

**Report of the Trustees and
Financial Statements for the Year Ended 31st August 2019
for
City Learning Trust**

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

City Learning Trust

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for the Year Ended 31st August 2019

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City Learning Trust

Reference and Administrative Details for the Year Ended 31st August 2019

Members

Mrs K Smith (Chair)
Mr G Singh-Kallar (appointed 24.09.18)
Mrs J Walley (appointed 15.10.18)
Mr P Coates (appointed 16.11.18)
Mrs D Clewes (resigned 6.8.19)
Mr M Chadwick (resigned 11.5.19)
Mr D Johnson (resigned 26.10.18)

Trustees (Directors)

Mrs M Sproston (Vice Chair)
Mr D Johnson, (Chair re-appointed 15.4.19)
Mr M Brundrett (appointed 14.11.18)
Mr N Dawson (re-appointed 15.4.19)
Mrs W Dean (appointed 15.10.18)
Mr G Fitzgerald
Mr M Chadwick (resigned 11.5.19)
Mrs J Walley (resigned 11.10.18)
Mr M Lloyd (resigned 10.11.18)
Mr C S Ward, (Chief Executive Officer & Accounting Officer)

Key Management Personnel

Mr C S Ward	Chief Executive Officer
Mrs S Bates	Executive Headteacher
Miss S Hughes	Chief Financial Officer
Ms A Mills	Senior Executive Leader
Mr D Parmar	Principal
Mr M Whittingham	Headteacher

Company Name

City Learning Trust

Registered Office

Haywood Academy
High Lane
Stoke on Trent
Staffordshire
ST6 7AB

Company Secretary

Mrs J M Shaw

Accounting Officer

Mr C S Ward

Company Registration Number

07746561 (England and Wales)

Auditors

Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

Bankers

Cooperative Bank PLC
1 Balloon Street
Manchester
M60 4EP

City Learning Trust

**Reference and Administrative Details
for the Year Ended 31st August 2019**

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

**Report of the Trustees
for the Year Ended 31st August 2019**

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

The City Learning Trust (CLT) previously known as Haywood Academy, made the transition from a single academy to a Cooperative Multi-Academy Trust with the addition of Smallthorne Primary Academy in January 2017. The Trust is now a four academy MAT comprising of two secondary academies (as at the October 2018 census) Haywood Academy and Sixth Form - City College (1148 pupils on roll), Trentham Academy (682 pupils on roll) and two primary academies, Smallthorne Academy (233 pupils on roll) and Mill Hill Academy (517 pupils on roll) which serve pupils aged from 3-19 across the City of Stoke on Trent.

Objectives and activities

Objectives and aims

The mission of the City Learning Trust is to create a world class education system for the communities we serve.

The vision is to be one of the United Kingdom's leading multi academy trusts, providing the best opportunities for children and young people to develop their knowledge, skills and character so that they get the best start in life.

The Trust is guided by the following values:

- | | |
|--------------|--|
| Ambition: | Our academies aim to unlock the potential for all learners to achieve their dreams, hopes and aspirations. |
| Cooperation: | We value working together in teams, supporting each other, and sharing expertise and accountability to improve standards. |
| Commitment: | Our academies are a family of schools with a common bond, dedicated to the communities that they serve. |
| Creativity: | We encourage innovation and the use of imagination and original ideas in all our schools. |
| Leadership: | We believe in listening to, inspiring and empowering our learning communities so that they can achieve their true potential. |
| Respect: | We value all people and organisations abilities', qualities and achievements, and operate using the principles of equality, equity and solidarity. |

The Trust's purpose is to support Good schools to move to become Outstanding and ensure the rapid improvement of those schools that need support. Through cooperation and collaboration, we will develop sustainable partnerships that will provide a legacy for tomorrow's generation. This will enable our member academies to become greater than the sum total of their parts.

**Report of the Trustees
for the Year Ended 31st August 2019**

Objectives and activities

Objectives and aims

The Trust is a registered academy sponsor and will act as the lead sponsor for any school which is directed to become a sponsored academy in the Trust by the Department for Education.

The Trust is committed to ensuring that all children in our academies receive excellent teaching and make progress. High quality professional development for teachers and school leaders is a key component of our approach.

To support this vision the City Learning Trust has six main aims:

1. The skills and qualifications of our pupils and students will enable them to flourish in whatever vocational or academic setting they want to succeed in.
2. We will develop in our pupils and students the key skills of literacy, numeracy, resilience, resourcefulness, enterprise, technological literacy and adaptability.
3. We will take care of our most vulnerable pupils and students and the City Learning Trust will have an outstanding programme of support for those who need it.
4. We will develop partnerships with great schools locally, nationally and internationally to develop educational practice that connects learners worldwide.
5. Business leaders will be partners in our journey to world class education and will develop joint educational projects that inspire entrepreneurship and promote employability skills.
6. We will develop great leaders and team workers who understand the value of cooperation and play a proactive role in public life.

Leadership and Governance

Strategic Leadership:

The Trust delivers system leadership through providing and developing strong and capable leaders who will work beyond their own school to support other schools. All our staff are provided with the opportunity to develop their roles within the organisation to enable them to excel, provide outstanding education and deliver high outcomes for our children and young people. The Trust seeks to build trust and respect across all stakeholders involved in our academies.

The principles by which we will manage our operations:

- Embed an effective, clear and supportive governance framework
- Provide a simple and efficient central organisation to provide maximum leadership support directly to schools
- Deliver transparent systems to build trust, accountability and drive improvement
- Ensure efficient, low cost control of our resources to achieve economies, efficiencies and effectiveness across our operations

Earned Autonomy

The Trust Board ethos is that best results will be achieved when each school's Local Governing Committee receives a level of responsibility and autonomy appropriate to its specific circumstances.

It will be a requirement that schools graded in an Ofsted category will be subject to close supervision of all aspects of governance, leadership and curriculum delivery through the Trust's Central Support Team. The LGC will have restricted delegated powers. It would be normal practice for members to be appointed by the Trust Board.

When a school is graded as "Good" or "Outstanding", the level of support through day-to-day supervision by the Trust will be limited to those areas of agreed need and improvement. It would be expected that the LGC will operate with maximum autonomy applied through the Trust's scheme of Local Governing Committee delegation.

**Report of the Trustees
for the Year Ended 31st August 2019**

Objectives and activities

Objectives, Strategies and Activities

The Trust's objective is to advance, for the public benefit, education across the communities it serves. The Trust achieves this by establishing, maintaining, managing and developing schools which offer a broad and balanced curriculum to their pupils.

The Trust continues to work towards delivering a world-class education for the pupils and students it serves. During the last year, we have continued to focus on improvements of pupil outcomes, pupil destinations, increasing pupil numbers, improving Ofsted judgements and expanding the central support service to facilitate operational and school improvement services.

The City Learning Trust has clear strategic objectives derived from our mission and values. Our five-year corporate business plan sets out the following strategic objectives to ensure that, as a Trust, all stakeholder groups understand and have belief in our approach.

The objectives we have followed during the last year (and will inform future progress) are:

1. Corporate Governance

The Trust will provide a Board of Trustees that acts in the best interests of the Trust and governs lawfully in accordance with its Articles of Association. The Trustees will demonstrate clear governance arrangements and visionary leadership to enhance and embed effective working relationships. The Board will ensure there are effective support structures in place to deliver a clear oversight of academy operations and outcomes.

2. Sustainable Development

To promote ethically driven corporate social responsibility throughout our organisation that connects people, place and environment to help build social capital in our communities.

3. School Improvement

This will be delivered through ensuring that our academies provide the very best leadership, and teaching in order to promote and provide high quality learning for our pupils. The Trust will put effective support in place for teachers to achieve this aim.

