
LEARN ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

LEARN ACADEMIES TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Carolyn Lewis D.B.E.
Archdeacon Dr. Tim Stratford (resigned 11 September 2018)
Duncan Pickering
Gillian Weston
Bishop Martyn Snow (appointed 12 October 2017)

Trustees

Jeremy Benson
Mark Christison (appointed 28 September 2017)
John Dunford
Natalie Jackson (appointed 28 September 2017)
Stefanie Edwards
Jane Kenyon (resigned 31 January 2018)
David Pedder (resigned 21 March 2018)
Kerry Rodger (resigned 25 September 2018)
Peter Rowbotham
Gillian Weston
Barry Hill
Karen Cooper (appointed 31 January 2018)
Carolyn Sanders (appointed 28 November 2017)
Emmaline Tayler (appointed 25 September 2018)

Company registered number

08095439

Company name

Learn Academies Trust

Principal and registered office

Lubenham All Saints C of E Primary School, School Lane, Lubenham, Market Harborough, Leicestershire, LE16 9TW

Company secretary

Michelle Daniels

Senior Leadership Team

Stefanie Edwards, Chief Executive Officer
Wayne Burbidge, Director of Finance and Operations

Independent auditor

Streets Audit LLP, Tower House, Lucy Tower Street, Lincoln, LN1 1XW

Bankers

Lloyds Bank plc, PO Box 1000, BX1 1LT

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

Advisers (continued)

Solicitors

Stone King LLP, 13 Queen Square, Bath, BA1 2HJ

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates Academies for pupils aged 4 – 11 years. It has a pupil capacity of 2,550 and had a roll of 2,308 on 31 August 2018.

Structure, Governance and Management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Articles of Association are the primary governing documents of the Academy Trust. The Charitable Company is known as Learn Academies Trust.

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

Members' Liability

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

Trustees' Indemnities

The Trust has granted an indemnity to one or more of its Trustees against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision has a limit of £10million and is insured via the Risk Protection Arrangement (RPA) for academy trusts.

Method of Recruitment and Appointment of Trustees

Trustees are recruited by the use of organisations such as Academy Ambassadors, Inspiring Governance, or by using local networks to source potential candidates. The Trustees are appointed by the members. This appointment takes place after meetings with the CEO and Chair of Trustees, panel interviews involving other Trustees and the completion of a recruitment and vetting process.

Policy and Procedures Adopted for the Induction and Training of Trustees

Induction is currently done on an informal basis and tailored to individual needs as only a small number of new Trustees are expected on an annual basis. We are currently working with the Leicestershire Local Authority and the National Governance Association to develop a more formalised induction and training process.

Organisational Structure

Currently three committees have delegated responsibility for different aspects of Learn AT's governance. These are the Finance and Audit Committee, the School Improvement Committee. A Remuneration Committee has been established for determining senior executive salaries and performance criteria. Terms of Reference for the committees are outlined in the Trust's Governance Policy which can be found on the Trust's website. In addition, there is a local governing bodies at each school which carries out delegated governance on behalf of the Trust Board.

The Trustee Board approves the budgets within which an Academy operates. Policies, which require significant alteration, amendment or development, are decided or ratified by the governing body. The Trustee Board itself monitors the corporate income and expenditure against the agreed budgets to enable control of finance. They have ensured that systems are in place, including operational procedures in order to minimise risk. The Trustee Board has a direct input in setting the strategic direction of the Academies through the development of the Strategic Plan.

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

Arrangements for setting pay and remuneration of key management personnel

The Board of Trustees reviews the CEO's pay on at least an annual basis and the Chair of the Board approves any pay review.

The Board of Trustees review and approve the pay for the Senior Leadership Team on at least an annual basis and in making such determinations they take into account a range factors including; the nature of the post, the level of qualifications, skills and experience required, market conditions, the wider school context and external activity and achievement against performance targets.

Employment of Disabled Persons

The Trust's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities.

Disabled employees receive appropriate training to promote their career development within the Trust. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Employee Involvement

The Trust is an equal opportunities employer and its policies for the recruitment, training, career development and promotion of employees are based on the relevant merits and abilities of the individuals concerned. This is regardless of race, colour, ethnic or national origin, religious belief, political opinion or affiliation, sex, marital status, sexual orientation, gender reassignment, age or disability.

Finance and Audit Committee Terms of Reference

- recommend an annual budget and any subsequent changes to the Board
- review the effectiveness and implementation of financial management systems and process by the Trust and its schools
- keep under review the Trust's relationship with the ESFA and its compliance with financial management requirements
- monitor the financial position of the Trust and plans for future years
- support and advise on significant expenditure decisions
- oversee internal audit arrangements and the implementation of recommendations from audits
- review all financial and pay policies, including teacher pensions and insurance, and how they are implemented
- review risk management and wider internal control systems and their application, and regularly review key risks
- monitor the financial management arrangements put in place by local governing bodies
- oversee the production of annual accounts and advise the Board on their sign-off

Trade Union Facility Time

Information, as it applies to the academy trust, is included below to satisfy requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017 for the period from 1 April 2017 to 31 March 2018 (the relevant period).

The trust had no employees who were relevant union officials during the period.

Related Parties and Other Connected Charities and Organisations

The Trust has no related parties or other Connected Charities and Organisations.

