

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	I McGregor D Fitzpatrick (resigned 14 September 2019) S Bradshaw A Raikes, MBE (appointed 23 April 2019) M Tanner (appointed 28 November 2018) M Bisp (appointed 17 September 2019)
Trustees	S Bradshaw, Chair of Trustees P Evans, Chief Executive Officer ² J Atherton ¹ M Bisp (resigned 17 September 2019) ¹ E Flynn ² G Grimshaw (appointed 1 April 2019) ¹ T Kempster (appointed 1 April 2019) ² R Moorcroft, Chair of Audit, Finance and Resource Committee ¹ A Ward (appointed 11 December 2018) ² E Wickham (appointed 31 January 2019, resigned 24 September 2019) ² A Wills, Chair of Quality and Standards Committee ²

¹ Audit, Finance and Resource Committee

² Quality and Standards Committee

Company registered number 10377760

Company name Learn@ MAT

Principal and registered office Knowle D G E Leaning Centre
Leinster Avenue
Bristol
BS4 1NN

Chief Executive Officer Peter Evans

Leadership Team
Peter Evans, Chief Executive Officer
Rebecca Watkin, Chief Financial Officer
Darren Ewings, Knowle D G E Academy
Nick Lee-Wells, Lansdown Park Academy
Michelle Reysenn, Notton House Academy
Aileen Morrison, St Matthias Academy

Independent Auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers Lloyds Bank PLC
55 Corn Street
Bristol
BS1 1JQ

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Solicitors	Veale Wasbrough Vizards Narrow Quay Bristol BS1 4QA
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 2 special academies and 2 alternative provisions in Bristol, Bath and North East Somerset and Wiltshire; Knowle DGE Academy, Lansdown Park Academy, Notton House Academy and St Matthias Academy. It's academies have a combined pupil capacity of 342 and had a roll of 328 in the school census on 18 January 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust was incorporated on 15 September 2016 and opened as a Trust on 1 September 2017. The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust.

The Trustees of Learn@ MAT are also the directors of the Charitable Company for the purposes of company law. The Charitable Company operates as Learn@ MAT.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

Trustees' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10 million on any one claim.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The Trust shall have a minimum of 3 Trustees and up to 12 Trustees, of which 8 are appointed by the Members as set out in its Articles of Association and funding agreement. The Trust's Articles of Association also allows for Trustees to be co opted. If the Trust disbanded its Academy Councils then there would also be a requirement to have a minimum of 2 Parent Trustees.

Providing that the Chief Executive Officer agrees so to act, the Members may appoint the Chief Executive Officer as a Trustee. The total number of Trustees who are employees of the Trust shall not exceed one third of the total number of Trustees.

Trustees are appointed for a four year period, except that this time limit does not apply to any post that is held ex officio. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re appointed or re elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Trust's development.

During the year the Trust has advertised Board vacancies via Academy Ambassadors and via social media.

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

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies within the Trust and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, governance documents and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the National Governance Association, the Local Authority and other bodies.

All new Trustees are subject to a DBS check and where relevant other specific checks as part of the Trust's Safeguarding Policy and procedures. This Policy is a key aspect of their induction process along with the Code of Conduct, which must be read and understood before any visits to Academies. Trustees are expected to complete a Child Protection Course up to Level 2 and a Safer Recruitment Course.

Organisational Structure

The Board of Trustees normally meets six times a year. The Board establishes an overall framework for the governance of the Trust and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are three committees as follows:

- Audit, Finance and Resources Committee – this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, premises management, staffing, compliance with reporting and regulatory requirements, receiving Internal Assurance reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee. The full terms of reference are available on the Learn@ MAT website.
- Quality and Standards Committee – this committee meets at least three times a year and is responsible for monitoring the quality of teaching and learning, pupil progress, pupil outcomes and achievement, behaviour and attendance, the Academies' Development Plans and progress against targets set. The full terms of reference are available on the Learn@ MAT website.
- Chairs Committee – this committee meets at least three times a year and is a committee to enable all of the Chairs of Academy Councils to meet with the Chair of Trustees.

The following decisions are reserved to the Board of Trustees:

- To change the name of the Academies
- To determine the educational character, mission or ethos of the Academies
- To adopt or alter the constitution and terms of reference of any committee of the Board of Trustees
- To amend the Scheme of Governance
- To terminate a supplemental funding agreement for an Academy
- To establish a trading company
- To sell, purchase, mortgage or charge any land in which the Trust has an interest
- To approve the annual estimates of income and expenditure (budgets) and major projects
- To appoint investment advisors
- To sign off the annual accounts
- To appoint or dismiss the Director of Finance, the Chief Executive Officer, the Principals, the Company Secretary or the Clerk to the Trustees
- To settle the division of executive responsibilities between the Trustees on the one hand and Chief Executive Officer, the Principals and the Finance Director on the other hand.
- To do any other act which the Funding Agreement expressly reserves to the Board of Trustees or to another body (including for the avoidance of doubt, terminating the Funding Agreement or any part of it).
- To do any other act which the Articles expressly reserve to the Board of Trustees or to another body
- To do any other act which the Board of Trustees determine to be a Reserved Matter from time to time.

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

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Trust by the use of budgets and other data, and making major decisions about the direction of the Trust, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Trust to the Chief Executive Officer, Chief Finance and Operations Officer and Head Teachers. This Leadership Team implement the policies laid down by the Trustees and report back to them on performance.

The Trust comprises two special academies and two alternative provisions – Knowle DGE Academy, Lansdown Park Academy, Notton House Academy and St Matthias Academy. Each Academy has its own Academy Council responsible for day to day operations and management of the Academy's budget.

The Chief Executive Officer is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider the Board of Trustees and the Leadership Team to comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year. With the exception of the Chief Executive Officer.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The posts of the Chief Executive Officer (CEO) and Chief Finance and Operations Officer (CFOO) are paid on a spot salary which will be reviewed annually. Factors that will be taken into consideration for setting and revising the CEO's and CFOO's salary are as follows: comparison with similar organisations, experience of the individuals in those posts and achievements and performance throughout the year.

The determination of Head Teachers' pay is in line with the School Teachers' Pay and Conditions Document. The Head Teachers' pay range at each Academy has seven incremental points and will not exceed the top of the range for the group size of the Academy as set out in the School Teachers' Pay and Conditions Document except in exceptional circumstances. Head Teachers' progression up the leadership pay scale is dependent on performance.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Learn@ MAT. There are three Trustees who have close family who are employees of the Trust; more details of these transactions are in note 30. There are no sponsors or formal Parent Teacher Associations associated with the Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of the Trust is to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing academies which are principally concerned with providing full time or part time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies").

