated that, in the immediate short term, overall numbers will decline in Years 7-11 as lower numbers join than are leaving – a legacy of poor focus in the years before the recent appointment of the new Headteacher, joining the MAT. Sixth Form numbers have also been declining and remain challenging. This has already improved and is expected to further in the future.

Student numbers at CIS at September 2017 were 45 in Year 9 and 35 in Year 12. It is worth noting that funding at CIS is in year and not lagged as in CHS and QPHS. The numbers at census within the Autumn Term of 2018 totalled 132.

The Trustees and local Governors are kept aware of employee matters particularly with respect to staff leavers and the Summer of 2018 saw a continued small turnover in teaching staff, attributable largely to contract expiry, promotions and retirements. The MAT does, however, remain committed to always replacing, wherever possible, with 'the best staff available' and are confident this year's new recruits will again prove to be so.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### Changes during the year

As we entered the financial year, the MAT comprised the three secondary schools, which it currently has, with CIS joining the Trust on 01 September 2017.

Against this backdrop, the Trustees decided that the key Strategic focus in the year was fivefold:

- Establish the infrastructure to support three or more schools effectively – this was achieved and thanks to the CEO and the ATBD for creating the structures to ensure that the schools were able to focus on improving student outcomes.
- For CHS and QPHS to continue its school improvement activities to improve outcomes for students – credit must go to the Heads and SLTs of both schools for the level of improvements undertaken and these have been largely achieved at both schools. This obviously remains an on-going and continuing process.
- For CIS to open and run effectively in first year of operation. This has been achieved and a springboard for future development has been created – credit to the CEO, Principal, Local Governing Body and SLT for the work undertaken to get the School to this position.
- Ensure the financial base of the Trust was secure and robust enough to create a balanced budget for 2018/19 against the uncertain background of National Fairer Funding and an increasing cost over which the Trust had limited control – whilst always challenging the trust is in better shape for the work undertaken in terms of cost control, pupil recruitment and improving efficiency.
- Create the future Strategic plan to ensure that the Trust is best placed to seize future opportunities to grow both the number and type of schools within the growth platforms agreed – work remains outstanding here but a more proactive and structured framework exists to ensure growth adds value to both the Trust and students. A number of possible opportunities have been highlighted.

### Going concern

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

### **Plans for future periods**

Our primary focus in 2018/19 is again to ensure the students be the very best they can be and therefore make significant progress and achieve high degrees of success in their examinations. In addition, the work to develop CIS and its new buildings due to open in spring 2019 will continue, as will the continual drive to further improve both existing secondary schools. The imperative need to optimise students at 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.

In the coming year, it is more likely that the Trustees will 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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

### Principal risks and uncertainties

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 MAT 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 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 to keep them up to date with financial practice requirements and develop their skills in this area. In light of a fraud perpetrated on the Trust within the financial year, this was enhanced.

### FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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. The Trustees are Mr A Lamberton (CEO) and Mr N Follos (ATBD).

### EMPLOYEE CONSULTATION AND DISABLED EMPLOYEES

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 and Community Cohesion Policy
- Racial Equality Policy
- Staff Handbook
- Application forms for prospective employees
- Information pack for prospective employees.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## TRUSTEES' REPORT (CONTINUED)

---

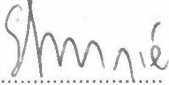
### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### Statement as to disclosure of information to auditor

The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on ~~29.11.18~~ and signed on its behalf by:



Mr Euan Imrie

Chair of trustees



# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## GOVERNANCE STATEMENT

---

### Scope of responsibility

As Trustees, we acknowledge that we have overall responsibility for ensuring that Christleton 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 Trustees have delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform to 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 Christleton Learning Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the 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' and Governors' responsibilities.