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

Objects and Aims

The principal activities of the Trust, as set out in its articles of association and funding agreement with the Secretary of State are;

- to advance, for the public benefit, education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing Academies which shall offer a broad and balanced curriculum, recognising and supporting their individual ethos. This will include both Church of England schools, which shall be conducted in accordance with the principles, practices and tenets of the Church of England, and schools without a designated religious character.
- To promote for the benefit of the inhabitants of areas in which the Trust's academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

Vision and Values

Our vision is of a trust which remains true to its founding core purpose – learning, and its founding core value, fellowship. We are working together to build a flourishing, hospitable and inclusive organisation, in which Church of England and Community academies work together in the service of local children and families. One for all and all for one.

We are building a collaborative, trust-wide culture underpinned by a shared commitment to wisdom, professional openness to deep learning and research engagement, generosity of spirit, industry, integrity and kindness. Learning is the core purpose of this trust – the main thing. Our leaders work hard to keep the main thing, the main thing and do the right thing, the right way.

School-led

Through collaboration and by nurturing leaders at all levels of the organisation, we develop professional expertise, leadership and talent from within the trust, contributing to robust systems of career development, school improvement, school-to-school support and review.

Our thriving and innovative professional learning community uses Research Lesson Study, coaching, joint professional development events, specialist networks, teacher research groups, external partnerships and membership of professional organisations to secure inspirational learning for every child.

Human flourishing

Learn-AT prioritises the development of systems, structures and cultures which ensure that both adults and pupils thrive. Flourishing adults - staff, trustees and parents – are essential to make sure our pupils flourish too.

The main activities for achieving the Trust objectives will be;

- Implementation of the Learn AT School Improvement model.
- Embedding of the Learn AT Assessment Framework.
- Development of a knowledge-rich curriculum.
- Development of Trust-wide systems for sharing good practice and resources.
- Build financially sustainable, robust and efficient operations and IT.
- Improve the effectiveness and authenticity of our governance framework.

Public Benefit

The Trustees have reviewed the objectives and activities of the Trust as detailed above and are satisfied that they are for the public benefit as detailed in the Charity Commission guidance note on this subject.

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

Strategic Report

Trust Performance and Achievements

Established on 1 September 2016 the trust started to operate as a Multi Academy Trust (MAT), comprising the seven academies in the south Leicestershire area. During the 17/18 year 3 schools joined the trust; Church Langton CE Primary School (01/11/17), Blaby Stokes CE Primary School (01/02/18) and Red Hill Field Primary School (01/07/18).

In addition to integrating these schools into the Trust, the focus for the Trust this year has been the further development of systems, personnel and procedures that are appropriate for managing and developing a sustainable MAT. Significant achievements are as follows:

- Established an effective and coherent School Improvement Model.
- Consolidated the Assessment Framework embedded it within the organisation as part of the School Improvement Model.
- Developed a framework for Trust-wide curriculum practice.
- Successful in obtaining funding to start a Teaching School, and started to implement a long term plan to develop this activity.
- Further IT developments to reduce operating costs, increase efficiency and service levels and provide structure for greater and more efficient collaboration across the Trust.
- Completed a consultation exercise with Local Governing Bodies and finalised a Governance Policy providing a clear governance framework for Trust appropriate to the needs of the organisation.

School performance and Key Performance Indicators

	Absence (latest published data 2016/17)	EYFS	Year 1 Phonics	Key Stage 1 (English/Maths Combined)	Key Stage 2 (English/Maths Combined)	Date of last full inspection	Ofsted Overall Effectiveness Rating	Notes
	%	%	%	%	%			
National	4.0	69	83	65	64			
Blaby Stokes CE Primary School	2.2	71	77	53	57	14/03/2017	4 - Inadequate	1
Church Langton CE Primary School	2.0	80	73	53	75	12/07/2017	2 - Good	
Great Bowden Academy	3.2	75	94	60	90	11/09/2014	1 - Outstanding	
Husbands Bosworth CE Primary School	1.3	79	80	79	93	06/09/2016	2 - Good	
Lubenham All Saints CE Primary School	2.9	88	100	75	40	23/01/2018	2 - Good	
Market Harborough CE Academy	5.4	71	90	63	66	03/05/2017	3 - Requires Improvement	2
Meadowdale Primary School	2.4	78	91	72	67	01/10/2014	2 - Good	
Red Hill Field Primary School	3.3	76	91	66	54	17/11/2016	2 - Good	
Ridgeway Primary Academy	3.0	78	86	64	60	26/05/2016	2 - Good	
St Andrews CE (Aided) Primary School	1.7	78	100	71	80	10/06/2015	2 - Good	

Notes

- 1 - Recent Ofsted monitoring visit on 5/10/2017 concluded 'leaders taking effective action'
2 - Most recent Ofsted Monitoring Visit on 9/11/17 concluded 'Leaders taking effective action'

Going Concern

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

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

Financial Review

Most of the Trust's income is obtained from the ESFA (Education and Skills Funding Agency) in the form of the General Annual Grant ("GAG" Funding) the use of which is restricted to particular purposes. The grants received from the ESFA during the period reported on and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Trust also received grants for fixed assets from the ESFA amounting to £409,000. The more significant expenditures of these funds were the following capital projects:

- Remodelling of kitchen and reception areas, and replacement roof at Lubenham (£175k)
- Upgrade of toilet facilities at Ridgeway (£104k)
- Replacement of windows and new fencing at Blaby Stokes (£109k)

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Trust. It should be noted that this does not present the Trust with any current liquidity problem.