4. Continued Professional Development

The Trust will implement a programme of continuous professional development for our academies to ensure that our staff have the right skills to further raise standards, deliver consistently good leadership, teaching and learning and disseminate good practice.

5. New School Provision

The Trust will support the delivery of innovative and exceptional new school provision to meet established need in a manner that connects education, business and culture together so that together they can become greater than the sum total of their parts.

6. Quality Assurance

The Trust will provide a rigorous and robust programme of Quality Assurance that will help build expertise, grow capacity and raise standards in our academies to deliver positive outcomes for children and young people.

7. Integrated Support & Shared Services

The Trust will have business functions that are efficient and effective. They will enable our academies to deliver on their commitments. We will develop strategies to grow, prosper and deliver value for money across all of our operations.

**Report of the Trustees
for the Year Ended 31st August 2019**

Objectives and activities

Objectives, Strategies and Activities

The Trust has provided school improvement support; CPD opportunities for all staff across all schools; an effective campus leadership team to drive CLT strategy and performance and facilitated a central team to support member academies. The Trust is now moving forward as a mature organisation with a strong foundation for success and confidently looks forward to further success.

Public benefit

The Trustees have complied with their duty to have due regard to the revised guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

In particular, Trustees have been provided with the Public Benefit guidance published by the Charity Commission and public benefit is properly taken into account in exercising their powers and duties.

**Report of the Trustees
for the Year Ended 31st August 2019**

Strategic report
Achievement and performance
Achievement and performance

Introduction:

- The quality of education within our Trust, across all phases - primary, secondary and sixth form, remains good.
- This is the case despite a challenging set of circumstances, particularly in its academies based in the north of the city.
- All academies have been inspected by OFSTED in the last three years, with three out of four being judged as good with some outstanding features.
- The Trust has now entered its third year as a formally operable group of schools.
- As a result of two years' planning, the Trust has now launched its comprehensive staff development programme to move towards world class education standards for all. This is through a federated culture and a shared capacity approach to school improvement.

Academy positions:

All of our academies are on a continuing trajectory of improvement since joining the partnership and their subsequent conversion to the Trust.

- Mill Hill Primary Academy was sponsored 5 years ago and went rapidly from 'Special Measures' to 'Good' within 15 months. The academy resides in the north of the city in a particularly challenging area and its performance continues to improve.
- Smallthorne Primary Academy started to work with us just under 4 years ago during a significantly difficult patch as a school that was in a LA 'category of concern'. This academy moved to 'Good with outstanding features' at its last inspection 3 years ago. The academy resides in the north of the city in a particularly challenging area and its performance continues to improve.
- Trentham Academy joined the Trust as a LA school in 'Serious Weaknesses' and was formally converted to an academy 18 months later. It was inspected by OFSTED 12 months after becoming a partner school in the Trust and moved to 'Requires Improvement'. The academy resides in the south of the city, in a more affluent area, and its outcomes are now 'Good'. This is the third consecutive year of an improved results profile and coincides with support received from the Trust. The academy is a strong position.
- City College was opened as a new sixth form provision for the city 4 years ago. It was graded as Ofsted 'Good' in its first inspection in December 2017. Its results remain strong in both academic and pre-apprenticeship provision. The sixth form resides in the north of the city in a particularly challenging area.

CLT citywide context:

Our academies are situated in Stoke-on-Trent, a key Opportunities Area. Haywood, City College, Mill Hill and Smallthorne are in the north of the city. Trentham Academy is in the south of the city. In the 2018 social mobility index, Stoke-on-Trent's ranking was 263 out of 324 districts, within the bottom 20% of the country.

The social mobility index by constituency shows that our academies in the north of the city are situated in the bottom 20% of constituencies in Stoke-on-Trent, while our academy in the south of the city is in the middle 50%.

In Stoke, at both key stage 2 and key stage 4, disadvantaged children fare badly. This is both in comparison to their better off peers and against national averages for disadvantaged children. On average, 40% of the overall gap between disadvantaged 16 year olds and their peers has already emerged by the age of five. These gaps are particularly pronounced in early language and literacy. By the age of three, more disadvantaged children are, on average, already almost 18 months behind their more affluent peers in their early language development. Around two-fifths of disadvantaged five year olds are not meeting the expected literacy standard for their age. When it comes to higher education, the likelihood of a young person from Stoke-on-Trent progressing to HE is significantly lower than the national average.

**Report of the Trustees
for the Year Ended 31st August 2019**

Strategic report

Achievement and performance

Achievement and performance

Typical barriers that our children and young people face include an increasing % of vulnerable children displaying social, emotional and behavioural needs, in very many cases linked to complex family circumstances. Economic deprivation has seen an increase in the number of families needing additional welfare support to help to access support services such as local food banks. Social mobility has seen a growing number of in year transfers in a number of our academies.

School improvement:

This sustained school improvement impact of the Trust was formally recognised by the previous National Schools Commissioner on a visit in 2015, where he wrote to the Trust to commend it for its school improvement work and to recognise that such may not be seen in league tables because of conversion issues.

The collaborative work of the Trust with regard to governance and finance was recently recognised through an ESFA 3-year review that highlighted the review team felt 'lifted' by the practice evident in the Trust and that the Trust 'felt like a true family of schools with a culture of friendliness, respect and highly professional behaviours'. They said that they had 'never seen a Trust working together in the way that the CLT has developed' and commended its rapid progress.

The Trust has a strong track record over time of school improvement and improving outcomes and has worked hard over the past 2 years to secure a very strong governance and finance foundation. The Trust's external adviser (Sir David Carter) conducted an external review of the Trust in April 2019 and noted that CLT Trustee governance was exceptional. He commended the use of ICFP and recognised how this has helped develop an effective and positive working relationship across all academies in the Trust. Sir David Carter recognised too how the Trust was continuing to improve results in an area of significant difficulty and great deprivation.

The 3-year trend across both primary and secondary schools is generally strong. This is despite the national assessment system, and its associated attainment and progress measures, being in a state of flux. As such, it is impossible to compare year on year performance data in schools and Trusts. OFSTED, in its December 2017 inspection of Haywood Academy, provided assurance of comparable data when its data performance unit said that student performance was equal to that of the previous year group in judging student achievement to be good. The inspection was led by former national OFSTED Director, Mike Cladingbowl. This position has been sustained in the latest set of GCSE results.

2018/19 examination results at Key Stage 2, 4 and 5:

The 2019 provisional examination results show that our academies have improved in a range of areas in the last year despite the many challenges that they face. Systems, practice and culture are either strong or continuing to improve across our academies with embedded collaborative practice. This includes shared systems, leadership, staffing and policies. The Trust operates school improvement on a 'whole-trust' basis and has a 3-year plan to drive forward excellence in its academies and a 5-year plan to move towards world class collaborative practice for the communities we serve.

It is important to note that all the CLT academies operate in a national area of significant deprivation. Indeed, one of the most deprived areas in the United Kingdom. Most of the Trust's academies operate in the north of the city in the most deprived areas of Stoke-on-Trent. Both secondary academies have a consistently significant minus cohort on entry to Year 7. Despite this, students generally leave these academies in Year 11 with strong broadly average national standards.

Both our primary academies operate in the same significant areas of deprivation and consistently show progress results that are in line or above national standards. The Trust's sixth form is unique because it offers both a small A-level provision and a growing pre-apprenticeship programme. This year 100% of A-level students achieved a place at their university of choice with 84% of pre-apprenticeship students achieving a full apprenticeship within 12 months of entry to the course.