The Board of Trustees has formally met 11 times during the year. Physical attendance (NB absent Trustees also often participated on key decisions and issues via Skype / Facetime) during the meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr Jean Charlton	10	11
Mr Nick Crowther	6	11
Mr Mick Dempsey	3	11
Mr Paul Heath	10	11
Mr Euan Imrie (Chair of Trustees from 7 February 2018)	10	11
Mrs Sue Leake (Chair of Trustees until 16 January 2018)	7	7
Ms Kate Parlevliet	9	11

Mrs Sue Leake resigned as both a Trustee and Member on 16 January 2018

### Audit and Finance Committee

The Audit and Finance Committee is a committee of the main Trustee Body. 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 2017/18.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## GOVERNANCE STATEMENT (CONTINUED)

---

### **Review of value for money**

As accounting officer, the CEO has responsibility for ensuring that the MAT 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 MAT'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 available.

The accounting officer for the academy MAT has delivered improved value for money during the year by:

### **Student attainment and welfare**

Our focus here is demonstrated by the longer term trends in exam results, particularly as GCSE results for 2017/18 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 both QPHS and CHS, there was one permanent exclusion each during the financial year 2017/18.

At all schools, Pupil premium funds are utilised 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 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 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 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 termly 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 LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## GOVERNANCE STATEMENT (CONTINUED)

---

### **The purpose of the system of internal control**

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

### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the MAT is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustee Board is of the view that there is a formal on-going process for identifying, evaluating and managing the academy Trust's significant risks that has been in place for the year ending 31 August 2018 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 MAT'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 governing body;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed RSM Risk Assurance Services LLP, and Hall Livesey Brown post year end, to perform additional checks. The Reviewer's role includes giving advice on financial matters and performing a range of checks on the academy Trust's financial systems. In particular checks carried out in the current period included:

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

Reports are issued to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustee's financial responsibilities.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## GOVERNANCE STATEMENT (CONTINUED)

---

### Review of effectiveness

As accounting officer, the CEO has responsibility for reviewing the effectiveness of the system of internal controls. During the year in question the review has been informed by:

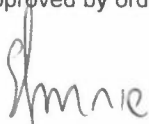
- the work of the systems reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process
- the work of the executive managers within the academy trust and who have responsibility for the development and maintenance of the internal control framework.

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

Regrettably during the year, the MAT was the unwitting victim of an elaborate fraud. The losses, less a small excess, were recovered in full via insurance.

The Trustees were pleased with the immediate actions, communications to all relevant parties and responses of the executive team. Following an investigation by the MAT's Auditors, the Finance Manual was updated and controls strengthened to best prevent a further occurrence.

Approved by order of the Board of Trustees on 29.11.18 and signed on its behalf by:



Mr Euan Imrie  
Chair of Trustees



Mr Tony Lamberton  
Accounting Officer

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

---

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

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

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

Mr Tony Lamberton  
Accounting Officer



29.11.18

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

---

The Trustees (who are also the directors of The Learning Trust (Formerly Christleton Learning Trust) for the purposes of company law) are responsible for preparing the Trustees' Report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency; United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); applicable law and regulations.

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

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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that 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 29.11.18 and signed on its behalf by:



Mr Euan Imrie  
Chair of Trustees

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)**

---

### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2017 to 2018 issued by the Education and 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 other information comprises the information included in the Trustee's Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions 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 and the incorporated Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST) (CONTINUED)

---

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report and the incorporated 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 set out on page 21, the trustees are also the directors of the charitable company for the purposes of company law are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Anna Spencer-Gray (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
5th Floor  
One City Place  
Queens Road  
Chester  
CH1 3BQ

*19 December 2018*



## THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

### STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2018 £'000	Total 2017 £'000
<b>Income and endowments from:</b>						
Donations and capital grants	4	2	23	1,359	1,384	684
Donations - transfer from local authority on conversion	30	-	-	-	-	12,389
Charitable activities:						
- Funding for educational operations	5	-	9,999	-	9,999	8,038
Other trading activities	6	170	170	-	340	295
Investments	7	5	-	-	5	7
<b>Total</b>		<u>177</u>	<u>10,192</u>	<u>1,359</u>	<u>11,728</u>	<u>21,413</u>
<b>Expenditure on:</b>						
Raising funds	8	60	17	-	77	48
Charitable activities:						
- Educational operations	9	-	10,894	1,412	12,306	8,598
Charitable expenditure - transfer from local authority on conversion	30	-	-	-	-	492
<b>Total</b>	<b>8</b>	<u>60</u>	<u>10,911</u>	<u>1,412</u>	<u>12,383</u>	<u>9,138</u>
<b>Net income/(expenditure)</b>		117	(719)	(53)	(655)	12,275
Transfers between funds	23	-	231	(231)	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains on defined benefit pension schemes	27	-	444	-	444	885
<b>Net movement in funds</b>		117	(44)	(284)	(211)	13,160
<b>Reconciliation of funds</b>						
Total funds brought forward		457	(897)	26,143	25,703	12,543
Total funds carried forward		<u>574</u>	<u>(941)</u>	<u>25,859</u>	<u>25,492</u>	<u>25,703</u>

**THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)****BALANCE SHEET****AS AT 31 AUGUST 2018**

	Notes	2018		2017	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	14		24,685		25,826
Investments	15		18		18
			<u>24,703</u>		<u>25,844</u>
<b>Current assets</b>					
Stocks	16	2		3	
Debtors	17	1,207		799	
Cash at bank and in hand		2,098		1,627	
		<u>3,307</u>		<u>2,429</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(1,095)		(949)	
<b>Net current assets</b>			<u>2,212</u>		<u>1,480</u>
<b>Total assets less current liabilities</b>			<u>26,915</u>		<u>27,324</u>
Creditors: amounts falling due after more than one year	19		(128)		(159)
<b>Net assets excluding pension liability</b>			<u>26,787</u>		<u>27,165</u>
Defined benefit pension scheme liability	27		(1,295)		(1,462)
<b>Net assets</b>			<u>25,492</u>		<u>25,703</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	23				
- Restricted fixed asset funds			25,859		26,143
- Restricted income funds			354		565
- Pension reserve			(1,295)		(1,462)
<b>Total restricted funds</b>			<u>24,918</u>		<u>25,246</u>
<b>Unrestricted income funds</b>	23		<u>574</u>		<u>457</u>
<b>Total funds</b>			<u>25,492</u>		<u>25,703</u>

The financial statements on pages 24 to 50 were approved by the board of trustees and authorised for issue on 29.11.18 and are signed on their behalf by:



Mr Euan Imrie  
Chair of trustees

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

---

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	25		(444)		624
Cash funds transferred on conversion			5		-
			<u>(439)</u>		<u>624</u>
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		5		7	
Capital grants from DfE Group		1,176		122	
Purchase of tangible fixed assets		(271)		(1,201)	
Purchase of investments		-		(2)	
		<u>-</u>		<u>-</u>	
<b>Net cash provided by/(used in) investing activities</b>			910		(1,074)
			<u>910</u>		<u>(1,074)</u>
<b>Net increase/(decrease) in cash and cash equivalents in the reporting period</b>			471		(450)
			<u>471</u>		<u>(450)</u>
Cash and cash equivalents at beginning of the year			1,627		2,077
			<u>1,627</u>		<u>2,077</u>
<b>Cash and cash equivalents at end of the year</b>			<u>2,098</u>		<u>1,627</u>

---

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies

The Learning Trust (Formerly Christleton Learning Trust) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

##### **Basis of preparation**

The financial statements of the academy trust 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 financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The academy trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, in dealing with items which are considered material in relation to the financial statements, to all the years presented, unless otherwise stated.

The financial statements are presented in sterling which is also the functional currency of the academy trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The notes show the comparative figures for 2017 which appear inconsistent however 2018 includes QPHS and CIS for 12 months whereas 2017 included CHS and QPHS for 5 months only.

##### **Going concern**

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

At the balance sheet date the Academy had net assets of £25.492m after providing for long term pension scheme commitments of £1,295k in respect of the support staff defined benefit pension scheme. Net current assets were £2,212k (2017: £1,480k) and cash balances amounted to £2,098k (2017: £1,627k).

The Trustees have reviewed and approved budgets and cashflow forecasts for 2018/19 and future years, and consider in the light of this review that it is appropriate to prepare the financial statements on a going concern basis.