The GAG funding is received on a monthly basis. This is taken into account when considering strategies for funding projects within the school.

Overall, the Trust's income exceeded expenditure by £2,060,000.

Reserves policy

The Trustees review the reserve levels of the Trust on an annual basis, or more frequently if deemed necessary. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. It is considered that the appropriate level of free cash reserves should be approximately 6% of annual GAG. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cash buffer to deal with any unexpected emergencies such as urgent maintenance or other unexpected cash flow shortages.

Total reserves as at 31 August 2018 amount to £8,564,000. Of this £644,000 are restricted, £11,165,000 relate to restricted fixed asset reserves, and the deficit on LGPS reserves of £3,245,000.

Of the restricted fixed asset reserves, £11,165,000 can only be realised through the disposal of fixed assets.

Investment Policy

If the level of free cash reserves held by the Trust exceeds that which is necessary to service its ongoing working capital needs, the Trustees, with reference to the short and longer-term forecasts will consider a low risk investment of any excess funds to maximise the return on any such surplus funds.

Principal risks and uncertainties

The Trust is reviewing and updating the Risk Register regularly. The risks are categorised into various heading to permit us to analyse in detail specific risks. The more significant risks are summarised below:

1. Potential capacity risk: This risk exists in some schools in the Market Harborough area as a result of the anticipated housing developments over the course of the next few years. We are working with the Local Authority on coordinated plans for capacity increases.
2. School performance risks arising from the continued financial pressure leading to impacts on staffing levels, resources and pupil/teacher ratios and potential impacts on school performance. We are collaborating across the Trust to find innovative ways to assure high quality delivery of education, supported by rigorous and continuous evaluation our performance at each Academy.
3. Competition risk: We have identified that we need to remain focused on our reputation within our local

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TRUSTEES' REPORT (continued)
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communities to grow the number of schools within the Trust and, within existing Academies, sustain intake, maintain pupil numbers and ensure future children see the Academies as excellent learning environments.

Plans for Future Periods

The Trust continues to develop and implement a solid base of systems, people and process for the successful and effective future operation of the Trust and the Academies. In addition, in line with the Trust's strategic plan, we will explore opportunities to add to our expertise and school improvement capacity by taking on additional schools where there is an assured mutual benefit.

Academic development will now focus mainly on building a school-led trust, in which adults thrive and every child flourishes. Next year the main focus of collaborative work is the development of a Trust framework for a rich, rounded and rigorous curriculum, which includes a strong emphasis on knowledge and oracy. High quality and research-informed continuing professional learning for our staff, aims to secure high standards and excellent learning for our pupils.

Funds Held as Custodian Trustee on Behalf of Others

There are no funds held as Custodian Trustee on behalf of others for the period.

Auditor

In so far as the trustees are aware:

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

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2018 and signed on the board's behalf by:

Gillian Weston
Chair of Trustees

Stefanie Edwards
CEO and Accounting Officer

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

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

Trustee	Meetings attended	Out of a possible
Jeremy Benson	6	6
Mark Christison	5	6
John Dunford	5	6
Natalie Jackson	4	5
Stefanie Edwards	6	6
Jane Kenyon	0	4
David Pedder	0	3
Kerry Rodger	4	6
Peter Rowbotham	1	6
Gillian Weston	6	6
Barry Hill	4	6
Karen Cooper	2	2
Carolyn Sanders	4	5
Emmaline Tayler	0	0

During the year the Trust reviewed the skills base of the board and members and were able to make additional appointments.

The Finance and Audit Committee is a sub-committee of the main Governing body. Its purpose is to support the Accounting Officer in her day-to-day running of the financial affairs of the Academy and to oversee its systems of internal control.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Jeremy Benson	6	6
Mark Christison	6	6
Karen Cooper	2	2
Stefanie Edwards	5	6
Peter Rowbotham	2	3

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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by improving systems in line with auditor reports to develop an efficient and robust financial framework for the school.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

We confirm that the Internal Audit function has been delivered by Leicestershire County Council Internal Audit department in line with the requirements of the Financial Handbook. The issues identified have been addressed and formed part of the Internal Audit Report, which was forwarded to the Chair of Finance and Audit Committee.

CAPACITY TO HANDLE RISK

The Trustees have assessed the major risks to which the Trust is exposed, in particular those relating to teaching, provision of facilities and other operational areas of the Trust, and its finances. The Trustees have implemented systems to assess risks that the Academy faces, especially in the operational areas and in relation to the control of finances to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Trustees are confident that the Trust has an effective system of internal financial controls and this is explained in more detail in a separate section.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council Internal Audit Service as internal auditor.

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GOVERNANCE STATEMENT (continued)

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

- Testing of payroll systems.
- Testing of purchase systems.
- Testing of control account/bank reconciliations.
- Review of risk management.

On an annual basis, the auditor reports to the board of trustees through the Finance and audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

We confirm that the Internal Audit function has been delivered by Leicestershire County Council Internal Audit department in line with the requirements of the Financial Handbook. The issues identified have been addressed and formed part of the Internal Audit Report, which was forwarded to the Chair of Finance and Audit Committee.