The Trust's aim is to create a learning environment which recognises that all young people are different but all deserve equal opportunities to achieve to their full potential. The Trust will deliver an outstanding, inclusive, personalised curriculum through a multi disciplinary approach in order to equip the young people with the skills and experiences needed to embrace life long learning.

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

Objectives, Strategies and Activities

The main objectives, and the strategies for achieving them, of the Trust during the year ended 31 August 2019 are summarised below:

- 80% of all young people to make at least expected progress in core subjects.
- All young people to make measurable improvements in their social and emotional skills, through an agreed nationally recognised assessment tool.
- A rising number of young people to return successfully (complete 12 week transition period) to mainstream schooling.
- All young people to have clear improvements in attendance from their previous school or the previous school year on a person by person basis.
- To have year on year reduction in exclusions.
- All young people to achieve a positive post school transition, which includes careers planning.
- 100% of teaching and learning to be assessed as being at least "Good". The Trust will work with its School Improvement Partners to identify areas of development.
- To develop the role and positive involvement of Parent/Carers in the governance and directional steer of the Trust at Board and Academy Council levels.
- To develop the Academy sites to enable young people to achieve their full potential.
- To ensure that every young person receives the specialised support, resources and intervention necessary to meet their Special Educational Needs and Disability (SEND) in line with their Education, Health and Care Plan (EHCP).
- To improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review and ensuring a personalised approach for each young person.
- To maximise the number of students who achieve 5 GCSEs or equivalent including English and maths.
- To provide value for money for the funds expended. This will be achieved by all of the Academies within the Trust working together to combine contracts and bulk purchase.
- To develop greater coherence, clarity and effectiveness in Academy systems, including finance, Human Resources and payroll.
- To comply with all appropriate statutory and curriculum requirements.
- To develop the Trust's capacity to manage change.
- To successfully establish the expansion of Lansdown Park Academy onto a satellite site in Rush Hill, Bath and North East Somerset
- To ensure that the pre-opening of Learn@ Specialist Academy progresses in line with the project development plan
- To conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Bristol, Bath and North East Somerset and Wiltshire and the surrounding area. In particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of supporting young people with Social, Emotional and Mental Health needs and Speech, Language and Communication needs.

The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

As a Trust there is a duty to support other schools. The Trust has two Specialist Leaders of Education who work through the Bristol Primary Teaching School Alliance and Cathedral Schools Trust Teaching School Alliance.

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

The Trust has supported all phases of schools within Bristol and University of West of England in their training of Post Graduate Certificate in Education (PGCE) students.

In partnership with Bristol City Council the Trust has established an Early Intervention Base (EIB) in south Bristol (based at Lansdown Park Academy) which offers up to 15 places for primary aged young people as a strategy to avoid permanent exclusions. St Matthias Academy, has worked closely with local mainstream Secondary Schools and Bristol City Council to help reduce exclusions.

The Trust has established a partnership with Learning Partnership West (LPW) during the year. LPW has been working with the Trust's young people on an outreach basis during the school term and school holidays in order to promote the aim of providing all year round support to the young people.

STRATEGIC REPORT

Achievements and Performance

The Trust is in its second year of operation. The total number of students on roll on the January 2019 census was 328.

Young People

Progress and Qualifications

When a young person joins the Trust their abilities are assessed to establish a base line. A target of expected progress is then set for each young person and their progress against that target is measured. The below table details the percentage of young people within the Trust that met or exceeded their expected progress target.

	English	Maths	Science
Key Stage 2	70%	77%	63%
Key Stage 3	62%	65%	65%

Young people are making significant levels of progress in Reading and Spelling in their first year within our provisions. This includes an average of 2 years progress in reading in 6 months.

One of the Academies within the Trust measured their progress against prior attainment rather than the baseline assessments completed during each young person's induction. This has proven to be unreliable data passed on from previous schools, which has resulted in a change of policy going forward, and all the Academies within the Trust will measure pupil progress against the comprehensive baselining assessments they complete on all new starters.

72% of those entered for GCSEs achieved passes between 1 – 9 points and the average points achieved by those taking GCSEs was 3 points. All school leavers achieved an average of 3.5 national awards (GCSE/ Functional Skills/ IMI/ BTEC). This overall increase from the previous year reflects a positive trend towards reaching the Trust's target of 5 national awards being achieved by each young person in KS4 by 2020.

Transitions to Mainstream

Positive transitions to mainstream has continued to rise year on year with an increase of 11.2% successfully returning to mainstream schools this year compared to last year.

There has been an increase in the number of full assessments for EHCPs having to be done within our Alternative Provisions of 90% over the past 2 years. This has the effect of focussing a large amount of their resources on these statutory processes and compensating for a lack of early identification, graduated responses and statutory assessment that should have taken place in mainstream schools.

There has been an increase in the number of young people moving on to Special School provision from the Alternative Provisions of 75% from the previous year. Whereas there has been a decrease in those moving onto long-term independent Alternative Provision.

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

Teaching and Learning

One of the key factors to ensuring that the Trust's young people make as much progress as possible is to ensure that the teaching and learning that is delivered is as effective as possible. To ensure that standards are continually assessed, the Trust operates a programme of lesson observations, which are undertaken by the Senior Leadership Team, Subject Leads and School Improvement Officers in each Academy. Members of staff undertaking the lesson observations have been trained through the Cambridge Education Course 'Effective Classroom: Lesson Observations'. At least 90% of teaching is recognised as good or better through both internal and external scrutiny. This is an improvement from the previous year.

There are no ongoing vacancies and though turn-over is low (below national average), the Trust is regularly successful in filling new positions and vacancies.

Attendance

Over 80% of all young people have made improvements in their attendance from their previous schooling. Multi-agency support plans are in place for those very complex cases where young people and their families need higher levels of support and a more personalised learning programme.

Overall school attendance was 76% across the Trust which is moving gradually towards our target figure.

Curriculum

All the Academies have completed a full review of their Curriculum, consulting with all stakeholders including young people and their families. Each has a revised curriculum in place for September 2019 which puts literacy, communication and mental health and wellbeing at the heart.

The Trust has worked extensively with partners to ensure that every young person receives specialised support, resources and intervention necessary to meet their SEND in line with their EHCP. The Trust has widened the curriculum through partnerships with vocational and specialist providers such as Empire Fighting Chance (sports mentoring), Rocksteady (bricklaying vocational courses), Lackham College (agricultural courses) and Urban Pursuits (outdoor learning).