##### **Conversion to an academy trust**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Chester International School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories. Further details of the transaction are set out in note 30.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies (Continued)

##### **Income**

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

##### Grants

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

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

Capital grants are recognised when there is entitlement, when performance-related conditions have been met, 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

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

##### Other income

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

##### Donated goods, facilities and services

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

##### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT and net of claimed VAT.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies (Continued)

##### Expenditure on raising funds

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

##### Charitable activities

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

##### **Tangible fixed assets and depreciation**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. 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, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold and leasehold buildings	2% straight line
Assets in the course of construction	Not depreciated
Fixtures, fittings and equipment	20% - 25% straight line
Leasehold land	0.8% straight line
Freehold land	Not depreciated

Assets in the course of construction are included at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies (Continued)

##### **Liabilities**

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

##### **Financial Instruments**

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

##### *Financial assets and liabilities*

Financial assets and financial liabilities are recognised when the academy becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### **Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

##### **Leased assets**

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

##### **Investments**

Listed investments are initially measured at cost and subsequently measured at fair value at the reporting date. The Statement of Financial Activities (SOFA) includes the net gains and losses arising on revaluations and disposal during the year.

##### **Stock**

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 (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 1 Accounting policies (Continued)

##### **Taxation**

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

##### **Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is a multi-employer scheme but there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income. Actuarial gains and losses are recognised immediately in other comprehensive income.

##### **Fund accounting**

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

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Department for Education.

##### **Agency arrangements**

The Academy acts as an agent in the administering of 16-19 Bursary Funds from the EFA. Related payments received from the EFA 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 29.



# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### **2 Critical accounting estimates and areas of judgement**

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

##### Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### Critical areas of judgement

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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 3 Comparative year information

Year ended 31 August 2017	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2017 £'000
<b>Income and endowments from:</b>				
Donations and capital grants	2	15	667	684
Donations - transfer from local authority on conversion	-	-	12,389	12,389
Charitable activities:				
- Funding for educational operations	-	8,038	-	8,038
Other trading activities	89	206	-	295
Investments	7	-	-	7
<b>Total</b>	<b>98</b>	<b>8,259</b>	<b>13,056</b>	<b>21,413</b>
<b>Expenditure on:</b>				
Raising funds	32	16	-	48
Charitable activities:				
- Educational operations	-	8,177	421	8,598
Charitable expenditure - transfer from local authority on conversion	-	492	-	492
<b>Total</b>	<b>32</b>	<b>8,685</b>	<b>421</b>	<b>9,138</b>
<b>Net income/(expenditure)</b>	<b>66</b>	<b>(426)</b>	<b>12,635</b>	<b>12,275</b>
Transfers between funds	-	(164)	164	-
<b>Other recognised gains/(losses)</b>				
Actuarial gains on defined benefit pension schemes	-	885	-	885
<b>Net movement in funds</b>	<b>66</b>	<b>295</b>	<b>12,799</b>	<b>13,160</b>

### 4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Capital grants	-	1,359	1,359	667
Other donations	2	23	25	17
	<b>2</b>	<b>1,382</b>	<b>1,384</b>	<b>684</b>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	9,050	9,050	7,160
Start up grants	-	184	184	100
Other DfE group grants	-	247	247	348
	-	9,481	9,481	7,608
<b>Other government grants</b>				
Local authority grants	-	246	246	194
Special educational policies	-	71	71	75
	-	317	317	269
Other incoming resources	-	201	201	161
	-	9,999	9,999	8,038

### 6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Hire of facilities	34	-	34	40
School events	34	-	34	23
Other income	102	170	272	232
	170	170	340	295

### 7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
Interest from short term deposits	5	-	5	7

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

8 Expenditure	Non Pay Expenditure			Total 2018 £'000	Total 2017 £'000
	Staff costs £'000	Premises £'000	Other £'000		
Expenditure on raising funds					
- Direct costs	-	-	77	77	48
Academy's educational operations					
- Direct costs	6,956	517	831	8,304	6,464
- Allocated support costs	1,734	858	1,410	4,002	2,134
Total support costs	<u>8,690</u>	<u>1,375</u>	<u>2,318</u>	<u>12,383</u>	<u>8,646</u>
<b>Net income/(expenditure) for the year includes:</b>				<b>2018</b>	<b>2017</b>
				<b>£'000</b>	<b>£'000</b>
Operating lease rentals				13	11
Depreciation of tangible fixed assets				517	421
Net interest on defined benefit pension liability				40	40
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:					
- Audit				18	16
- Other services				4	4
Included within expenditure are the following transactions:				<b>2018</b>	
				<b>£'000</b>	
- Items over £5,000:	Staff compromise payments			26	