REVIEW OF EFFECTIVENESS

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

- the work of the internal auditor;
- the work of the external auditor;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on their behalf, by:

Gillian Weston
Chair of Trustees

Stefanie Edwards
CEO and Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

Stefanie Edwards
CEO and Accounting Officer

Date: 12 December 2018

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

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

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

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

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

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

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

Approved by order of the members of the board of trustees on 12 December 2018 and signed on its behalf by:

Gillian Weston
Chair of Trustees

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEARN ACADEMIES TRUST

OPINION

We have audited the financial statements of Learn Academies Trust for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

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

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy'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.

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF LEARN ACADEMIES TRUST

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Tower House
Lucy Tower Street
Lincoln
LN1 1XW
14 December 2018

LEARN ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARN
ACADEMIES TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learn Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Learn Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Learn Academies 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 Learn Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF LEARN ACADEMIES TRUST'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Learn Academies Trust's funding agreement with the Secretary of State for Education dated 29 June 2012, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

Our audit work involved:

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering / quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

CONCLUSION

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

Robert Anderson (Senior statutory auditor)

Streets Audit LLP

Tower House
Lucy Tower Street
Lincoln
LN1 1XW

14 December 2018

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion from the local authority	4	304	(796)	458	(34)	(132)
Transfer from existing academies	4	124	(290)	2,411	2,245	4,989
Other donations and capital grants	4	57	-	409	466	296
Charitable activities	5	300	8,138	-	8,438	6,578
Other trading activities	6	249	-	-	249	135
Investments	7	1	-	-	1	1
TOTAL INCOME		1,035	7,052	3,278	11,365	11,867
EXPENDITURE ON:						
Charitable activities		1,085	8,012	208	9,305	7,403
TOTAL EXPENDITURE	8	1,085	8,012	208	9,305	7,403
NET BEFORE TRANSFERS		(50)	(960)	3,070	2,060	4,464
Transfers between Funds	19	-	(52)	52	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(50)	(1,012)	3,122	2,060	4,464
Actuarial gains on defined benefit pension schemes	25	-	748	-	748	644
NET MOVEMENT IN FUNDS		(50)	(264)	3,122	2,808	5,108
RECONCILIATION OF FUNDS:						
Total funds brought forward		50	(2,337)	8,043	5,756	648
TOTAL FUNDS CARRIED FORWARD		-	(2,601)	11,165	8,564	5,756

LEARN ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 08095439

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Tangible assets	15		11,165		7,932
CURRENT ASSETS					
Stocks	16	-		3	
Debtors	17	740		192	
Cash at bank and in hand		1,122		759	
			<u>1,862</u>	<u>954</u>	
CREDITORS: amounts falling due within one year	18	(1,218)		(656)	
NET CURRENT ASSETS			<u>644</u>		<u>298</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
Defined benefit pension scheme liability	25		(3,245)		(2,474)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>8,564</u>		<u>5,756</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	644		137	
Restricted fixed asset funds	19	11,165		8,043	
Restricted income funds excluding pension liability		11,809		8,180	
Pension reserve		(3,245)		(2,474)	
Total restricted income funds			<u>8,564</u>		<u>5,706</u>
Unrestricted income funds	19		-		50
TOTAL FUNDS			<u>8,564</u>		<u>5,756</u>

The financial statements on pages 19 to 50 were approved by the Trustees, and authorised for issue, on 12 December 2018 and are signed on their behalf, by:

Gillian Weston
Chair of Trustees

LEARN ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	<i>2017</i> <i>£000</i>
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>364</u>	<u>122</u>
Cash flows from investing activities:			
Bank interest received		1	1
Purchase of tangible fixed assets		(572)	(276)
Capital grants from DfE Group		409	134
Cash transferred from joining academies and converters		<u>161</u>	<u>733</u>
Net cash (used in)/provided by investing activities		<u>(1)</u>	<u>592</u>
Change in cash and cash equivalents in the year		363	<i>714</i>
Cash and cash equivalents brought forward		<u>759</u>	<u>45</u>
Cash and cash equivalents carried forward	22	<u><u>1,122</u></u>	<u><u>759</u></u>

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

Learn Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £750 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

Long-term leasehold property	-	2% straight line
Furniture and fixtures	-	10% straight line
Plant and machinery	-	20% straight line
Computer equipment	-	33% straight line

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

1.6 Liabilities and provisions

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

1.7 Operating leases

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.8 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Debtors

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

1.11 Cash at Bank and in hand

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

1.12 Taxation

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.14 Fund accounting

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

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

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

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The 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.

Tangible fixed assets are recognised at cost or valuation, less accumulated depreciation and any impairments. Depreciation takes place over the estimated useful life, down to the assessed residual value. The carrying amount of the academy's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen.

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 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.16 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 both Church Langton C of E Primary School and Blaby Stokes C of E Primary School to an 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, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 2.

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.17 Transfer of existing academies

The transfer of existing single academy trusts into the multi-academy trust involved the transfer of identifiable assets and liabilities and the operation of the academies 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 from Red Hill Field Primary School to the 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, with a corresponding amount recognised in Donations - transfer from existing academies in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 3.