2018-19 Key Performance Indicators:

The Key performance indicators for the Trust during the year were to:

1. ensure that pupil/student outcomes in its academies remained strong
2. ensure that it provided quality support to its member schools

**Report of the Trustees
for the Year Ended 31st August 2019**

Strategic report

Achievement and performance

Achievement and performance

3. continue to set up the systems and procedures that swiftly moved the CLT to maturity
4. continue to successfully employ integrated curriculum financial planning across the CLT
continue to build strong and effective partnerships with a range of external stakeholders and other multi
5. academy trusts
6. create a strong financial outturn that provides sustainable financial health

The above KPIs have been successfully met in what has been a challenging yet fruitful year for the Trust. The CLT has created a strong and sustainable governance and financial base that has been formally recognised in two external reviews - one by Sir David Carter and one by the ESFA. The Trust is now in its last phase of its first 3-year plan that is focused upon driving up outcomes towards excellent standards.

The next phase of our development:

The CLT's final phase of our original 3-year development plan is in process and is focused upon our 'Culture: Curriculum, Learning and Talent' strategy that projects us forward into our 5-year development plan. Our academies are fully staffed and our 'master teacher' support approach is now in place through the recruitment of our specialist director team.

An audit of curriculum provision across 2018/19 has enabled us to plan a curriculum strategy that is ambitious and designed to give all pupils, particularly disadvantaged and SEND pupils the cultural capital they need to succeed in life. Our curriculum, that is progressive and sequenced, remains central to Trust planning. Our curriculum offer is focused on ensuring that students are enabled to know and remember more and are equipped with the knowledge and skills for future learning and employment. Our 3-19 curriculum review and revision, whilst not yet fully embedded, is designed to enable all children to reach their full potential by developing a love of learning and a desire to succeed.

Our Culture Strategy launched at the start of the year. This will ensure that all teachers have excellent subject knowledge and are supported to develop such where needed through our master teacher facilitators. Learners across all ages and stages are developing their skills and knowledge across the curriculum. Whilst this is not fully reflected in all areas of 2019's progress and attainment figures we are, through our commitment to embedding our revised curriculum, ensuring that our learners are ready for the next stage of education with the skills and knowledge that they need.

The quality of education within our Trust across all phases - primary, secondary and sixth form phases is good. All academies have been inspected by OFSTED in the last three years, with three out of four being judged as good with some outstanding features.

Financial review

Financial review

For the period 1st September 2018 to 31st August 2019, the in-year revenue surplus figure is: £304,895
The Trust has a positive revenue reserve position as at 31st August 2019 of £230,914.

This financial year has been a year characterised by continued consolidation, hard work and innovation to ensure that the financial foundations of the Trust are solid and stable. This has allowed the Trust to become fully federated in its approach and mature rapidly in systems, practice and culture.

The CLT continues in its attempt to recover unpaid school improvement invoices relating to the matter reported in last year's accounts with Woodard Academies Trust over school improvement work undertaken at St Peter's Academy during a period of potential re-brokerage. The matter is as yet unresolved.

The principle sources of funding during the year have been provided by the GAG, Pupil Premium and SEND based funding grants. Other income has come from services provided by key executive personnel with external companies. All of our expenditure has been used to support the key objectives of the Trust as described in this report and the Trust's corporate business plan.

The Trust is concerned by the increase in the LGPS liability. However this is linked to actuarial losses due to the change in financial assumptions linked the McCloud judgement which are beyond the control of the Trust. Further details of the LGPS deficit can be seen at note 19.

**Report of the Trustees
for the Year Ended 31st August 2019**

Strategic report

Financial review

Investment policy and objectives

All cash reserves are currently held in standard current accounts and are committed to contingency funds and school improvement work for the 2019/2020 academic year.

The Trust have approved plans to invest only in low risk bank deposit accounts, which offers the flexibility to invest across a range of account terms in order to balance liquidity and return.

Reserves policy

Individual academies build a contingency into their budget. Academy budgets include a 3% reserve. This reserve is held by the Trust. Programmes of work are agreed by the Chief Executive Officer and Senior Leadership team, using these reserve monies to support outcomes for young people. The Trust has ended the year with a growing cash reserve which will be committed in support of the strategic aims of the Trust in the 2019/2020 academic year.

Going concern

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

Fundraising

The Trust has not undertaken any form of fundraising during the financial year other than standard PTFA and charity fundraising activities which are delegated to constituent academies.

Principal risks and uncertainties

The principal risks and uncertainties facing the CLT during the period of the past 12 months have been educational and are described in detail in the strategic report above. In the 2018/19 academic year, the Trust has undergone rigorous evaluation and established clear strategy and capacity for improvement. This is intended to be a long term and sustained period of improvement through significant investment in bespoke CPD and quality time for staff development.

In last year's accounts, the Trust reported that finance was the principal risk. The Trust is confident, and has had verified through external review, that financial practice is now of consistently high quality and facilitates maximum resource provision for school improvement strategies.

The Trust considers that it has built, and it has shown, that it has significantly strong capacity to support all its schools towards world class outcomes by 2025. The Trust has in the past 3 years supported a number of schools in the partnership (including via sponsorship) to improve from very low outcomes. The Trust continuously reviews its risk register that RAG rates all the risks and uncertainties surrounding its operation on a regular basis.

Plans for future periods

The City Learning Trust is working to achieve the aims and objectives of the 5-year corporate plan. As such, the aim of the Trust is to provide a world class education to all of the young people that it serves whilst exercising financial probity and offering value for money for the public benefit.

Structure, governance and management

Charity constitution

The academy trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles is the primary governing document of the academy trust. The Trustees of City Learning Trust are also the directors of the charitable company for the purpose of company law. The charitable company operates as City Learning 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.

**Report of the Trustees
for the Year Ended 31st August 2019**

Structure, governance and management

Trustees' Indemnities

The Trust has purchased insurance to protect trustees, governors and officers from claims arising from negligent acts, errors or omissions whilst on Trust business. The insurance provides cover up to £5,000,000 for any one claim. The cost of this insurance is included in the total insurance reported by the Company.

Recruitment and appointment of new trustees

The Trust Board consists of seven members as at 31 August 2019.

The number of Trustees of the company shall not be less than 3 but (unless determined by ordinary resolution) shall not be subject to any maximum. The Articles of Association set out the categories of Trustees and this includes the following:

- Up to 6 Trustees may be appointed by the Members of the Trust by ordinary resolution.
- The Trustees ensure that there are 2 Parent Governors appointed to LGCs and so Parent Governors are not appointed as Trustees.
- The Trustees may appoint Co-opted Trustees as necessary.
- 3 Academy Trustees may be appointed by or elected in accordance with any policy decided by the Trustees for that purpose or from a Local Governing Committee.
- Trustees are appointed based on their skill sets and each appointment considered by the Trustees and appointed by unanimous resolution of the Members.

The term of office for Trustees is 4 years, save this time limit does not apply to the Chief Executive Officer who is an ex-officio member of the Board. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

Policies and Procedures Adopted for the Induction and Training of Trustees

Training and induction of new Trustees is given on an individual basis as appropriate and includes one to one meetings with key management personnel alongside other Trustees and is supported by a governance welcome pack. In addition, the City Learning Trust register all Trustees with the National Governance Association and from there they can access on-line training programmes. Trustees are also invited to the Governance Conferences run throughout the year any 'in-house' training at constituent academies - including Prevent, Safeguarding, etc.

**Report of the Trustees
for the Year Ended 31st August 2019**

Structure, governance and management

Organisational structure

The Trustees are responsible for exercising oversight of the governance and management of the Trust. In exercising their responsibilities, Trustees consider the advice given by the CEO, other executive officers and the Chairs of the Local Governing Committees (LGC) as appropriate.