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Charitable activities

	2018 £'000	2017 £'000
All from restricted funds:		
<b>Direct costs</b>		
Educational operations	8,304	6,464
<b>Support costs</b>		
Educational operations	4,002	2,134
	<u>12,306</u>	<u>8,598</u>
	<u>2018</u> £'000	<u>2017</u> £'000
<b>Analysis of support costs</b>		
Support staff costs	1,734	1,203
Depreciation	-	1
Technology costs	127	78
Premises costs	858	599
Other support costs	1,261	231
Governance costs	22	22
	<u>4,002</u>	<u>2,134</u>

### 10 Central services

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

- financial services;
- strategic leadership;
- others as arising.

The academy trust will charge for these services on the following basis:

- amount per pupil;
- other bases as arising.

The amounts charged during the year were as follows:

	2018 £'000	2017 £'000
Christleton High School	268	-
Queen's Park High School	94	-
Chester International School	15	-
	<u>377</u>	<u>-</u>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 11 Staff

##### Staff costs

Staff costs during the year were:

	2018 £'000	2017 £'000
Wages and salaries	6,578	4,914
Social security costs	621	490
Pension costs	1,091	888
Staff costs	8,290	6,292
Agency staff costs	140	195
Staff development and other staff costs	23	24
Total staff expenditure	8,453	6,511

##### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £26,357(2017: £24,000) . Individually, the payments were: £20,000 and £6,357.

##### Staff numbers

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

	2018 Number	2017 Number
Teachers	138	115
Administration and support	167	140
Management	17	10
	322	265

The average number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	113	94
Administration and support	62	49
Management	18	10
	193	153

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 11 Staff (Continued)

##### Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	4	2
£80,001 - £90,000	2	1
	<u>        </u>	<u>        </u>

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

##### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior leadership teams at both 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 £1,270,376 (2017 - £907,274).

#### 12 Trustees' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment not in respect of their services as governors. Other trustees did not receive any payments from the Academy Trust in respect of their role as governors. The value of the 3 Headteachers' remunerations included within the Trust were £260,159 for the year ended 31 August 2018 (2017: £157,134) and they are accruing retirement benefits under the TPS. The contributions paid in the year amounted to £36,808 (2017: £20,124). Staff governors are not trustees of the charitable trust.

One trustee was reimbursed for expenses incurred during the year at a cost of £11 (2017: £Nil).

Related party transactions involving the trustees are set out in note 29.

#### 13 Trustees and officers insurance

The Academy Trust has opted into the Department of 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 (2017: £10,000,000). It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 14 Tangible fixed assets

	Freehold and land buildings	Assets in the course of construction	Fixtures, fittings and equipment	Leasehold land and buildings	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 September 2017	14,368	222	742	12,200	27,532
Additions	171	43	57	-	271
Disposals	-	-	-	(895)	(895)
At 31 August 2018	14,539	265	799	11,305	26,908
<b>Depreciation</b>					
At 1 September 2017	1,151	-	469	86	1,706
Charge for the year	262	-	67	188	517
At 31 August 2018	1,413	-	536	274	2,223
<b>Net book value</b>					
At 31 August 2018	13,126	265	263	11,031	24,685
At 31 August 2017	13,217	222	273	12,114	25,826

Included within freehold land and buildings is land valued at £1,375,000.

The leasehold land and building transferred on conversion relates to the leasehold land and buildings brought in at valuation from Queen's Park High School that transferred into the Trust on 1 April 2017. The valuation was carried out on this date by Andrew J Hyde a Qualified Property Consultant. Included within leasehold land and building is land value at £3,200,000

A restriction has been placed on the registered estate stating that written consent must be received from the Football Foundation before any charge can be placed on the property.