Knowle DGE has been appointed a Regional Centre for The Duke Of Edinburgh Awards. All Academies have gained their Healthy Schools Award (including Mental Health and Wellbeing).

Notton House Academy was inspected by Ofsted Care and received an overall 'Good' grading. The inspectors said "Leaders and managers provide strong leadership; they are supported by the school's senior staff team. Staff have high aspirations for the young people and have created a structured and supportive environment, all of which impacts positively on the young people's outcomes". The other three Academies within Learn@ MAT are all rated as 'Good' by Ofsted.

Parents/ Carers

During the year parents/ carers have been involved with the Trust at all levels of governance ensuring that the voice of parents/ carers is heard and to help guide the direction of the Trust.

A parent/ carer group has been running throughout the year at the two Special Schools. This group has a regular coffee morning where there is a focus on topics and issues that parents/ carers have identified. The group has input on these topics and issues from visiting speakers as well as being able to provide support for each other and share experiences.

A group of parents/ carers have successfully started an advanced qualification in construction to support their own children in their vocational learning pathway. The monies to fund these courses is raised through the open coffee mornings.

Premises

The visitor and pupil entrances at Knowle DGE Academy have been reconfigured to create more welcoming entrances as well as the outdoor play areas being upgraded with engaging markings on the floors to stimulate the young people's interest in play.

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

Lansdown Park Academy has invested in its heating system. It was unsuccessful in a Condition Improvement Fund (CIF) application to replace the leaking flat roof and therefore a number of repairs have needed to be undertaken during the year. The CIF application will be resubmitted again in December 2019.

The Rush Hill site that is part of Lansdown Park Academy was refurbished by Bath and North East Somerset Council and was occupied from January 2019 onwards.

St Matthias Academy were successful with the CIF application that focussed on safeguarding. The internal doors of the school have been upgraded as well as external fencing.

Notton House Academy were also successful with a CIF application to repair and decorate the windows on the Grade II listed building. During the summer holidays, a significant amount of work was undertaken to improve all areas of the site. Including, upgrading part of the heating system and establishing a library with the help of a Foyle Foundation grant.

Staffing

During the year Darren Ewings, the Head Teacher of Knowle DGE Academy supported Notton House Academy while a new Head Teacher was being recruited. Michelle Reysenn was appointed as the permanent Head Teacher of Notton House Academy (being promoted from Deputy).

This gave an opportunity for the Deputy Head Teacher of Knowle DGE Academy to step up into the Acting Head Teacher role for a year.

The Leadership Team have been through a coaching programme during the year to improve their leadership skills and the capacity within the Trust.

In November 2018 the Trust held a third Learn@ MAT Conference on 'Developing our Core Work'. This had three strands including: Maximising the Impact of Teaching Assistants (MITA), Growing Parental Partnership led by Alison Ward of Autism Somerset, and Identifying and Supporting Mental Health in young people led by Mike Armiger, the Trust's external expert in Mental Health and Wellbeing. All the staff and representatives of each Academy Council and the Board of Trustees attended. The conference was held at Knowle DGE Academy to house the 230 people and minimise costs.

In February 2019 the Trust organised a split training day for all staff departments. Teachers and school Leaders attended a full days training on the 'New Ofsted Framework' led by Tonya Hill, OFSTED Inspector/local Head Teacher, at St Matthias Academy. Education Support staff received a carousel of training including 'ACEs Trauma Awareness', Bereavement management led by the charity 'Winston's Wish', and 'De-escalation of behaviour skills' led by the Trust's SLE for Behaviour. Other training and group support sessions were run throughout the day at Knowle DGE Academy for our ancillary teams, Finance and Administration, Catering and Site and cleaning. It is core to Learn@ Trust that all members of staff are continually supported with their training and development.

Growth

Learn@ MAT was awarded the contract to provide alternative provision education for up to 20 young people in Bath and North East Somerset in 2017/18. In order to accommodate this provision a business case was submitted to the Regional Schools Commissioner (RSC) to expand Lansdown Park Academy by 20 places. Permission was granted by the RSC on 4 September 2018.

This contract has been increased to go up to 32 places with effect from 1 September 2019.

The Trust has submitted applications to run three proposed special schools in North Somerset, Somerset and Wiltshire. A decision on which Trusts the schools will be awarded to is expected in early 2020.

Key Performance Indicators

Learn@ MAT is funded based on places commissioned by Local Authorities. General Annual Grant funding is

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

based on the number of commissioned places and High Needs Top Up funding is based on the pupils that are on roll. A key performance indicator is the occupancy percentage of the Academies. The occupancy percentage based on the January 2019 census for the Trust was 96%.

Another key financial performance indicator is staffing costs as a percentage of total revenue income (excluding amounts transferred to the restricted fixed asset fund). For 2019 this was 66%.

The main financial target that was set for the year was that the Trust would ensure that it had reserves of £739,402 at the end of the year. This target was met with the Trust finishing the year with revenue reserves of £1,143,246.

Going Concern

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

FINANCIAL REVIEW

Financial Review

The majority of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency and from Local Authorities in the form of grants linked to commissioned places and the pupils that are on roll. The use of these grants is restricted to particular purposes. The grants received from the DfE and Local Authorities during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2019, the Academy received total income of £10,948,897 (2018: £47,326,730) and incurred total expenditure of £11,611,481 (2018: £10,117,375). The excess of expenditure over income for the year was £662,584 (2018: income over expenditure for the year was £37,209,355). Excluding adjustments in respect of LGPS pension and depreciation the surplus for the year was £1,579,964 (2018: £570,974).

At 31 August 2019 the net book value of fixed assets was £41,967,021 (2018: £42,434,380) and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the young people of the Trust.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, CEO, CFOO, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending.

Reserves Policy

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

The Trustees have determined that the appropriate level of free reserves should be approximately equal to one months' worth of expenditure which for 2018/19 was £739,402. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Trust amount to £35,161,771, although £34,018,611 of this is invested in fixed assets or represents non GAG restricted funds. The remaining

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

£1,143,246 (representing £202,626 unrestricted funds and £940,620 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents 1.5 months of normal recurring expenditure.

The Trust is working towards establishing comprehensive buildings development plans for which the current excess reserves will be required for. In addition the LGPS pension deficit will be revalued during 2019/20 and due to the McCloud judgement it is anticipated that the Trust's LGPS employer contribution rate and the LGPS deficit repayments will increase. The excess reserves may be required to fund these increases in the short term.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Trust.