2. CONVERSION TO AN ACADEMY TRUST

On 1 November 2017 and 1 February 2018 respectively, Church Langton C of E Primary School and Blaby Stokes C of E Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learn Academies Trust from Leicester County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net loss in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

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 incorporating income and expenditure account.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Leasehold land	-	-	458	458
Budget surplus/(deficit) on LA funds	304	-	-	304
LGPS pension surplus/(deficit)	-	(796)	-	(796)
Net assets/(liabilities)	<u>304</u>	<u>(796)</u>	<u>458</u>	<u>(34)</u>

The above net liabilities include £304,000 that are to be transferred as cash. Of the amounts transferred, £57,000 was transferred from Church Langton C of E Primary School and £247,000 from Blaby Stokes C of E Primary School. The net liability of the LGPS transferred into the Trust on conversion was not split by the actuary and therefore no split between individual schools can be disclosed.

LEARN ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

Split by academy

	Blaby Stokes C of E Primary School £000	Church Langton C of E Primary School £000	Combined £000	2018 £000
Budget surplus on funds	247	57	-	304
LGPS deficit	-	-	(796)	(796)
Leasehold land	458	-	-	458
Total	705	57	(796)	(34)

The net liability of the LGPS transferred into the Trust on conversion was not split the the actuary and therefore no split between individual schools can be disclosed.

3. TRANSFER OF EXISTING ACADEMIES INTO THE TRUST

Red Hill Field Primary School

	Value reporting by transferring trust £000	Fair value adjustments £000	Transfer in recognised £000
Tangible fixed assets			
Long-term leasehold property	2,289	-	2,289
Plant and machinery	18	-	18
Fixtures and fittings	104	-	104
Debtors due within one year	60	-	60
Cash in bank and in hand	159	-	159
Liabilities			
Creditors due within one year	(95)	-	(95)
Pensions			
Pensions - pension scheme assets	637	-	637
Pensions - pension scheme liabilities	(927)	-	(927)
Net assets	2,245	-	2,245

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

4. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Transfer on conversion from the local authority	304	(796)	458	(34)	(132)
Transfer from existing academies	124	(290)	2,411	2,245	4,989
	<u>428</u>	<u>(1,086)</u>	<u>2,869</u>	<u>2,211</u>	<u>4,857</u>
Capital Grants	-	-	409	409	245
Donations	57	-	-	57	51
	<u>57</u>	<u>-</u>	<u>409</u>	<u>466</u>	<u>296</u>
	<u>485</u>	<u>(1,086)</u>	<u>3,278</u>	<u>2,677</u>	<u>5,153</u>
<i>Total 2017</i>	<u>321</u>	<u>(2,129)</u>	<u>6,961</u>	<u>5,153</u>	

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	6,958	6,958	5,489
Pupil premium	-	255	255	181
Start-up grants	-	90	90	135
Other ESFA/DfE income	-	508	508	245
	-	7,811	7,811	6,050
Other government grants				
Local Authority SEN funding	-	178	178	89
Other local authority revenue grants	-	24	24	78
	-	202	202	167
Other funding				
Trips and parental contributions	165	-	165	128
Insurance claims	-	66	66	39
Other income	-	59	59	47
Catering income	135	-	135	147
	300	125	425	361
	300	8,138	8,438	6,578
<i>Total 2017</i>	275	6,303	6,578	

6. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Hire of facilities	59	-	59	58
Fundraising	-	-	-	8
Other income	190	-	190	69
	249	-	249	135
<i>Total 2017</i>	135	-	135	

LEARN ACADEMIES TRUST
(A company limited by guarantee)

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

7. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	<i>Total funds 2017 £000</i>
Bank interest receivable	1	-	1	1
<i>Total 2017</i>	<i>1</i>	<i>-</i>	<i>1</i>	

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	<i>Total 2017 £000</i>
Direct costs	5,946	-	900	6,846	5,478
Support costs	1,266	429	764	2,459	1,925
	7,212	429	1,664	9,305	7,403
<i>Total 2017</i>	<i>5,651</i>	<i>284</i>	<i>1,468</i>	<i>7,403</i>	

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

9. CHARITABLE ACTIVITIES

	Total funds 2018 £000	<i>Total funds 2017 £000</i>
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	4,455	3,506
National insurance	373	293
Pension cost	1,118	841
Depreciation	208	185
Pension finance cost	79	61
Educational supplies	113	151
Staff development	80	45
Other direct costs	164	173
Educational consultancy	189	170
Insurance	67	53
	6,846	<i>5,478</i>
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Wages and salaries	998	806
National insurance	63	49
Pension cost	205	156
Rent and rates	55	39
Energy costs	92	65
Insurance	29	41
Legal and professional	-	1
Other support costs	212	240
Bank charges and interest	3	4
Travel and subsistence	4	4
Maintenance of premises and equipment	201	139
Cleaning	81	41
Catering costs	218	163
Internal audit & other accountancy	19	11
Auditor's remuneration	18	18
Professional services	261	148
	2,459	<i>1,925</i>
	9,305	<i>7,403</i>

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

10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018	<i>2017</i>
	£000	<i>£000</i>
Depreciation of tangible fixed assets:		
- owned by the Trust	208	<i>185</i>
Auditors remuneration - audit related	18	<i>18</i>
Auditors' remuneration - non-audit related	8	<i>5</i>
Operating lease costs	9	<i>15</i>
	=====	<i>=====</i>

11. TRUSTEES' AND OFFICERS' INSURANCE

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

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

12. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Wages and salaries	5,441	4,291
Social security costs	436	342
Operating costs of defined benefit pension schemes	1,323	997
	7,200	5,630
Agency staff costs	12	21
	7,212	5,651

b. Staff numbers

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

	2018	<i>2017</i>
	No.	<i>No.</i>
Teachers	128	107
Administration and support	293	183
Management	4	4
	425	294
	425	294

c. Higher paid staff

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

	2018	<i>2017</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	1	3
In the band £70,001 - £80,000	1	0

All higher paid employees are members of the Teachers' Pension Scheme.