The Trust's transactions relating to land and buildings included:

- The disposal of a leasehold building at QPHS through demolition.

#### 15 Fixed asset investments

	Listed investments £'000
<b>Market value</b>	
At 1 September 2017 and at 31 August 2018	18
Historical cost:	
At 31 August 2018	12
At 31 August 2017	12

The investments above relate to equities and fixed interest securities.



# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

---

<b>16</b>	<b>Stocks</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Uniforms, books and stationery	2	3
		<u>2</u>	<u>3</u>
<b>17</b>	<b>Debtors</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Trade debtors	6	94
	Amounts owed by connected undertakings	-	5
	VAT recoverable	120	82
	Other debtors	113	6
	Prepayments and accrued income	968	612
		<u>1,207</u>	<u>799</u>
<b>18</b>	<b>Creditors: amounts falling due within one year</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Trade creditors	319	331
	Other taxation and social security	160	150
	Other creditors	506	394
	Accruals and deferred income (see note 20)	110	74
		<u>1,095</u>	<u>949</u>
<b>19</b>	<b>Creditors: amounts falling due after more than one year</b>	<b>2018</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	Other creditors	128	159
		<u>128</u>	<u>159</u>

Included within other creditors are loans of £158,982 (2017: £205,470) from Salix, these are provided on the terms that the loans are repayable by annual instalments of £23,166 (2017: £46,479). £23,166 will be repaid annually with full repayment by September 2024. The loans are interest free and unsecured.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

20	Deferred income	2018 £'000	2017 £'000
	Deferred income is included within:		
	Creditors due within one year	18	-
	Deferred income at 1 September 2017	-	-
	Resources deferred in the year	18	-
	<b>Deferred income at 31 August 2018</b>	<b>18</b>	<b>-</b>

The balance in deferred income of £18,000 relates to the falling roll income fund. The balance is expected to be released in 2018/19 year.

21	Financial instruments	2018 £'000	2017 £'000
	<b>Carrying amount of financial assets</b>		
	Debt instruments measured at amortised cost	847	657
	Instruments measured at fair value through profit and loss	18	18
	<b>Carrying amount of financial liabilities</b>		
	Measured at amortised cost	917	958

22	Analysis of net assets between funds	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
	<b>Fund balances at 31 August 2018 are represented by:</b>				
	Tangible fixed assets	-	-	24,685	24,685
	Fixed asset investments	-	-	18	18
	Current assets	574	1,577	1,156	3,307
	Creditors falling due within one year	-	(1,095)	-	(1,095)
	Creditors falling due after one year	-	(128)	-	(128)
	Defined benefit pension liability	-	(1,295)	-	(1,295)
	<b>Total net assets</b>	<b>574</b>	<b>(941)</b>	<b>25,859</b>	<b>25,492</b>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 22 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
<b>Fund balances at 31 August 2017 are represented by:</b>				
Tangible fixed assets	-	-	25,826	25,826
Fixed asset investments	-	-	18	18
Current assets	457	1,673	299	2,429
Creditors falling due within one year	-	(949)	-	(949)
Creditors falling due after one year	-	(159)	-	(159)
Defined benefit pension liability	-	(1,462)	-	(1,462)
<b>Total net assets</b>	<b>457</b>	<b>(897)</b>	<b>26,143</b>	<b>25,703</b>

#### 23 Funds

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
<b>Restricted general funds</b>					
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)
	(897)	10,192	(10,911)	675	(941)
<b>Restricted fixed asset funds</b>					
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
	26,143	1,359	(1,412)	(231)	25,859
<b>Total restricted funds</b>	<b>25,246</b>	<b>11,551</b>	<b>(12,323)</b>	<b>444</b>	<b>24,918</b>
<b>Unrestricted funds</b>					
General funds	457	177	(60)	-	574
<b>Total funds</b>	<b>25,703</b>	<b>11,728</b>	<b>(12,383)</b>	<b>444</b>	<b>25,492</b>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 23 Funds (Continued)

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).

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. In the current year additional amounts include income in relation to new roof repairs work and safety compliance work.