Investment Policy

Due to the nature and timing of receipt of funding, the Trust may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial - the Trust has considerable reliance on the commissioning of places from Local Authorities. Places are commissioned on a year by year basis which results in uncertainties for future years. However, current demand for places is high in Bristol and the surrounding area. The Trust is also reliant on continued Government funding through the ESFA. In the last year in excess of 97% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on Local Authorities continuing to want to place young people in the Trust. To mitigate this risk Trustees ensure that student progress and attendance are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline. All of the Academies participate in an external audit of their Safeguarding procedures with Bristol City Council.

Staffing - the success of the Trust is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Trust has appointed an external consultant to carry out checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the

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

process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The Trust has agreed a Risk Management Policy and a Risk Register. These have been discussed by Trustees and include the financial risks to the Trust. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

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

Whilst the Trust is close to 100% occupancy rates, risks to revenue funding from a falling roll are small. However, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Audit, Finance and Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 25 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Trust will continue to strive to provide outstanding education and improve the levels of performance of its young people at all levels.

Learn@ Specialist Academy, a 136 place special school based in South Gloucestershire, is due to open in January 2021. In October 2019, the Principal Designate was appointed and the Trust will be focussing on the pre-opening of this school throughout 2019/20.

In September 2019 the Trust submitted applications to run free special schools that are proposed to open in North Somerset, Somerset and Wiltshire. The outcome of which Trusts are awarded the schools is expected in early 2020.

Bath and North East Somerset extended the contract that it has in place with the Trust to provide alternative provision education in Bath and North East Somerset by 12 places. The Trust will be looking to imbed this expansion and also will be working with the Local Authority to increase the capacity of the site on which these 12 places are being provided.

The Trust has submitted an application to become a sponsor to the Regional Schools Commissioner. The expectation is that the application will be considered at the Head Teacher Board meeting in November 2019.

The Trust will re-establish its central Alternative Provision that ran very successfully in 2017/18. The provision will operate out of a newly refurbished premises in St Phillips and will provide bespoke programmes for young people who have previously not been engaging in a school environment.

Lansdown Park Academy will continue its work in establishing an Early Intervention Base for young people in

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

South Bristol. They will be offering an outreach programme to local mainstream schools to work with young people who are at risk of exclusion.

The Trust will continue to develop its leadership structure by developing an Executive tier to support the CEO and CFOO in the growth of the Trust.

The Trust will continue to invest in a specialist team to ensure it is providing the best possible support to its young people and therefore enabling them to reach their potential.

Work with the sector to increase knowledge and understanding of SEND and the importance of specialist Trusts and establish links with other Trusts to share operational experience.

The Trust is going to submit Condition Improvement Fund bids in order to obtain funding to improve its premises.

Full details of the Trust's plans for the future are detailed in each Academies' Development Plan, which is available from the Clerk to the Trustees.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The auditors, Bishop Fleming LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by::

S Bradshaw
(Chair of Trustees)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Bradshaw, Chair of Trustees	6	6
P Evans, Chief Executive Officer	6	6
J Atherton	4	6
M Bisp	2	6
E Flynn	5	6
G Grimshaw	3	3
T Kempster	3	3
R Moorcroft, Chair of Audit, Finance and Resource Committee	3	6
A Ward	3	4
E Wickham	2	3
A Wills, Chair of Quality and Standards Committee	5	6

A new Chair of Trustees was appointed at the end of August 2018; Stephen Bradshaw. He has been in post all year. The Board has been successful at recruiting new people to the Board to ensure that there is a good mix of skills on the Board.

During the year, the Board of Trustees have been focussing on monitoring and challenging the performance of the Trust. A 'Data Dashboard' has been established on which key statistics and performance indicators are reported to the Board of Trustees. A strategy away day was held on 20 August 2019 to focus on reviewing the vision and ethos of the Trust. The Trustees decided that the Trust's motto was still relevant 'All Different, All Equal, All Achieving Together'. In addition, new core values were established: Include, Respect, Nurture, Promote and Innovate. The Trustees have reviewed the Governance Structure and have agreed that by the end of 2020 the lines of Governance will be clearly delineated and one person will not be able to have a role at more than one level to improve the strength and clear lines of accountability of the Governance Structure.

The Board of Trustees have undertaken a Skills Audit during the year to establish whether there is the right mix of skills on the Board and to establish gaps so that more targeted recruitment of Trustees can be undertaken.

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

The Audit, Finance and Resources Committee is a sub committee of the main Board of Trustees. Its purpose is to monitor, evaluate and review policy and performance in relation to financial management, premises management, staffing, compliance with reporting and regulatory requirements, receiving Internal Assurance reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
R Moorcroft, Chair of Audit, Finance and Resource Committee	5	5
P Evans	5	5
J Atherton	4	5
M Bisp	3	5
G Grimshaw	1	2
E Wickham	1	2

REVIEW OF VALUE FOR MONEY

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

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

- Robust financial governance and budget management. The Trust has built up reserves to get to its target level by close monitoring of budgets and all members of staff being as economical as possible.
- Value for money purchased. The Trust has taken advantage of economies of scale in some areas of purchasing. This is a long-termed project as contracts entered into before becoming a Trust need to come to an end, enabling contracts across the Trust to be amalgamated. Savings have already been achieved in relation to transport, purchasing of software and specialist team services.
- Reviewing controls and managing risk. New controls for monitoring the duration of contracts have been established to ensure there is sufficient time to potentially give notice on contracts and undertake a procurement exercise for renewals.
- Outlining procedures for accepting best value quotes, noting that this is not necessarily the cheapest quote. This was used to good effect when considering the procurement options for premises management software.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

GOVERNANCE STATEMENT (CONTINUED)

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the 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 ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed a suitably qualified external consultant (Audit West) to perform checks on internal controls.

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

- A review of the effectiveness of the Full Governing Body, Finance, Audit and Resources Committees including ensuring there are Terms of Reference in place, minutes detail decisions made by the Governing Body and register of interests are recorded for the Governing Body and senior financial staff.
- Ensuring that there are procedures in place to process income and a sample of income received was tested to ensure that all income is accurately processed.
- Ensuring that there are procedures in place to process purchase invoices. Samples of invoices were tested to ensure compliance with the procedures and spending is in-line with DFE funding regulations.
- Ensuring that contracts and leases are procured in-line with the Trust's financial policy and DFE regulations.
- Transaction testing to ensure that payroll records are accurate. Transaction testing to provide assurance pre-employment checks are completed appropriately.