As a Multi Academy Trust, the management structure within the Trust operates as follows:

- Members
- Board of Trustees
- Key Management Personnel
- Local Governing Committee(s) whose powers are devolved by the Trustees
- The Strategic Steering Group / Forum
- Campus Leadership Team

The Trustees are responsible for setting general policy and establishing the strategic direction for the Trust. The Board delegates, to the CEO, the authority to implement its vision and the day to day leadership and management of the Trust. The Trust adopts an annual plan and budget, monitoring across the Trust by the use of results and budgets and makes major decisions about the direction of the Trust, capital expenditure and senior staff appointments.

The Accounting Officer is the CEO of the Trust and the Executive Headteacher of Haywood Academy and Mill Hill Primary Academy. The Scheme of Delegation gives full details of all delegated responsibilities across the Trust, including those delegated to LGCs and Academy leads.

In the 2017/18 academic year, the Trustees implemented an independent internal review process of financial processes and systems of control. This was followed up with a further interim review at period 7 this year. Further to this, a separate independent review was commissioned by the Trust Board during this academic year. Both reviews conclude financial infrastructure is secure and copes well with the changing and growing needs of the Trust and that governance is strong.

The key responsibility of the local governing committees is to determine, in cooperation with the Trust, the strategic vision and ethos of their academy, to hold their Headteacher / Principal to account by challenging and monitoring performance particularly regarding the achievement of students and safety of both staff and students. Local governing committees are also responsible for ensuring financial probity and for acting as a responsible employer. At an operational level LGCs regularly monitor the performance of their respective Headteacher / Principal and, alongside the Chief Executive, undertake Headteacher performance management.

**Report of the Trustees
for the Year Ended 31st August 2019**

Structure, governance and management

Arrangements for setting pay and remuneration of key leadership and management

The Trust has adopted the STPCD as the benchmark and guide for all senior academy based posts. For central Trust posts, we use STPCD guidance and external salary benchmarking as a guide for setting pay.

Annual pay reviews are conducted according to the Trust Pay Policy and Performance Management schedule. A pay award is dependent on the outcomes of a successful appraisal process. For all leadership posts in our academies up to Vice-Principal / Deputy Head level, pay recommendations are from Headteachers / Principals and are moderated and approved by the local governing committee. For Headteachers / Principals, pay recommendations are made by the CEO in conjunction with the local governing committee before being quality assured by the Trust Remuneration committee (a nominated group of Trustees) and then approved by the full Board.

For central Trust leadership posts, pay recommendations are made by the CEO and moderated by the Remuneration committee and approved by the full Board. All central management personnel roles have a job description and salaries are bench marked against similar roles nationally.

The Trust uses a performance management tool for all of its employees, including senior managers and key personnel. All performance related information is stored here and available for analysis across the Trust. Targets for each senior leader are set on an annual basis, taking into consideration; the job description of the role, the Trust priorities, pupil progress across the Trust and the Trust self-evaluation and development plan. A midyear performance review is held to validate progress against targets set. At the end of the year, if targets have been met and overall performance has been good then the appropriate pay awards are made.

The CEO's performance and pay is managed by the Chair of the Board, alongside two other Trustees who are supported by an external independent consultant with experience of assessing educational improvement and achievement. Targets for the CEO are set on an annual basis, taking into consideration the Trust priorities, student outcomes across the Trust and the achievement of Trust KPIs.

Related Parties and other Connected Charities and Organisations

Although there are a number of professional links to other schools, multi-academy trusts and third party organisations, the Trust is an independent body with no affiliation to outside bodies. There are no related party transactions during the 2018/19 academic year.

The Trust works closely with a wide variety of charitable organisations in the field of education, including but not restricted to:

- The British Council
- Ambition School Leadership
- Education Development Trust
- Alliance of Leading Learning
- The Prince's Regeneration Trust
- Staffordshire University
- Keele University
- Halle Orchestra
- National Literacy Trust

The City Learning Trust is also a licensed DfE sponsor and offers support to schools outside of the Trust in leadership, teaching, school improvement, finance, governance and HR.

**Report of the Trustees
for the Year Ended 31st August 2019**

Structure, governance and management

Trade Union Facility Time

Number of employees who were relevant union officials during the time period

2

Full-time equivalent employee number

267

Percentage of time

0%

1%-50%

51%-99%

100%

Number of employees

0

2

0

0

Percentage of time spent on facility time

Provide the total cost of facility time

£6,100

Provide the total pay bill

£10,805,940

Provide the percentage of the total pay bill spent on facility time, calculated as:(total cost of facility time / total pay) x 100

0.05%

Percentage of pay bill spent on facility time

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:++(total hour spent on paid trade union activities by relevant union officials during the relevant period + total paid facility time hours) x 100

0

Funds held as custodian for others

The Trust holds no funds on behalf of others.

Statement as to disclosure of information to auditors

Insofar as the trustees are aware:

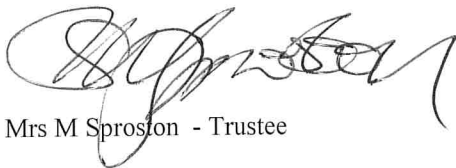
there is no relevant audit information of which the charitable company's auditor is unaware

the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Hardings, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 16th December 2019 and signed on the board's behalf by:



Mrs M Sproston - Trustee

City Learning Trust

Governance Statement for the Year Ended 31st August 2019

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 City Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Trustees have formally met 7 times during the year. Attendance during the year at meetings of the Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr M Brundrett	3	6
Mr M Chadwick	5	5
Mr N Dawson	6	7
Mrs W Dean	2	7
Mr G Fitzgerald	3	7
Mr D Johnson	7	7
Mr M Lloyd	0	1
Mrs M Sproston	3	7
Mrs J Walley	0	0
Mr C Ward	7	7

An effective Trust Board is key to the success of the Trust. Clear governance arrangements are necessary to enable the Board to ensure that appropriate systems and policies are in place, regularly reviewed and provide both legal accountability and the ability to deliver the organisation's objectives. The Board meets regularly to maintain a strategic overview of the Trust's work, specifically they:

- Set the Trust's vision, values and standards of conduct and ensure that obligations to stakeholders are understood, communicated and met.
- Ensure that the Trust complies with its constitution, mandatory requirements and statutory duties
- Oversee the financial performance of the Trust
- Provide effective and proactive leadership of the Trust within a framework of processes, procedures and controls which enable risk to be assessed and managed.

During the year 1st September 2018 to 31st August 2019 the CLT sub-committee boards also met.

They consist of:

Remuneration Committee

Key roles are:

- Review recommendations from LGC and executive officers on matters of remunerations for all Trust employees
- Provide assurance to the Trust of appropriate remuneration to all Trust employees
- Provide recommendations to the Trust Board on appropriate levels of remuneration for all Trust employees

City Learning Trust

Governance Statement for the Year Ended 31st August 2019

Financial Scrutiny Committee

Key roles are:

- Monthly interrogate of management accounts, cash flow, debtors and creditors
- Review ESFA returns
- Identify and seek assurance relating to financial strains and pressures

Trustee RAP

Key roles are:

- Set and agree constituent academy outcome targets annually
- Review progress against KPIs
- Challenge underperformance

Cooperative Forum

Key roles are:

- engagement with stakeholders from across the Trust
- review and management of communication with key stakeholders

Moving forward, Trustees have reviewed and re-considered how they will re-organise their committee structure to meet the changing needs of the organisation going forward. The Board will continue to operate a six full board meeting structure. In addition to a monthly Trustee Finance Scrutiny committee, the twice annual Remuneration committee and the Trustee 'Raising Achievement and Planning' (RAP) committee which focuses on student achievement and school improvement activities and meets four times a year, a Finance and Audit committee will be convened in response to stipulations in the 2019 Academies Financial Handbook.