##### 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.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 23 Funds (Continued)

#### Funds prior year

	Balance at 1 September 2016 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2017 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	7,160	(7,133)	(27)	-
Start up grants	-	100		-	100
Other DfE / ESFA grants	-	348	(348)	-	-
Other government grants	-	269	(110)	-	159
Other restricted funds	479	382	(418)	(137)	306
Pension reserve	(1,671)	-	(676)	885	(1,462)
	(1,192)	8,259	(8,685)	721	(897)
<b>Restricted fixed asset funds</b>					
Transfer on conversion	7,714	12,389	(233)	-	19,870
DfE group capital grants	4,536	667	(149)	164	5,218
Capital expenditure from GAG	652	-	-	-	652
Football Foundation grant	442	-	(39)	-	403
	13,344	13,056	(421)	164	26,143
<b>Total restricted funds</b>	12,152	21,315	(9,106)	885	25,246
<b>Unrestricted funds</b>					
General funds	391	98	(32)	-	457
<b>Total funds</b>	12,543	21,413	(9,138)	885	25,703

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 23 Funds (Continued)

##### Total funds analysis by academy

	2018 £'000	2017 £'000
Fund balances at 31 August 2018 were allocated as follows:		
Christleton High School	-	75
Queen's Park High School	27	14
Chester International School	16	
Central services	885	933
	<u>928</u>	<u>1,022</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	25,859	26,143
Pension reserve	(1,295)	(1,462)
	<u>25,492</u>	<u>25,703</u>
Total funds	<u><u>25,492</u></u>	<u><u>25,703</u></u>

##### Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total £'000
Christleton High School	4,546	761	213	1,105	6,625
Queen's Park High School	2,035	511	96	473	3,115
Chester International School	538	21	59	128	746
Central services	-	-	134	73	207
	<u>7,119</u>	<u>1,293</u>	<u>502</u>	<u>1,779</u>	<u>10,693</u>
	<u><u>7,119</u></u>	<u><u>1,293</u></u>	<u><u>502</u></u>	<u><u>1,779</u></u>	<u><u>10,693</u></u>

#### 24 Commitments under operating leases

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

	2018 £'000	2017 £'000
Amounts due within one year	14	21
Amounts due between one and five years	25	33
	<u>39</u>	<u>54</u>
	<u><u>39</u></u>	<u><u>54</u></u>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 25 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2018 £'000	2017 £'000
Net (expenditure)/income for the reporting period (as per the Statement of Financial Activities)	(655)	12,275
<b>Adjusted for:</b>		
Net surplus on conversion to academy	-	(11,897)
Capital grants from DfE/ESFA and other capital income	(1,359)	(667)
Interest receivable	(5)	(7)
Defined benefit pension scheme cost less contributions payable	237	144
Defined benefit pension scheme finance cost	40	40
Depreciation of tangible fixed assets	517	421
Loss on disposal of fixed assets	895	-
<b>Movements in working capital:</b>		
Decrease in stocks	1	1
(Increase)/decrease in debtors	(225)	264
Increase in creditors	115	81
Stocks, debtors and creditors transferred on conversion	(5)	(31)
<b>Net cash (used in)/provided by operating activities</b>	<b>(444)</b>	<b>624</b>

#### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

#### 27 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire Pension Fund. Both are multi-employer defined benefit 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 £133,105 (2017: £92,559) were payable to the schemes at 31 August 2018 and are included within creditors.

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

---

#### 27 Pension and similar obligations (Continued)

##### Teachers' Pension Scheme

###### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest published actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published in June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits of £191,500 million, and notional assets (estimated future contributions together with the proceeds for the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2.0% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.48% (including a 0.08% administration fees), which was payable from September 2015. The next valuation of the TPS is currently underway based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £1,218k (2017: £1,009k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 August 2018 was £381k (2017 - £279k), of which employer's contributions totalled £301k (2017 - £219k) and employees' contributions totalled £80k (2017 - £60k). The agreed contribution rates for future years are 12.5% for employers and will be a range for employees.



# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 27 Pension and similar obligations (Continued)

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

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

<b>Total contributions made</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Employer's contributions	301	219
Employees' contributions	80	60
	<u>          </u>	<u>          </u>
Total contributions	381	279
	<u>          </u>	<u>          </u>

#### Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2018 by a qualified independent actuary.