At the end of each visit, the external consultant reports to the Board of Trustees through the Audit, Finance and Resources Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The external consultant delivered their schedule of work as planned. The main issue that was highlighted was a lack of employment contracts on employee HR files who had TUPE'D across from the local authority school. This issue has now been addressed.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

S Bradshaw
Chair of Trustees

P Evans
Accounting Officer

Date: 9 December 2019

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the Academy Trust's 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 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.

P Evans
Accounting Officer

Date: 9 December 2019

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees and signed on its behalf by:

S Bradshaw
Chair of Trustees

Date: 9 December 2019

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARN@ MAT**

OPINION

We have audited the financial statements of Learn@ MAT (the 'trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARN@ MAT (CONTINUED)**

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 Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
LEARN@ MAT (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

This report is made solely to the charitable 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 charitable 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 charitable Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

David Butler FCA DChA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

19 December 2019

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARN@ MAT AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 9 May 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learn@ MAT during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF LEARN@ MAT'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Learn@ MAT's funding agreement with the Secretary of State for Education dated 24 August 2017 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by 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 Trust's income and expenditure.

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO LEARN@
MAT AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

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

David Butler FCA DChA

Bishop Fleming LLP
16 Queen Square
Bristol
BS1 4NT

Date: 19 December 2019

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants	3	688	158,907	191,496	351,091	38,056,555
Charitable activities	4	555,494	10,031,893	-	10,587,387	9,266,065
Other trading activities	5	9,854	-	-	9,854	3,796
Investments	6	565	-	-	565	314
TOTAL INCOME		566,601	10,190,800	191,496	10,948,897	47,326,730
EXPENDITURE ON:						
Charitable activities		553,356	10,245,577	812,548	11,611,481	10,117,375
TOTAL EXPENDITURE		553,356	10,245,577	812,548	11,611,481	10,117,375
NET INCOME / (EXPENDITURE)		13,245	(54,777)	(621,052)	(662,584)	37,209,355
Transfers between funds	18	-	(168,577)	168,577	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER RECOGNISED GAINS/(LOSSES)		13,245	(223,354)	(452,475)	(662,584)	37,209,355
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on defined benefit pension schemes	25	-	(2,081,000)	-	(2,081,000)	696,000
NET MOVEMENT IN FUNDS		13,245	(2,304,354)	(452,475)	(2,743,584)	37,905,355
RECONCILIATION OF FUNDS:						
Total funds brought forward		189,381	(4,718,406)	42,434,380	37,905,355	-
Net movement in funds		13,245	(2,304,354)	(452,475)	(2,743,584)	37,905,355
TOTAL FUNDS CARRIED FORWARD		202,626	(7,022,760)	41,981,905	35,161,771	37,905,355

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 28 to 54 form part of these financial statements.

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:10377760

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	41,967,021	42,434,380
		<u>41,967,021</u>	<u>42,434,380</u>
CURRENT ASSETS			
Debtors	15	702,341	808,980
Cash at bank and in hand		1,498,384	532,621
		<u>2,200,725</u>	<u>1,341,601</u>
Creditors: amounts falling due within one year	16	(1,016,975)	(770,626)
NET CURRENT ASSETS		1,183,750	570,975
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>43,150,771</u>	<u>43,005,355</u>
Defined benefit pension scheme liability	25	(7,989,000)	(5,100,000)
TOTAL NET ASSETS		<u>35,161,771</u>	<u>37,905,355</u>
FUNDS OF THE TRUST			
Restricted funds:			
Fixed asset funds	18	41,981,905	42,434,380
Restricted income funds	18	966,240	381,594
		<u>42,948,145</u>	<u>42,815,974</u>
Restricted funds excluding pension asset	18	42,948,145	42,815,974
Pension reserve	18	(7,989,000)	(5,100,000)
Total restricted funds	18	34,959,145	37,715,974
Unrestricted income funds	18	202,626	189,381
TOTAL FUNDS		<u>35,161,771</u>	<u>37,905,355</u>

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 9 December 2019 and are signed on their behalf, by:

S Bradshaw
(Chair of Trustees)

P Evans
Chief Executive Office

The notes on pages 28 to 54 form part of these financial statements.

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	20	1,127,664	358,347
CASH FLOWS FROM INVESTING ACTIVITIES	22	(161,901)	21,284
CASH FLOWS FROM FINANCING ACTIVITIES	21	-	152,990
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		965,763	532,621
Cash and cash equivalents at the beginning of the year		532,621	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	23	1,498,384	532,621

The notes on pages 28 to 54 form part of these financial statements

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Learn@ MAT constitutes a public benefit entity as defined by FRS 102.

1.2 GOING CONCERN

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

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

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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 grant 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 provided to the Trust which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable (where there are no performance-related conditions), where receipt is probable and it can be measured reliably.

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

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

1.4 EXPENDITURE

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

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

All resources expended are inclusive of irrecoverable VAT.

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

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS

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

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

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

Leasehold property	- 10 years, 20 years, 25 years, 50 years or over the life of the lease
Furniture and equipment	- 10% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 20% straight line

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

1.6 OPERATING LEASES

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

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.8 CASH AT BANK AND IN HAN

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

1.9 LIABILITIES

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

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

1. ACCOUNTING POLICIES (continued)

1.10 FINANCIAL INSTRUMENTS

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases 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 15. 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 note 16. 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.

1.11 TAXATION

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

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 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.

1.12 PENSIONS

Retirement benefits to employees of the 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 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the 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
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.13 AGENCY ARRANGEMENTS

The 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 Academy Trust does not have control over the charitable application of the funds. The Academy 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, paid and any balances held at period end are disclosed in note 30.