All associated academies within the Trust have a Local Governing committee in place which is in effect a further sub-committee of the Board with delegated responsibilities which support the aims and objectives of the Trust (see Scheme of Delegation).

The key changes to the composition of the Board of Trustees during this period are as follows:

- Mr D Johnson (Chair - re-appointed 15.4.19)
- Mr M Brundrett (appointed 14.11.18)
- Mr N Dawson (re-appointed 15.4.19)
- Mrs W Dean (appointed 15.10.18)
- Mr M Chadwick (resigned 11.5.19)
- Mrs J Walley (resigned 11.10.18)
- Mr M Lloyd (resigned 10.11.18)

An external review of governance was undertaken in January 2018 and concluded that the governance of the Trust was sound for the age of the Trust. Recommendations were made to help the Trust move into full maturity and all have been acted on with a comprehensive action plan established and reviewed at Board level in the interim. A further external review undertaken by Sir David Carter in April 2019 ratified this judgement and deemed that governance of the Trust was strong.

Review of Value for Money

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

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

- Monitoring closely with the executive team, expenditure across all academy staffing structures

**Governance Statement
for the Year Ended 31st August 2019**

Review of Value for Money

- Efficient deployment of central staff roles to reduce repetition of duties across constituent academies
- Deployment of expert leads to facilitate shared growth across all academies through sharing of good practice
- Continued focus on procurement to ensure that identified goods, supplies and services suitable collective purchasing across the Trust to maximise savings through building economies of scale.
- Integrated curriculum financial planning continues to inform recruitment strategies and timetabling arrangements

The Purpose of the System of Internal Control

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

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating, managing and mitigating the CLT's significant risks. This has been in place for the period 1st September 2018 to 31st August 2019 and runs up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees and is led on by one of the CLT Senior Leadership Team. The management of risks is undertaken to mitigate against the likelihood of those risks being realised and the subsequent impact should they be realised.

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:

- Budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and approved by the Trustees.
- Regular reviews by the Trustees of reports which demonstrate financial performance, capital expenditure plans and programmes of expenditure.
- Setting targets to measure financial and other performance.
- Delegation of authority and segregation of duties
- Identification and management of risks.

The Trustees have considered the areas identified in the management letter from the annual accounts 2017/18 and have appointed our external auditors, Hardings, to undertake monitoring audit procedures throughout the year to manage the process and ensure a smooth accounting process during the change management of the financial function of the Trust. This role includes giving advice on financial matters and performing a range of checks on the CLT's financial systems. In particular, the checks carried out in the current period included:

- Review the postings to PSF financials system
- Review balance sheet control, income and expenditure, payroll codes
- Inter-trust postings

On a monthly basis, the finance lead and Chief Financial Officer meets with two Trustees as part of the ongoing monthly monitoring and scrutiny of financial practice.

**Governance Statement
for the Year Ended 31st August 2019**

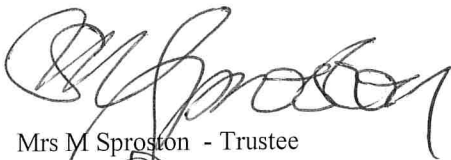
Review of Effectiveness

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

- the work of the ongoing audit process
- the work of the external auditors
- the scrutiny committee assessing finance
- governance self-assessment and review
- the work of the Key Management Personnel 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 relevant personnel 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 16th December 2019 and signed on its behalf by:



Mrs M Sproston - Trustee



Mr C S Ward - Accounting Officer

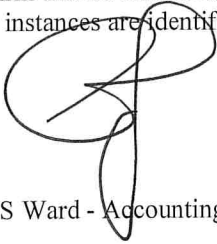
City Learning Trust

**Statement on Regularity, Propriety and Compliance
for the Year Ended 31st August 2019**

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

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

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



Mr C S Ward - Accounting Officer

16th December 2019

**Statement of Trustees Responsibilities
for the Year Ended 31st August 2019**

The trustees (who act as governors of City Learning Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Academies Accounts Direction issued by the Education and 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 academy trust and of the incoming resources and application of resources, including the income and expenditure, of the academy trust for that period. In preparing those financial statements, the trustees are required to

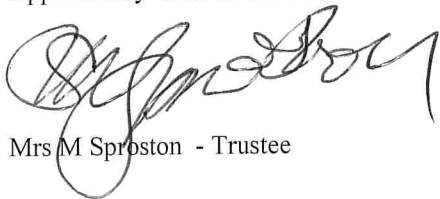
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the academy trust will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the academy trust's transactions and disclose with reasonable accuracy at any time the financial position of the academy trust and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the academy trust 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 academy trust 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 the 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 board of trustees on 16th December 2019 and signed on its behalf by:



Mrs M Sproston - Trustee

Report of the Independent Auditors to the Members of City Learning Trust

Opinion

We have audited the financial statements of City Learning Trust (the 'academy trust') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency (ESFA).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Report of the Independent Auditors to the Members of City Learning Trust

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

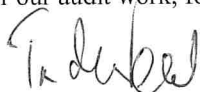
Our responsibilities for the audit of the financial statements

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

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

Use of our report

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



Timothy McNeal FCA (Senior Statutory Auditor)
for and on behalf of Hardings
Chartered Accountants & Statutory Auditor
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

16th December 2019

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

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

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

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

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

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

Approach

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

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

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

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

Conclusion

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

Hardings
Chartered Accountants
6 Marsh Parade
Newcastle-under-Lyme
Staffordshire
ST5 1DU

16th December 2019

City Learning Trust

Statement of Financial Activities
for the Year Ended 31st August 2019

				31/8/19	31/8/18	
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £	Total funds £
Income and endowments from						
Donations and capital grants	2	38,660	4,481,723	-	4,520,383	418,501
Charitable activities						
Funding for the academy's educational operations	3	-	-	14,576,606	14,576,606	14,881,842
Other trading activities	4	209,141	-	302,215	511,356	518,019
Investment income	5	625	-	-	625	86
Total		<u>248,426</u>	<u>4,481,723</u>	<u>14,878,821</u>	<u>19,608,970</u>	<u>15,818,448</u>
Expenditure on						
Charitable activities						
Academy's educational operations		-	926,725	15,321,352	16,248,077	16,624,880
Net income/(expenditure)		<u>248,426</u>	<u>3,554,998</u>	<u>(442,531)</u>	<u>3,360,893</u>	<u>(806,432)</u>
Transfers between funds	18	<u>(248,426)</u>	<u>-</u>	<u>248,426</u>	<u>-</u>	<u>-</u>
Other recognised gains/(losses)						
Actuarial gains/losses on defined benefit schemes		-	-	(2,205,000)	(2,205,000)	1,185,000
Net movement in funds		-	<u>3,554,998</u>	<u>(2,399,105)</u>	<u>1,155,893</u>	<u>378,568</u>
Reconciliation of funds						
Total funds brought forward		-	<u>37,403,230</u>	<u>(4,724,981)</u>	<u>32,678,249</u>	<u>32,299,681</u>
Total funds carried forward		<u>-</u>	<u>40,958,228</u>	<u>(7,124,086)</u>	<u>33,834,142</u>	<u>32,678,249</u>

The notes form part of these financial statements

City Learning Trust (Registered number: 07746561)