	<b>2018</b>	<b>2017</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	2.7	2.7
Rate of increase for pensions in payment/inflation	2.4	2.4
Discount rate for scheme liabilities	2.8	2.5
	<u>          </u>	<u>          </u>

The assumed life expectations on retirement age 65 are:

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.5	26.5
	<u>          </u>	<u>          </u>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 27 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2018 Fair value £'000	2017 Fair value £'000
Equities	2,000	1,845
Bonds	1,792	1,512
Cash	42	74
Property	333	258
	<u>4,167</u>	<u>3,689</u>

The actual return on scheme assets was £139,000 (2017: £277,000).

Amount recognised in the Statement of Financial Activities	2018 £'000	2017 £'000
Current service cost	538	363
Net interest cost	40	40
	<u>578</u>	<u>403</u>

Changes in the present value of defined benefit obligations	2018 £'000
At 1 September 2017	5,151
Current service cost	538
Interest cost	136
Employee contributions	80
Actuarial gain	(401)
Benefits paid	(42)
	<u>5,462</u>
At 31 August 2018	<u>5,462</u>

Changes in the fair value of the academy trust's share of scheme assets	2018 £'000
At 1 September 2017	3,689
Interest income	96
Return on plan assets (excluding net interest on the net defined pension liability)	43
Employer contributions	301
Employee contributions	80
Benefits paid	(42)
	<u>4,167</u>
At 31 August 2018	<u>4,167</u>

# THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST)

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

---

### 28 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures, except unless otherwise stated. There are no other related party transactions to report, other than highlighted below.

Key management personnel compensation disclosure is included in note 10.

Assets transferred from Christleton International Studio Project have been detailed in note 30.

### 29 Agency arrangements

The Academy administers the disbursement of the discretionary support for learners, 16-19 Bursary Funds, on behalf of the EFSA. In the year it received £34,415 (2017: £21,817) and disbursed £33,684 (2017: £21,023), with therefore an amount of £11,782 (2017: £11,051) included in other creditors.

### 30 Creation of new Free School

On 1 September 2017 the Christleton International Studio Project converted to Free School status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Learning Trust (Formerly Christleton Learning Trust) from the Christleton International Studio Limited Company for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Free School	Location	Date of creation	
Chester International School (formerly known as Christleton International School)	Handbridge, Chester, CH4 7AE	1 September 2017	
<b>Net assets transferred:</b>			<b>2018 £'000</b>
Cash			5
Other creditors			(5)
			<hr/>
			-
			<hr/> <hr/>

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

---

## **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 18 May 2018 and further to the requirements of the Education and Skills Funding Agency ("ESFA") as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by The Learning Trust (Formerly Christleton Learning Trust) during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

## **Basis for conclusion**

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of The Learning Trust (Formerly Christleton Learning Trust) in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

## **Responsibilities of The Learning Trust (Formerly Christleton Learning Trust)'s accounting officer and trustees**

The accounting officer is responsible, under the requirements of The Learning Trust (Formerly Christleton Learning Trust)'s funding agreement with the Secretary of State for Education dated 24 March 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of The Learning Trust (Formerly Christleton Learning Trust) and appointment of the accounting officer.

## **Reporting Accountant's responsibilities for reporting on regularity**

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

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 the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement 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.

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 period 1 September 2017 to 31 August 2018 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

---

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE LEARNING TRUST (FORMERLY CHRISTLETON LEARNING TRUST) AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

---

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

### Use of our report

This report is made solely to The Learning Trust (Formerly Christleton Learning Trust) and the ESFA in accordance with the terms of our engagement letter dated 18 May 2018. Our work has been undertaken so that we might state to the The Learning Trust (Formerly Christleton 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 (Formerly Christleton Learning Trust) and the ESFA, for our work, for this report, or for the conclusion we have formed.

*RSM UK Audit LLP*

**RSM UK Audit LLP**  
Chartered accountants  
5th Floor  
One City Place  
Queens Road  
Chester  
CH1 3BQ

Dated: *19 December 2018*

---