1.14 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

The Trust 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

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

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Transfer on conversion	-	-	-	37,945,178
Donations	688	1,000	1,688	7,181
Capital Grants	-	349,403	349,403	104,196
SUBTOTAL	<u>688</u>	<u>350,403</u>	<u>351,091</u>	<u>111,377</u>
	<u>688</u>	<u>350,403</u>	<u>351,091</u>	<u>38,056,555</u>
Total 2018	<u>160,171</u>	<u>37,896,384</u>	<u>38,056,555</u>	

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

4. FUNDING FOR THE TRUST'S EDUCATION

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	3,220,000	3,220,000	3,370,000
Start up grants	-	-	-	100,000
Other DfE/ESFA grants	-	291,975	291,975	225,592
	-	3,511,975	3,511,975	3,695,592
Other Government grants				
High Needs	-	6,477,171	6,477,171	5,099,538
Other Government grants	341,516	22,835	364,351	331,624
	341,516	6,500,006	6,841,522	5,431,162
Other funding				
Internal catering income	9,087	-	9,087	5,463
Charitable Activities Grants	-	-	-	4,096
Sales to students	4,900	-	4,900	3,526
Other	199,991	19,912	219,903	126,226
	213,978	19,912	233,890	139,311
	555,494	10,031,893	10,587,387	9,266,065
Total 2018	412,309	8,853,756	9,266,065	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	9,854	9,854	3,796

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

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	565	565	314

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
EDUCATION:					
Direct costs	6,511,967	812,548	1,199,354	8,523,869	7,594,654
Allocated support costs	881,860	922,805	1,282,947	3,087,612	2,522,721
	<u>7,393,827</u>	<u>1,735,353</u>	<u>2,482,301</u>	<u>11,611,481</u>	<u>10,117,375</u>
Total 2018	<u>7,175,756</u>	<u>1,246,093</u>	<u>1,695,526</u>	<u>10,117,375</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	8,523,869	3,087,612	11,611,481	10,117,375
Total 2018	<u>7,594,654</u>	<u>2,522,721</u>	<u>10,117,375</u>	

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	84,000	77,000
Staff costs	6,511,967	5,923,569
Depreciation	812,548	788,597
Educational supplies	643,896	344,232
Examination fees	13,766	14,262
Staff development	75,480	57,064
Other costs	20,173	65,809
Supply teachers	271,551	218,173
Recruitment and support	-	15,071
Educational consultancy	90,488	90,877
	8,523,869	7,594,654

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

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension income	70,000	62,000
Staff costs	1,296,860	1,041,982
Recruitment and support	39,515	41,269
Maintenance of premises and equipment	386,672	280,761
Cleaning	79,913	77,137
Rent and rates	39,538	32,518
Energy costs	138,553	103,867
Insurance	119,580	138,518
Security and transport	332,602	245,020
Catering	163,679	115,231
Technology costs	291,989	224,802
Office overheads	41,426	32,716
Legal and professional	81,856	122,042
Bank interest and charges	1,724	1,943
Governance costs	3,705	2,915
	3,087,612	2,522,721

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	72,823	37,899
Depreciation of tangible fixed assets	812,548	788,598
Fees paid to auditors for:		
- audit	14,100	13,700
- other services	4,000	1,750

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

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	5,603,071	5,169,445
Social security costs	516,545	487,501
Pension costs	1,654,507	1,272,829
	<u>7,774,123</u>	<u>6,929,775</u>
Agency staff costs	271,551	218,173
Staff restructuring costs	34,704	35,776
	<u>8,080,378</u>	<u>7,183,724</u>

Staff restructuring costs comprise:

	2019	2018
	£	£
Redundancy payments	14,815	4,291
Severance payments	19,889	31,485
	<u>34,704</u>	<u>35,776</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

In total there was one non-statutory/non-contractual severance payment totalling £2,000 (2018: £Nil).

c. STAFF NUMBERS

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

	2019	2018
	No.	No.
Teachers	46	45
Educational Support	82	79
Care	29	28
Administration and support	52	50
Leadership	15	13
	<u>224</u>	<u>215</u>

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

10. STAFF COSTS (CONTINUED)

c. STAFF NUMBERS (CONTINUED)

The average headcount expressed as full-time equivalents was:

	2019	2018
	No.	No.
Teachers	41	39
Educational support	65	58
Care	26	26
Administration and support	34	32
Leadership	14	13
	180	168

d. HIGHER PAID STAFF

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	3
In the band £70,001 - £80,000	1	-
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	-	1
In the band £110,001 - £120,000	1	-
In the band £120,001 - £130,000	-	1
In the band £130,001 - £140,000	1	1

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period for these staff members amounted to £97,948 (2018: £54,381).

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £646,017 (2018: £670,842).

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

11. CENTRAL SERVICES

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

- Educational Psychologist
- Speech and Language Therapy
- School Improvement Partners
- Finance
- Human Resources
- Legal
- Information Technology
- Training and CPD
- Health and Safety
- Payroll
- Mental Health Specialist

The Trust charges for these services on the following basis:

5% of General Annual Grant and High Needs funding calculated on 100% occupancy.

The actual amounts charged during the year were as follows:

	2019	2018
	£	£
Knowle DGE Academy	112,523	180,196
Lansdown Park Academy	59,136	43,544
Notton House Academy	282,098	167,606
St Matthias Academy	62,820	57,200
TOTAL	516,577	448,546

12. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer is the only staff Trustee of the Trust, and receives remuneration in respect of services provided in undertaking the role of Chief Executive Officer, and not in respect of their services as a Trustee. The value of Trustees remuneration and expenses was as follows: P Evans: Remuneration £135,000 - £140,000 (2018: £135,000 - £140,000), Employer's pension contributions £30,000 - £35,000 (2018: £20,000 - £25,000).

During the year ended 31 August 2019, expenses totalling £486 were reimbursed or paid directly to 2 Trustees (2018 - £532 to 1 Trustee).

Other related party transactions involving the Trustees are set out in note 31.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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

14. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION					
At 1 September 2018	43,171,768	5,521	3,495	42,194	43,222,978
Additions	238,860	18,598	81,231	6,500	345,189
At 31 August 2019	<u>43,410,628</u>	<u>24,119</u>	<u>84,726</u>	<u>48,694</u>	<u>43,568,167</u>
DEPRECIATION					
At 1 September 2018	779,980	-	179	8,439	788,598
Charge for the year	785,735	1,750	16,432	8,631	812,548
At 31 August 2019	<u>1,565,715</u>	<u>1,750</u>	<u>16,611</u>	<u>17,070</u>	<u>1,601,146</u>
NET BOOK VALUE					
At 31 August 2019	<u>41,844,913</u>	<u>22,369</u>	<u>68,115</u>	<u>31,624</u>	<u>41,967,021</u>
At 31 August 2018	<u>42,391,788</u>	<u>5,521</u>	<u>3,316</u>	<u>33,755</u>	<u>42,434,380</u>

15. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	141,542	327,350
Other debtors	4,640	19,857
Prepayments and accrued income	349,786	346,185
Tax recoverable	206,373	115,588
	<u>702,341</u>	<u>808,980</u>

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

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	498,040	175,149
Other taxation and social security	133,098	142,387
Other creditors	159,185	187,314
Accruals and deferred income	226,652	265,776
	<u>1,016,975</u>	<u>770,626</u>

17. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets measured at fair value through income and expenditure	-	-
Financial assets that are debt instruments measured at amortised cost	<u>1,916,385</u>	<u>1,094,776</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(713,176)</u>	<u>(395,053)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors, cash at bank and in hand and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

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

18. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General funds	189,381	566,601	(553,356)	-	-	202,626
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	255,107	3,220,000	(2,409,254)	(125,233)	-	940,620
Pupil Premium	43,871	177,967	(221,349)	(489)	-	-
PE and Sport Premium	19,750	30,340	(39,898)	(2,633)	-	7,559
Rates Relief	-	8,770	(8,770)	-	-	-
Project Development Grant	13,983	30,000	(43,205)	-	-	778
High Needs	-	6,477,171	(6,477,171)	-	-	-
Devolved formula capital	-	58,522	(58,522)	-	-	-
CIF - Repairs	-	99,384	(84,654)	-	-	14,730
Other Local Authority grants	47,420	18,135	(27,333)	(38,222)	-	-
Empire Fighting Change grant	-	20,000	(20,000)	-	-	-
Year 7 Catch-Up	-	8,578	(8,157)	-	-	421
Teachers' Pay Grant	-	35,170	(35,170)	-	-	-
Other restricted	1,463	6,763	(4,094)	(2,000)	-	2,132
Pension reserve	(5,100,000)	-	(808,000)	-	(2,081,000)	(7,989,000)
	(4,718,406)	10,190,800	(10,245,577)	(168,577)	(2,081,000)	(7,022,760)

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

18. STATEMENT OF FUNDS (CONTINUED)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	42,347,892	-	(784,296)	-	-	41,563,596
Fixed assets purchased from GAG and other restricted	86,488	191,496	(28,252)	168,577	-	418,309
	<u>42,434,380</u>	<u>191,496</u>	<u>(812,548)</u>	<u>168,577</u>	<u>-</u>	<u>41,981,905</u>
TOTAL RESTRICTED FUNDS	<u>37,715,974</u>	<u>10,382,296</u>	<u>(11,058,125)</u>	<u>-</u>	<u>(2,081,000)</u>	<u>34,959,145</u>
TOTAL FUNDS	<u>37,905,355</u>	<u>10,948,897</u>	<u>(11,611,481)</u>	<u>-</u>	<u>(2,081,000)</u>	<u>35,161,771</u>

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

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Trust, including education and support costs.

Pupil Premium - Pupil Premium represents funding received from the ESFA for children that qualify for free school meals to enable the Trust to address the current underlying inequalities between those children and their wealthier peers.

PE and Sport Premium - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Rates Relief - This represents reimbursed rates incurred by the Trust.

Project Development Fund - This represents funding received from the ESFA for pre-opening costs of a free school due to open in January 2021.

High Needs - Funding received from the Local Authority to fund further support for young people with additional needs.

Start up Grant - This represents one off funding received from the ESFA to contribute to the cost of converting from a school to an Academy.

Devolved Formula Capital - This represents funding from the ESFA to cover the maintenance and purchase of the Trust's assets.

Other Local Authority grants - This represents funding from the Local Authority for Looked After Children

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

18. STATEMENT OF FUNDS (CONTINUED)

and a Mental Health grant.

Empire Fighting Chance Grant - Grant from Empire Fighting Chance to develop alternative provision offering within the Trust.

Other restricted - This represents other restricted funds.

Pension reserve - This represents the Local Government Pension Scheme deficit.

FIXED ASSET FUNDS

Fixed assets transferred on conversion - This represents the building and equipment donated to the Trust on conversion to academy status.

Fixed assets purchased from GAG and other restricted - This represents amounts spent on fixed assets from the GAG funding received from the ESFA and income from other sources specifically for the purchase of fixed assets, including fixed assets donated to the Trust.

OTHER INFORMATION

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 31 August 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019	2018
	£	£
Knowle DGE Academy	627,056	318,985
Lansdown Park Academy	21,397	63,992
Notton House Academy	358,162	72,350
St Matthias Academy	148,297	101,664
Central Services	13,954	13,984
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	1,168,866	570,975
Restricted fixed asset fund	41,981,905	42,434,380
Pension reserve	(7,989,000)	(5,100,000)
	<hr/>	<hr/>
TOTAL	35,161,771	37,905,355
	<hr/> <hr/>	<hr/> <hr/>

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

18. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Knowle DGE Academy	2,032,412	755,702	329,120	834,407	3,951,641	3,719,364
Lansdown Park Academy	754,200	321,198	177,877	325,728	1,579,003	1,018,804
Notton House Academy	1,488,938	408,623	328,466	936,434	3,162,461	2,765,319
St Matthias Academy	556,735	311,994	53,872	302,589	1,225,190	1,223,601
Central Services	40,592	311,079	111,085	417,882	880,638	601,690
TRUST	4,872,877	2,108,596	1,000,420	2,817,040	10,798,933	9,328,778

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

18. STATEMENT OF FUNDS (CONTINUED)

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

	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS					
General funds	556,591	(367,210)	-	-	189,381
RESTRICTED FUNDS					
General Annual Grant (GAG)	3,370,000	(3,107,931)	(6,962)	-	255,107
Pupil Premium	165,047	(117,681)	(3,495)	-	43,871
PE and Sport Premium	23,310	(3,560)	-	-	19,750
Rates Relief	7,235	(7,235)	-	-	-
Project Development Grant	30,000	(16,017)	-	-	13,983
High Needs	5,099,537	(5,099,537)	-	-	-
Start up Grants	100,000	(100,000)	-	-	-
Devolved formula capital	23,864	(23,864)	-	-	-
Other Local Authority grants	54,530	(7,110)	-	-	47,420
Empire Fighting Change grant	20,000	(20,000)	-	-	-
Other restricted	4,096	(2,633)	-	-	1,463
Pension reserve	(5,340,000)	(456,000)	-	696,000	(5,100,000)
	<u>3,557,619</u>	<u>(8,961,568)</u>	<u>(10,457)</u>	<u>696,000</u>	<u>(4,718,406)</u>
RESTRICTED FIXED ASSET FUNDS					
Fixed assets transferred on conversion	43,132,188	(784,296)	-	-	42,347,892
Fixed assets purchased from GAG and other restricted	80,332	(4,301)	10,457	-	86,488
	<u>43,212,520</u>	<u>(788,597)</u>	<u>10,457</u>	<u>-</u>	<u>42,434,380</u>
TOTAL RESTRICTED FUNDS	<u>46,770,139</u>	<u>(9,750,165)</u>	<u>-</u>	<u>696,000</u>	<u>37,715,974</u>
TOTAL FUNDS	<u><u>47,326,730</u></u>	<u><u>(10,117,375)</u></u>	<u><u>-</u></u>	<u><u>696,000</u></u>	<u><u>37,905,355</u></u>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	41,967,021	41,967,021
Current assets	356,518	1,829,323	14,884	2,200,725
Creditors due within one year	(153,892)	(863,083)	-	(1,016,975)
Provisions for liabilities and charges	-	(7,989,000)	-	(7,989,000)
TOTAL	202,626	(7,022,760)	41,981,905	35,161,771