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1 & 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £134,000 (2017 - £93,000).

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

13. CENTRAL SERVICES

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

- Senior Leadership Team
- Teaching and Learning Support
- Human Resources Services
- Central Finance
- IT Services
- Legal and Professional including external and internal audit
- Publicity

The Trust charges for these services on the following basis:

5% of General Annual Grant.

The actual amounts charged during the year were as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Great Bowden Academy	33	<i>28</i>
Husbands Bosworth C of E Primary School	25	<i>21</i>
Lubenham All Saint Primary School	23	<i>21</i>
Market Harborough C of E Primary Academy	87	<i>67</i>
Meadowdale Primary School	76	<i>64</i>
Ridgeway Primary Academy	62	<i>52</i>
St Andrews C of E Primary School	24	<i>21</i>
Church Langton C of E Primary School	30	<i>-</i>
Blaby Stokes C of E Primary School	39	<i>-</i>
Red Hill Field Primary School	8	<i>-</i>
	407	<i>274</i>
Total	407	<i>274</i>

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

14. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	<i>2017</i>
		£000	<i>£000</i>
Stefanie Edwards	Remuneration	70-75	<i>60-65</i>
	Pension contributions paid	10-15	<i>10-15</i>
Kerry Rodger	Remuneration	65-70	<i>65-70</i>
	Pension contributions paid	10-15	<i>10-15</i>

During the year, no Trustees received any benefits in kind (2017 - £NIL).

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

15. TANGIBLE FIXED ASSETS

	Long-term leasehold land, property & imp'ments £000	Furniture and fixtures £000	Plant and machinery £000	Computer equipment £000	Total £000
Cost					
At 1 September 2017	8,039	310	57	184	8,590
Additions	475	67	-	30	572
Transfers into Trust	3,004	140	80	-	3,224
At 31 August 2018	11,518	517	137	214	12,386
Depreciation					
At 1 September 2017	490	58	13	97	658
Charge for the year	118	31	13	46	208
Transfers into Trust	258	35	62	-	355
At 31 August 2018	866	124	88	143	1,221
Net book value					
At 31 August 2018	10,652	393	49	71	11,165
<i>At 31 August 2017</i>	<i>7,549</i>	<i>252</i>	<i>44</i>	<i>87</i>	<i>7,932</i>

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

15. TANGIBLE FIXED ASSETS (continued)

Leasehold land and property relates to 125 year leases from Leicestershire County Council and has been included based on ESFA valuations obtained at conversion. The remaining property is owned by the local diocese which has granted occupation through a supplemental agreement. No value has been recognised in the financial statements.

16. STOCKS

	2018	<i>2017</i>
	£000	<i>£000</i>
Consumables	-	3
	<u> </u>	<u> </u>

17. DEBTORS

	2018	<i>2017</i>
	£000	<i>£000</i>
Trade debtors	28	13
VAT recoverable	70	57
Prepayments and accrued income	642	122
	<u> </u>	<u> </u>
	740	<i>192</i>
	<u> </u>	<u> </u>

18. CREDITORS: Amounts falling due within one year

	2018	<i>2017</i>
	£000	<i>£000</i>
Trade creditors	328	152
Other taxation and social security	121	85
Other creditors	139	88
Accruals and deferred income	630	331
	<u> </u>	<u> </u>
	1,218	<i>656</i>
	<u> </u>	<u> </u>

	2018	<i>2017</i>
	£000	<i>£000</i>
Deferred income		
Deferred income at 1 September	355	27
Resources deferred during the year	438	355
Amounts released from previous years	(355)	(27)
	<u> </u>	<u> </u>
Deferred income at 31 August	438	<i>355</i>
	<u> </u>	<u> </u>

At the balance sheet date the Trust was holding funds received in advance for dinner money, trips, free school meals, money to provide facilities for the provision of free school meals and rates reimbursement in relation to 2018/19.

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

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds	50	1,035	(1,085)	-	-	-
Restricted funds						
General Annual Grant (GAG)	107	6,958	(6,427)	(52)	-	586
Pupil premium	30	255	(227)	-	-	58
Other ESFA/DfE grants	-	508	(508)	-	-	-
Start-up grant	-	90	(90)	-	-	-
Other local authority revenue grants	-	202	(202)	-	-	-
Other income	-	125	(125)	-	-	-
LGPS Defined Benefit Pension Scheme	(2,474)	(1,086)	(433)	-	748	(3,245)
	<u>(2,337)</u>	<u>7,052</u>	<u>(8,012)</u>	<u>(52)</u>	<u>748</u>	<u>(2,601)</u>
Restricted fixed asset funds						
ESFA/Local authority capital grants	711	-	(41)	520	-	1,190
Assets transferred on conversion	7,068	2,869	(162)	-	-	9,775
Assets funded from other sources	153	-	(5)	52	-	200
Unspent capital grants	111	409	-	(520)	-	-
	<u>8,043</u>	<u>3,278</u>	<u>(208)</u>	<u>52</u>	<u>-</u>	<u>11,165</u>
Total restricted funds	<u>5,706</u>	<u>10,330</u>	<u>(8,220)</u>	<u>-</u>	<u>748</u>	<u>8,564</u>
Total of funds	<u><u>5,756</u></u>	<u><u>11,365</u></u>	<u><u>(9,305)</u></u>	<u><u>-</u></u>	<u><u>748</u></u>	<u><u>8,564</u></u>

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

Unrestricted funds

General Funds represent those resources which may be used towards meeting any of the objects of the Trust at the discretion of the Trustees. These are not currently designated for particular purposes.