Balance Sheet
At 31st August 2019

				31/8/19	31/8/18
	Notes	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
Fixed assets					
Tangible assets	13	-	40,829,707	-	40,829,707
Current assets					
Debtors	14	-	-	472,196	472,196
Cash at bank and in hand		-	142,455	802,208	944,663
		-	142,455	1,274,404	1,416,859
Creditors					
Amounts falling due within one year	15	-	(13,934)	(1,043,490)	(1,057,424)
Net current assets		-	128,521	230,914	359,435
Total assets less current liabilities		-	40,958,228	230,914	41,189,142
Pension liability	19	-	-	(7,355,000)	(7,355,000)
Net assets		-	40,958,228	(7,124,086)	33,834,142
Funds	18				
Unrestricted funds				-	-
Restricted funds				33,834,142	32,678,249
Total funds				33,834,142	32,678,249

The financial statements were approved by the Board of Trustees on 16th December 2019 and were signed on its behalf by:



Mrs M Sproston -Trustee

City Learning Trust

**Cash Flow Statement
for the Year Ended 31st August 2019**

	Notes	31/8/19 £	31/8/18 £
Cash flows from operating activities:			
Cash generated from operations	23	600,011	(140,914)
Net cash provided by (used in) operating activities		<u>600,011</u>	<u>(140,914)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(444,350)	(186,813)
Capital grants from DfE/ESFA		306,723	384,476
Interest received		625	86
Net cash provided by (used in) investing activities		<u>(137,002)</u>	<u>197,749</u>
Change in cash and cash equivalents in the reporting period		<u>463,009</u>	<u>56,835</u>
Cash and cash equivalents at the beginning of the reporting period		<u>481,654</u>	<u>424,819</u>
Cash and cash equivalents at the end of the reporting period		<u><u>944,663</u></u>	<u><u>481,654</u></u>

The notes form part of these financial statements

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

1. Accounting policies

Basis of preparing the financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the academy trust has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

1. Accounting policies - continued

Donated goods, facilities and services

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

Donated fixed assets

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

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the academy trust to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

1. Accounting policies - continued

Tangible fixed assets

Assets costing £1000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over the expected useful lives on the following basis:

Freehold buildings	- over 50 years straight line
L/term leasehold buildings	- over 50 years straight line
Freehold land	- no depreciation
Property improvements	- over 10 years straight line**
Assets under construction	- no depreciation
Fixtures and fittings	- over 4 years straight line
Computer equipment	- over 3 years straight line
Motor vehicles	- over 4 years straight line

**Note that improvements to property have not been depreciated where the project has not been completed at the balance sheet date.

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

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

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

Taxation

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

1. Accounting policies - continued

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 31st August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Pension costs and other post-retirement benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

1. Accounting policies - continued

Hire purchase and leasing commitments

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

Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 22.

Service Concession Arrangements

The Academy Trust's buildings are subject to Service Concession Agreement (SCA) contract entered into by Stoke-on-Trent City Council and transferred to the Academy Trust on conversion.

In accordance with FRS102 the buildings to which the contract relates have been capitalised on the Academy Trust's balance sheet. As donated assets, the initial carrying amount was the fair value on the date of receipt in accordance with the Academies Accounts Direction. As a specialized property, depreciated replacement cost was used as the measure of fair value in accordance with applicable accounting standards.

On an ongoing basis, the payments made Stoke-on-Trent City Council are reported through the Statement of Financial Activities and accounted for in the period to which they relate.

2. Donations and capital grants

	Unrestricted funds £	Restricted funds £	31/8/19 Total funds £	31/8/18 Total funds £
Donations	38,660	-	38,660	34,025
Grants	-	306,723	306,723	384,476
Donated services and facilities	-	4,175,000	4,175,000	-
	<u>38,660</u>	<u>4,481,723</u>	<u>4,520,383</u>	<u>418,501</u>

Grants received, included in the above, are as follows:

	31/8/19 £	31/8/18 £
ESFA/LA Capital Grants	<u>306,723</u>	<u>384,476</u>

3. Funding for the academy's educational operations

	Unrestricted funds £	Restricted funds £	31/8/19 Total funds £	31/8/18 Total funds £
Other income from the academy trust's educational operations	-	328,434	328,434	708,762
Grants	-	14,248,172	14,248,172	14,173,080
	<u>-</u>	<u>14,576,606</u>	<u>14,576,606</u>	<u>14,881,842</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

3. Funding for the academy's educational operations - continued

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31/8/19 Total funds £	31/8/18 Total funds £
DfE/ESFA revenue grant				
General Annual Grant(GAG)	-	12,389,280	12,389,280	12,405,682
Other DfE/ESFA Grants	-	1,256,634	1,256,634	1,130,721
	<u>-</u>	<u>13,645,914</u>	<u>13,645,914</u>	<u>13,536,403</u>
Other government grant				
Local Government Grants	-	602,258	602,258	636,677
	<u>-</u>	<u>14,248,172</u>	<u>14,248,172</u>	<u>14,173,080</u>

4. Other trading activities

	Unrestricted funds £	Restricted funds £	31/8/19 Total funds £	31/8/18 Total funds £
Hire of facilities	209,141	-	209,141	208,863
Other activities for generating funds	-	302,215	302,215	309,156
	<u>209,141</u>	<u>302,215</u>	<u>511,356</u>	<u>518,019</u>

5. Investment income

	Unrestricted funds £	Restricted funds £	31/8/19 Total funds £	31/8/18 Total funds £
Deposit account interest	625	-	625	86
	<u>625</u>	<u>-</u>	<u>625</u>	<u>86</u>

6. Expenditure

	Staff costs £	Non-pay expenditure		31/8/19 Total £	31/8/18 Total £
		Premises £	Other costs £		
Charitable activities					
Academies educational operations					
Direct costs	8,936,348	675,700	1,323,618	10,935,666	11,274,362
Allocated support costs	2,107,993	2,499,904	704,514	5,312,411	5,350,518
	<u>11,044,341</u>	<u>3,175,604</u>	<u>2,028,132</u>	<u>16,248,077</u>	<u>16,624,880</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

6. Expenditure - continued

Net resources are stated after charging:

	31/08/19	31/08/18
	£	£
Auditor's remuneration - audit	9,000	9,000
Auditor's remuneration - other services	8,000	8,000
Depreciation - owned assets	758,285	717,359
Depreciation - leasehold assets	168,440	128,040
	<u> </u>	<u> </u>

7. Charitable activities - academy's educational operations

	Unrestricted funds £	Restricted funds £	31/8/19 Total funds £	31/8/18 Total funds £
Direct costs	-	10,935,666	10,935,666	11,274,362
Support costs	-	5,312,411	5,312,411	5,350,518
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	16,248,077	16,248,077	16,624,880
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	31/8/19 Total £	31/8/18 Total £
Analysis of support costs		
Support staff costs	2,107,993	2,123,645
Technology costs	128,871	99,031
Premises costs	1,535,811	1,417,338
Other support costs	575,643	522,910
Governance costs	964,093	1,187,594
	<u> </u>	<u> </u>
Total support costs	<u>5,312,411</u>	<u>5,350,518</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

8. Trustees' remuneration and benefits

One or more of the 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 roles as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2019 £	2018 £
Mr C S Ward	Remuneration	200,000-205,000	195,000-200,000
	Pension contributions paid	10,000-15,000	10,000-15,000

As with previous years, the CEO's salary has received substantial funding for professional services to an external company. In 2019, £77,725 (2018: £120,000) was received in to the Trust. In addition, by mutual agreement, the CEO's pension contributions have been capped. This equates to a saving of £19,912 (2018: £19,423)

Trustees' expenses

During the year, the following expenses were reimbursed to the above Trustee £2,182 (2018 : £NIL)

The above amount was reimbursed for expenses incurred in undertaking duties as per the contract of employment and not in relation to the role of Trustee.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

9. Staff costs

	31/8/19	31/8/18
	£	£
Wages and salaries	8,642,560	9,207,885
Social security costs	722,989	829,625
Operating costs of defined benefit pension schemes	1,439,638	1,522,634
	<u>10,805,187</u>	<u>11,560,144</u>
Supply teacher costs	239,154	131,010
	<u>11,044,341</u>	<u>11,691,154</u>

Included in the above staff costs are staff restructuring costs of £20,331 (2018: £34,760).