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	42,434,380	42,434,380
Current assets	317,678	1,023,923	-	1,341,601
Creditors due within one year	(128,297)	(642,329)	-	(770,626)
Provisions for liabilities and charges	-	(5,100,000)	-	(5,100,000)
TOTAL	189,381	(4,718,406)	42,434,380	37,905,355

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

20.	RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019	2018
		£	£
	Net (expenditure)/income for the year (as per Statement of Financial Activities)	(662,584)	37,209,355
	ADJUSTMENTS FOR:		
	Depreciation	812,548	788,598
	Capital grants from DfE and other capital income	(153,196)	(104,196)
	Interest receivable	(565)	(314)
	Net assets and liabilities from Local Authority on conversion	-	(37,945,178)
	Defined benefit pension scheme cost less contributions payable	286,000	317,000
	Defined benefit pension scheme finance cost	154,000	139,000
	Defined benefit pension scheme past finance cost	368,000	-
	Decrease/(increase) in debtors	106,639	(808,980)
	Increase in creditors	216,822	763,062
	NET CASH PROVIDED BY OPERATING ACTIVITIES	1,127,664	358,347
21.	CASH FLOWS FROM FINANCING ACTIVITIES		
		2019	2018
		£	£
	Net cash received on conversion to an Academy Trust	-	152,990
	NET CASH PROVIDED BY FINANCING ACTIVITIES	-	152,990
22.	CASH FLOWS FROM INVESTING ACTIVITIES		
		2019	2018
		£	£
	Interest received	565	314
	Purchase of tangible fixed assets	(315,662)	(83,225)
	Capital grants from DfE/ESFA	153,196	23,863
	Capital grants from Local Authority	-	80,332
	NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	(161,901)	21,284

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

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	1,498,384	532,621
TOTAL CASH AND CASH EQUIVALENTS	1,498,384	532,621

24. CAPITAL COMMITMENTS

	2019	2018
	£	£
CONTRACTED FOR BUT NOT PROVIDED IN THESE FINANCIAL STATEMENTS		
Acquisition of tangible fixed assets	14,885	-

25. PENSION COMMITMENTS

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

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

Contributions amounting to £116,844 were payable to the schemes at 31 August 2019 (2018 - £104,889) and are included within creditors.

TEACHERS' PENSION SCHEME

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

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

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

25. PENSION COMMITMENTS (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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was prepared by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% 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 £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £393,717 (2018 - £371,871).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The 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 31 August 2019 was £797,000 (2018 - £725,000), of which employer's contributions totalled £622,000 (2018 - £569,000) and employees' contributions totalled £175,000 (2018 - £156,000). The agreed contribution rates for future years are 23.5 per cent for employers and 5.5 to 12.5 per cent for employees.

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

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

25. PENSION COMMITMENTS (CONTINUED)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.50	3.70
Rate of increase for pensions in payment/inflation	2.10	2.30
Discount rate for scheme liabilities	1.80	2.90
Inflation assumption (CPI)	2.00	2.20

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	23.7 years	23.6 years
Females	26.2 years	26.1 years
<i>Retiring in 20 years</i>		
Males	26.3 years	26.2 years
Females	29.0 years	28.8 years

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	1,404,000	834,000
Gilts	-	247,000
Corporate bonds	327,000	262,000
Property	165,000	198,000
Cash and other liquid assets	36,000	81,000
Other	1,068,000	507,000
TOTAL MARKET VALUE OF ASSETS	3,000,000	2,129,000

The actual return on scheme assets was £171,000 (2018 - £80,000).

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

25. PENSION COMMITMENTS (CONTINUED)

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(908,000)	(886,000)
Past service cost	(368,000)	-
Interest income	57,000	29,000
Interest cost	(211,000)	(168,000)
TOTAL AMOUNT RECOGNISED IN THE STATEMENT OF FINANCIAL ACTIVITIES	<u>(1,430,000)</u>	<u>(1,025,000)</u>

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

	2019	2018
	£	£
AT 1 SEPTEMBER	7,229,000	-
Upon conversion	-	6,678,000
Current service cost	908,000	886,000
Interest cost	211,000	168,000
Employee contributions	175,000	156,000
Actuarial losses/(gains)	2,180,000	(658,000)
Benefits paid	(82,000)	(1,000)
Past service cost	368,000	-
AT 31 AUGUST	<u>10,989,000</u>	<u>7,229,000</u>

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019	2018
	£	£
AT 1 SEPTEMBER	2,129,000	-
Upon conversion	-	1,338,000
Interest income	72,000	42,000
Actuarial gains	99,000	38,000
Employer contributions	622,000	569,000
Employee contributions	175,000	156,000
Benefits paid	(82,000)	(1,000)
Administration expenses	(15,000)	(13,000)
AT 31 AUGUST	<u>3,000,000</u>	<u>2,129,000</u>

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

26. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Trust 2019 £	Trust 2018 £
AMOUNTS PAYABLE:		
Within 1 year	68,643	39,638
Between 1 and 5 years	28,378	37,341
	97,021	76,979

27. MEMBERS' LIABILITY

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

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

The only related party transactions which occurred during the year were the reimbursement of expenses incurred by the Trustees, as outlined in note 13.

There are 3 employees of the Trust who are close family members of Trustees. All 3 employees were recruited via an open process and their close family members were not involved in the recruitment process. All of the employees are remunerated in line with the Trust's pay policy and are on normal pay scale for their role. No employees receive special treatment as a result of their relationship with Trustees.

29. POST BALANCE SHEET EVENTS

Post year end the Trust was granted occupation of a refurbished premises on Meriton Street in Bristol to operate its central Alternative Provision from. The Trust has been granted a Tenancy at Will with rent being charged at a peppercorn rate.

30. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ended 31 August 2019 the Academy Trust received £4,418 (2018: £1,072) and disbursed £3,511 (2018: £603) from the fund. An amount of £1,377 (2018: £469) is included in other creditors related to undistributed funds that is repayable to the ESFA.