General Annual Grant

Funds from the Education & Skills Funding Agency for the provision of education, in line with the funding agreement. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit

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

on the amount of GAG that it could carry forward at 31 August 2018.

Other DfE/ESFA grants

Other funds provided by the DfE/ESFA for particular purposes within the trust's educational operations.

Pupil Premium

Additional funds from the Education & Skills Funding Agency to support their disadvantaged pupils and close the attainment gap between them and their peers. This is allocated for every pupil who receives free school meals.

Capital grants

This consists of Devolved Formula Capital (DFC) and other capital funding from the Education & Skills Funding Agency. The DFC is to be used for ICT items, improvements to building and other facilities or capital repairs and refurbishments and minor works. Other capital grants are to be used as per the individual terms of the agreement and for the specific capital projects as applied for.

Other local authority revenue grants

Other local authority revenue grants represents funding received from other Government sources to be spent for specific purposes.

Other income

These consist of income from all other sources to be used primarily for the Trust's educational operations.

LGPS Defined Benefit Pension Scheme

Being the fund in relation to the defined benefit pension scheme liability included in the balance sheet. The fund is in deficit given the nature of the liability, however, this is not payable immediately.

Restricted Fixed Asset

The balance represent the net book value of fixed assets acquired by the different sources of funding received by the Trust.

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

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £000	<i>Total 2017 £000</i>
Great Bowden Academy	18	12
Husbands Bosworth C of E Primary School	108	97
Lubenham All Saint Primary School	23	32
Market Harborough C of E Primary Academy	20	(8)
Meadowdale Primary School	29	37
Ridgeway Primary Academy	9	(2)
St Andrews C of E Primary School	78	63
Trust	(33)	(44)
Church Langton C of E Primary School	72	-
Blaby Stokes C of E Primary School	231	-
Red Hill Field Primary School	89	-
Total before fixed asset fund and pension reserve	<u>644</u>	<u>187</u>
Restricted fixed asset fund	11,165	8,043
Pension reserve	(3,245)	(2,474)
Total	<u><u>8,564</u></u>	<u><u>5,756</u></u>

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

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2018 £000	Total 2017 £000
Great Bowden Academy	440	99	6	136	681	718
Husbands Bosworth C of E Primary School	325	38	9	107	479	434
Lubenham All Saint Primary School	306	41	8	105	460	463
Market Harborough C of E Primary Academy	1,062	262	24	207	1,555	1,637
Meadowdale Primary School	1,086	236	11	232	1,565	1,481
Ridgeway Primary Academy	842	169	20	202	1,233	1,344
St Andrews C of E Primary School	320	77	4	92	493	543
Trust	143	143	5	356	647	598
Church Langton C of E Primary School	562	75	19	147	803	-
Blaby Stokes C of E Primary School	695	103	5	136	939	-
Red Hill Field Primary Academy	165	23	3	51	242	-
	<u>5,946</u>	<u>1,266</u>	<u>114</u>	<u>1,771</u>	<u>9,097</u>	<u>7,218</u>

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2017 £000</i>
General funds						
General Fund	5	732	(687)	-	-	50

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

Restricted funds

General Annual Grant (GAG)	2	5,652	(5,408)	(139)	-	107
Pupil premium	2	194	(166)	-	-	30
Other ESFA/DfE grants	-	245	(245)	-	-	-
Start-up grant	-	135	(135)	-	-	-
Other local authority revenue grants	-	172	(172)	-	-	-
Other income	-	86	(86)	-	-	-
LGPS Defined Benefit Pension Scheme	(489)	(2,310)	(319)	-	644	(2,474)
	<u>(485)</u>	<u>4,174</u>	<u>(6,531)</u>	<u>(139)</u>	<u>644</u>	<u>(2,337)</u>

Restricted fixed asset funds

ESFA/Local authority capital grants	614	245	(37)	-	-	822
Assets transferred on conversion	496	6,716	(144)	-	-	7,068
Assets funded from other sources	18	-	(4)	139	-	153
	<u>1,128</u>	<u>6,961</u>	<u>(185)</u>	<u>139</u>	<u>-</u>	<u>8,043</u>
Total restricted funds	<u>643</u>	<u>11,135</u>	<u>(6,716)</u>	<u>-</u>	<u>644</u>	<u>5,706</u>
Total of funds	<u>648</u>	<u>11,867</u>	<u>(7,403)</u>	<u>-</u>	<u>644</u>	<u>5,756</u>