The average number of persons (including senior management team) employed by the academy trust during the year was as follows:

	31/8/19	31/8/18
Teachers	121	130
Administration and support	190	222
Management	16	23
	<u>327</u>	<u>375</u>

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

	31/8/19	31/8/18
£60,001 - £70,000	4	4
£70,001 - £80,000	1	2
£80,001 - £90,000	3	2
£190,0001- £200,000	-	1
£200,001- £210,000	1	-
	<u>9</u>	<u>9</u>

All 9 (2018 : nine) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31st August 2019 employers pension contributions for these staff amounted to £110,038 (2018 : £100,560).

The key management personnel of the the academy trust comprises of the trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefit (including employer pension contributions) received by the key management personnel for their services to the academy trust was £757,767 (2018 : £800,595)

10. Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors and omissions occurring whilst on Academy Trust business. The insurance cover provides up to £5,000,000 on any one claim.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

11. Comparatives for the statement of financial activities

	Unrestricted fund £	Restricted fixed asset fund £	Restricted fund £	Total funds £
Income and endowments from				
Donations and capital grants	976	384,476	33,049	418,501
Charitable activities				
Funding for the academy's educational operations	-	-	14,881,842	14,881,842
Other trading activities	208,863	-	309,156	518,019
Investment income	86	-	-	86
Total	<u>209,925</u>	<u>384,476</u>	<u>15,224,047</u>	<u>15,818,448</u>
Expenditure on				
Charitable activities				
Academy's educational operations	-	845,399	15,779,481	16,624,880
Net income/(expenditure)	209,925	(460,923)	(555,434)	(806,432)
Transfers between funds	<u>(209,925)</u>	<u>68,485</u>	<u>141,440</u>	<u>-</u>
Other recognised gains/(losses)				
Actuarial gains/losses on defined benefit schemes	-	-	1,185,000	1,185,000
Net movement in funds	-	(392,438)	771,006	378,568
Reconciliation of funds				
Total funds brought forward	-	37,795,668	(5,495,987)	32,299,681
Total funds carried forward	<u>-</u>	<u>37,403,230</u>	<u>(4,724,981)</u>	<u>32,678,249</u>

12. Central services

The City Learning Trust provides an extensive range of services in its fully federated approach to collaborative working. Services provided are fully inclusive of Finance, HR, Governance, Health & Safety, Premises, GDPR, Legal and ICT but further to this school improvement services are also provided in the form of a team of master teachers who provide comprehensive staff development opportunities via their expert subject knowledge and pedagogy.

The City Learning Trust has operated a fully pooled GAG arrangement for several years and all academies benefit from this provision.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

13. Tangible fixed assets

	Freehold land & buildings £	Long leasehold land & buildings £	Improvements to property £	
Cost				
At 1st September 2018	30,245,000	7,277,000	943,460	
Additions	-	4,175,000	399,083	
At 31st August 2019	30,245,000	11,452,000	1,342,543	
Depreciation				
At 1st September 2018	1,497,290	278,640	6,741	
Charge for year	507,260	168,440	57,231	
At 31st August 2019	2,004,550	447,080	63,972	
Net book value				
At 31st August 2019	28,240,450	11,004,920	1,278,571	
At 31st August 2018	28,747,710	6,998,360	936,719	
	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
Cost				
At 1st September 2018	478,258	12,100	783,824	39,739,642
Additions	13,602	-	31,665	4,619,350
At 31st August 2019	491,860	12,100	815,489	44,358,992
Depreciation				
At 1st September 2018	189,136	4,285	626,468	2,602,560
Charge for year	110,487	3,025	80,282	926,725
At 31st August 2019	299,623	7,310	706,750	3,529,285
Net book value				
At 31st August 2019	192,237	4,790	108,739	40,829,707
At 31st August 2018	289,122	7,815	157,356	37,137,082

The academy trust's transactions relating to land and buildings included:

The taking up of a leasehold on the Burslem School of Arts over a term of 125 years.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

14. Debtors: amounts falling due within one year

	31/8/19	31/8/18
	£	£
Trade debtors	24,419	160,069
VAT	61,641	106,991
Prepayments and accrued income	386,136	392,664
	<u>472,196</u>	<u>659,724</u>

15. Creditors: amounts falling due within one year

	31/8/19	31/8/18
	£	£
Trade creditors	453,603	491,182
Social security and other taxes	201,764	211,670
Accruals and deferred income	402,057	246,359
	<u>1,057,424</u>	<u>949,211</u>

Deferred Income

	£
Deferred income as at 1st September 2018	144,343
Resources deferred in the year	89,641
Amounts released from previous years	(144,343)
	<u>89,641</u>
Deferred income as at 31st August 2019	<u>89,641</u>

Creditors includes £89,641 (2018 : £144,343) of income which has been deferred into the following year due to the timing of the academy's entitlement to the income and predominantly relates to Universal Infant Free School Meals along with Rates Relief for 2019/20. There are no unfulfilled conditions attached to this income at the balance sheet date.

16. Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31/8/19	31/8/18
	£	£
Within one year	50,104	52,122
Between one and five years	30,657	37,651
	<u>80,761</u>	<u>89,773</u>

17. Members' liability

Each member of the academy trust 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

18. Movement in funds

	At 1/9/18 £	Net movement in funds £	Transfers between funds £	At 31/8/19 £
Unrestricted funds				
General fund	-	248,426	(248,426)	-
Restricted funds				
General Annual Grant	(73,981)	56,469	248,426	230,914
LGPS Pension	(4,651,000)	(2,704,000)	-	(7,355,000)
Restricted fixed asset fund	37,403,230	3,554,998	-	40,958,228
	<u>32,678,249</u>	<u>907,467</u>	<u>248,426</u>	<u>33,834,142</u>
TOTAL FUNDS	<u>32,678,249</u>	<u>1,155,893</u>	<u>-</u>	<u>33,834,142</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	248,426	-	-	248,426
Restricted funds				
General Annual Grant	12,389,280	(12,332,811)	-	56,469
Other DfE/ESFA	1,256,634	(1,256,634)	-	-
Local Authority Grants	602,258	(602,258)	-	-
Other	630,649	(630,649)	-	-
Restricted fixed asset fund	4,481,723	(926,725)	-	3,554,998
LGPS Pension	-	(499,000)	(2,205,000)	(2,704,000)
	<u>19,360,544</u>	<u>(16,248,077)</u>	<u>(2,205,000)</u>	<u>907,467</u>
TOTAL FUNDS	<u>19,608,970</u>	<u>(16,248,077)</u>	<u>(2,205,000)</u>	<u>1,155,893</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

18. Movement in funds - continued

Comparatives for movement in funds

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted Funds				
General fund	-	209,925	(209,925)	-
Restricted Funds				
General Annual Grant	(265,987)	50,566	141,440	(73,981)
LGPS Pension	(5,230,000)	579,000	-	(4,651,000)
Restricted fixed asset fund	37,795,668	(460,923)	68,485	37,403,230
	<u>32,299,681</u>	<u>168,643</u>	<u>209,925</u>	<u>32,678,249</u>
TOTAL FUNDS	<u>32,299,681</u>	<u>378,568</u>	<u>-</u>	<u>32,678,249</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	209,925	-	-	209,925
Restricted funds				
General Annual Grant	12,405,683	(12,355,117)	-	50,566
Other DfE/ESFA	1,130,721	(1,130,721)	-	-
Local Authority Grants	636,677	(636,677)	-	-
Other	1,050,966	(1,050,966)	-	-
LGPS Pension	-	(606,000)	1,185,000	579,000
Restricted fixed asset fund	384,476	(845,399)	-	(460,923)
	<u>15,608,523</u>	<u>(16,624,880)</u>	<u>1,185,000</u>	<u>168,643</u>
TOTAL FUNDS	<u>15,818,448</u>	<u>(16,624,880)</u>	<u>1,185,000</u>	<u>378,568</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

18. Movement in funds - continued

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

The General Annual Grant (GAG) fund is for the charitable purposes of the trust and applied under the ESFA guidance.

Other DfE/ESFA grants are from the DfE and ESFA which are not the GAG but are used for the charitable purpose of the trust.

The SEN funding relates solely to the income and expenditure relating to pupils with special educational needs.

Other income relates to miscellaneous income received.

The pension reserve relates to the Local Government Pension Scheme (LGPS).

Restricted fixed asset fund relates to assets purchased or inherited less depreciation.

Transfers between the unrestricted funds and restricted funds relates to charitable expenditure in excess of related income. Transfers between restricted fixed assets funds and restricted funds are due to the classification of expenditure on items funded by capital grants.

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

Analysis of academies by fund balance

Fund balances at 31st August 2019 were allocated as follows:

	31/08/19	31/08/18
	£	£
Haywood Academy	-	-
Smallthorne Primary Academy	-	-
Mill Hill Primary Academy	-	-
Trentham Academy	-	-
Central	230,914	(73,981)
	<hr/>	<hr/>
Total before fixed assets and pension reserve	230,914	(73,981)
	<hr/>	<hr/>
Restricted fixed assets funds	40,958,228	37,403,230
Pension reserve	(7,355,000)	(4,651,000)
	<hr/>	<hr/>
Total	<u>33,834,142</u>	<u>32,678,249</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

18. Movement in funds - continued

Analysis of academies by cost

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs (excluding) depreciation £	Total £
Haywood Academy	4,377,245	728,632	589,389	955,775	6,651,041
Smallthorne Primary Academy	618,344	187,202	57,638	207,461	1,070,645
Mill Hill Primary Academy	1,411,522	371,114	114,958	462,290	2,359,884
Trentham Academy	2,088,408	519,647	281,349	692,756	3,582,160
Central Services	440,829	301,398	27,128	389,267	1,158,622
	<u>8,936,348</u>	<u>2,107,993</u>	<u>1,070,462</u>	<u>2,707,549</u>	<u>14,822,352</u>

19. Pension and similar obligations

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

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

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

Teachers' pension scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1st 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.

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

19. Pension and similar obligations
- continued

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- 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 16.48%, 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 1st September 2019.

The pension costs paid to TPS in the period amounted to £837,000 (2018: £945,000).

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

Under the definitions set out in FRS 102, the TPS is 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31st August 2019 was £754,000 (2018: £731,000), of which employer's contributions totalled £603,000 (2018: £578,000) and employees' contributions totalled £151,000 (2018: £153,000) The agreed contribution rates for future years are 24.2% for employers and the contribution for employees is dependant upon salary banding.

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 18th July 2013.

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	31/8/19	31/8/18
	£	£
Present value of funded obligations	(13,722,000)	(9,978,000)
Fair value of plan assets	6,367,000	5,327,000
	<u>(7,355,000)</u>	<u>(4,651,000)</u>
Deficit	<u>(7,355,000)</u>	<u>(4,651,000)</u>
Liability	<u><u>(7,355,000)</u></u>	<u><u>(4,651,000)</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

19. Pension and similar obligations
- continued

The amounts recognised in the statement of financial activities are as follows:

	Defined benefit pension plans	
	31/8/19	31/8/18
	£	£
Current service cost	890,000	1,027,000
Net interest from net defined benefit asset/liability	292,000	253,000
Past service cost	78,000	21,000
	<u>1,260,000</u>	<u>1,301,000</u>
Actual return on plan assets	<u>197,000</u>	<u>195,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	31/8/19	31/8/18
	£	£
Defined benefit obligation	9,978,000	9,572,000
Current service cost	890,000	1,027,000
Past service cost	78,000	21,000
Contributions by scheme participants	151,000	153,000
Interest cost	292,000	253,000
Benefits paid	(69,000)	(58,000)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	(770,000)	-
Actuarial (gains)/losses from changes in financial assumptions	3,172,000	(990,000)
	<u>13,722,000</u>	<u>9,978,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	31/8/19	31/8/18
	£	£
Fair value of scheme assets	5,327,000	4,342,000
Contributions by employer	603,000	578,000
Contributions by scheme participants	151,000	153,000
Interest income on plan assets	158,000	117,000
Benefits paid	(69,000)	(58,000)
Return on plan assets (excluding interest income)	197,000	195,000
	<u>6,367,000</u>	<u>5,327,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

19. Pension and similar obligations
- continued

The amounts recognised in other recognised gains and losses are as follows:

	Defined benefit pension plans	
	31/8/19	31/8/18
	£	£
Actuarial (gains)/losses from changes in demographic assumptions	770,000	-
Actuarial (gains)/losses from changes in financial assumptions	(3,172,000)	990,000
Return on plan assets (excluding interest income)	197,000	195,000
	<u>(2,205,000)</u>	<u>1,185,000</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	31/8/19	31/8/18
	£	£
Equities	4,330,000	3,729,000
Bonds	1,401,000	1,012,000
Property	509,000	426,000
Cash	127,000	160,000
	<u>6,367,000</u>	<u>5,327,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	31/8/19	31/8/18
Discount rate	1.8%	2.8%
Future salary increases	2.7%	2.7%
Future pension increases	2.3%	2.3%

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

	At 31/8/19	At 31/8/18
Retiring today		
Males	21.1	22.1
Females	23.5	24.4
Retiring in 20 years		
Males	22.2	24.1
Females	24.8	26.4

Sensitivity Analysis

	Approx monetary amount	
Change in assumption as at :	31/08/19	31/08/18
0.5% decrease in Real Discount Rate	£2,050,000	£1,453,000
0.5% increase in Salary Increase Rate	£376,000	£312,000
0.5% increase in Pension Increase Rate	£1,626,000	£1,118,000

Notes to the Financial Statements - continued
for the Year Ended 31st August 2019

20. Capital commitments

	31/8/19	31/8/18
	£	£
Contracted but not provided for in the financial statements	-	351,610
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21. Related party disclosures

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions took place during the year.

22. Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the year end 31st August 2019 the trust received £19,748 (2018 :£19,609) and disbursed £19,748 (2018 : £19,609) from the fund. At the year end there were no amounts of undistributed funds repayable to the ESFA.

23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	31/8/19	31/8/18
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	3,360,893	(806,432)
Adjustments for:		
Depreciation	926,725	845,399
Capital grants from DfE/ESFA/LA	(306,723)	(384,476)
Interest received	(625)	(86)
Donated asset/long-term lease	(4,175,000)	-
Decrease in debtors	187,528	179,782
Increase/(decrease) in creditors	108,213	(581,101)
Difference between pension charge and cash contributions	499,000	606,000
	<u> </u>	<u> </u>
Net cash provided by (used in) operating activities	<u>600,011</u>	<u>(140,914)</u>