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Fund	5	1,767	(1,772)	-	-	-

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

19. STATEMENT OF FUNDS (continued)

Restricted funds

General Annual Grant (GAG)	2	12,610	(11,835)	(191)	-	586
Pupil premium	2	449	(393)	-	-	58
Other ESFA/DfE grants	-	753	(753)	-	-	-
Start-up grant	-	225	(225)	-	-	-
Other local authority revenue grants	-	374	(374)	-	-	-
Other income	-	211	(211)	-	-	-
LGPS Defined Benefit Pension Scheme	(489)	(3,396)	(752)	-	1,392	(3,245)
	<u>(485)</u>	<u>11,226</u>	<u>(14,543)</u>	<u>(191)</u>	<u>1,392</u>	<u>(2,601)</u>

Restricted fixed asset funds

ESFA/Local authority capital grants	614	245	(78)	520	-	1,301
Assets transferred on conversion	496	9,585	(306)	-	-	9,775
Assets funded from other sources	18	-	(9)	191	-	200
	-	409	-	(520)	-	(111)
	<u>1,128</u>	<u>10,239</u>	<u>(393)</u>	<u>191</u>	<u>-</u>	<u>11,165</u>
	<u>643</u>	<u>21,465</u>	<u>(14,936)</u>	<u>-</u>	<u>1,392</u>	<u>8,564</u>
Total of funds	<u><u>648</u></u>	<u><u>23,232</u></u>	<u><u>(16,708)</u></u>	<u><u>-</u></u>	<u><u>1,392</u></u>	<u><u>8,564</u></u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	11,165	11,165
Current assets	-	1,862	-	1,862
Creditors due within one year	-	(1,218)	-	(1,218)
Provisions for liabilities and charges	-	(3,245)	-	(3,245)
	<u>-</u>	<u>(2,601)</u>	<u>11,165</u>	<u>8,564</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2017</i>	<i>2017</i>	<i>2017</i>	<i>2017</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Tangible fixed assets	-	-	7,932	7,932
Current assets	69	774	111	954
Creditors due within one year	(19)	(637)	-	(656)
Provisions for liabilities and charges	-	(2,474)	-	(2,474)
	<u>50</u>	<u>(2,337)</u>	<u>8,043</u>	<u>5,756</u>

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

	2018	2017
	£000	£000
Net income for the year (as per Statement of Financial Activities)	2,060	4,464
Adjustment for:		
Depreciation charges	207	185
Bank interest received	(1)	(1)
Decrease in stocks	3	-
(Increase)/decrease in debtors	(548)	9
Increase in creditors	562	137
Capital grants from DfE and other capital income	(409)	(134)
Net assets transferred from existing academies and converters from the Local Authority	(2,869)	(4,857)
Pension adjustment	1,359	319
Net cash provided by operating activities	<u>364</u>	<u>122</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£000	£000
Cash in hand	1,122	759
Total	<u>1,122</u>	<u>759</u>

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

23. CONTINGENT LIABILITIES

In the event of Learn Academies Trust ceasing to operate as a trust, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Trust.

24. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018	<i>2017</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements	-	<i>185</i>

25. PENSION COMMITMENTS

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

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

Contributions amounting to £138,012 were payable to the schemes at 31 August 2018 (*2017 - £86,816*) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.

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

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

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

The employer's pension costs paid to TPS in the period amounted to £764,000 (2017 - £433,000).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £551,000 (2017 - £388,000), of which employer's contributions totalled £446,000 (2017 - £306,000) and employees' contributions totalled £105,000 (2017 - £82,000). The agreed contribution rates for future years are 18.2% for employers and a maximum of 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

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25. PENSION COMMITMENTS (continued)

Sensitivity analysis	At 31 August 2018 £000	<i>At 31 August 2017 £000</i>
0.5% decrease in Real Discount Rate	1,068	702
0.5% increase in the Salary Increase Rate	182	137
0.5% increase in the Pension Increase Rate	871	550

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

	Fair value at 31 August 2018 £000	<i>Fair value at 31 August 2017 £000</i>
Equities	3,192	2,094
Corporate bonds	1,390	625
Property	464	250
Cash and other liquid assets	103	156
Total market value of assets	<u>5,149</u>	<u>3,125</u>

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

	2018 £000	<i>2017 £000</i>
Current service cost	(800)	(564)
Interest income	98	-
Interest cost	(177)	(61)
Total	<u>(879)</u>	<u>(625)</u>
Actual return on scheme assets	<u>209</u>	<u>278</u>

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25. PENSION COMMITMENTS (continued)

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

	2018 £000	2017 £000
Opening defined benefit obligation	5,599	850
Transferred in on existing academies joining the trust	-	3,811
Transferred in on converting schools joining the trust	2,372	614
Current service cost	800	564
Interest cost	177	117
Employee contributions	105	82
Changes in assumptions	(637)	(422)
Benefits paid	(22)	(17)
	<u>8,394</u>	<u>5,599</u>

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

	2018 £000	2017 £000
Opening fair value of scheme assets	3,125	361
Transferred in on existing academies joining the trust	-	1,853
Transferred in on converting schools joining the trust	1,286	262
Interest income	98	56
Expected return on assets	111	222
Employer contributions	446	306
Employee contributions	105	82
Benefits paid	(22)	(17)
	<u>5,149</u>	<u>3,125</u>

26. OPERATING LEASE COMMITMENTS

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 payable:		
Within 1 year	14	9
Between 1 and 5 years	14	13
	<u>28</u>	<u>22</u>

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27. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 14.

28. MEMBERS' LIABILITY

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