

LEARN@ MAT
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	I McGregor (appointed 1 September 2017) D Fitzpatrick (appointed 28 November 2017) S Bradshaw (appointed 30 August 2018) C Townsend (appointed 1 September 2017, resigned 31 August 2018)
Trustees	S Bradshaw, Chair of Trustees (appointed 30 August 2018) C Townsend, Chair of Trustees (resigned 31 August 2018) A Wills, Vice Chair of Trustees (appointed 4 September 2017) J Baker (appointed 28 November 2017) M Bisp (appointed 28 November 2017) L Carswell (resigned 1 November 2017) P Evans, Chief Executive Officer K Featherstone (resigned 31 August 2018) E Flynn R George (resigned 22 March 2018) I Marr (resigned 17 November 2017) R Moorcroft R Riddell (resigned 26 February 2018) M Winfield-Chislett (resigned 29 April 2018)
Company registered number	10377760
Company name	Learn@ MAT
Principal and registered office	Knowle D G E Learning Centre Leinster Avenue Bristol BS4 1NN
Chief Executive Officer	Peter Evans
Leadership Team	Peter Evans, Chief Executive Officer Rebecca Watkin, Chief Finance Officer Darren Ewings, Knowle DGE Academy Nick Lee-Wells, Lansdown Park Academy Lindsey Hull, 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
Solicitors	Veale Wasbrough Vizards Narrow Quay Bristol BS1 4QA

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. 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 and Wiltshire; Knowle DGE Academy, Lansdown Park Academy, Notton House Academy and St Matthias Academy. The Trust's Academies have a combined pupil capacity of 316 and had a roll of 275 in the school census on 18 January 2018.

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 page 1.

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

Prior to the Trust being formed a joint meeting was held between the Governing Bodies of the four schools that were going to join the Trust; along with other interested parties such as representatives from the Local Authority. Those present at this meeting identified three individuals with relevant experience and background who had shown an interest and belief in the vision of Learn@ MAT to be chosen as members. These members then approved Trustees from the group present taking into account the experience and skills of individuals. All Trustees were appointed for an initial term of 4 years.

The Trust shall have a minimum of 3 Trustees and up to 8 Trustees who 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.

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

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 once each term. 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 2018

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 Officer and Headteachers. 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 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 remuneration paid to one Trustee for their assistance with policy writing. The details of this transaction is disclosed in note 26 of the financial statements.

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 Officer (CFO) 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 CFO'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 Headteachers' pay is in line with the School Teachers' Pay and Conditions Document. The Headteachers' 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. Headteachers' 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 26. There are no sponsors or formal Parent Teacher Associations associated with the Trust.

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

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.

Objectives, Strategies and Activities

The main objectives, and the strategies for achieving them, of the Trust during the year ended 31 August 2018 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 students to achieve their full potential. In particular the outdoor environment to include a new multi-use games area at St Matthias Academy and new climbing frames and an outdoor learning and forest school area at Lansdown Park Academy.
- 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 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.

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

The Trust aims to advance for the public benefit, education in Bristol, Wiltshire and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and development 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. 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 addition, one of the Trust's Headteachers was seconded to an Alternative Provision within Bristol to support that Academy during the year.

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 by 90% over the past year.

STRATEGIC REPORT

Achievements and Performance

The Trust is in its first year of operation. The total number of students on roll on the January 2018 census was 275. This has increased to 310 in October 2018 due to demand for places and the significant number of young people in Bristol that have SEND. Three of the four academies are expected to have met their occupancy target by November 2018.

Young People

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 their expected progress target.

	English	Maths
Key Stage 2	62%	61%
Key Stage 3	48%	56%

A lower percentage of young people met their expected progress target than planned for a number of reasons. The most significant of which is that one of the two Alternative Provisions within the Trust has been working with a very high proportion of young people across KS2 and KS3, who start at the provision with undiagnosed SEND. The Alternative Provision has been working with these young people to go through the process of obtaining an EHCP. This Academy successfully ensured 25 young people received EHCPs during the year.

The exam results for Key Stage 4 young people are as follows:

Qualification	% of pupils who received pass grade
Functional Skills	50%
GCSEs	75%
BTEC/IMI	100%

The average number of qualifications per young person is 2.9.

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

In total 89 young people moved on from the two Alternative Provisions; 87% of those transitions were successful. The Trust has been working with New Mango, an independent careers advisor, to help the young people identify opportunities post 16 and obtain work experience.

One of the key factors to ensuring that the Trust's young people make as much progress as possible it 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'. This year teaching and learning has overall been assessed as "Good" 70% of the time. One of the key issues that the Trust has faced this year is recruitment of suitable members of staff into the Academies. This has impacted on the consistency of teaching and learning.

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).

In addition, the Trust has operated its own in house alternative provision at The Meriton. This provision catered for 17 young people over 9 months, all of whom had a full EHCP and were at risk of being lost from education following numerous school placements, including special schools, and becoming 'Not in Education, Employment, or Training' (NEET). All of the young people that attended The Meriton gained at least 2 national accreditation awards ranging from Entry Level to GCSEs in maths, English, ICT and Health and Fitness. All young people participated in at least 1 vocational course from Construction, Motor Vehicle, Hospitality and Catering and Music Technology, all at verified local providers.

Two of the Academies within the Trust achieved the Bristol Mayor's Award for Excellence for Mental Health and Wellbeing. To achieve this award the Academies had to focus on a specific mental health and wellbeing issue and design a behaviour change plan.

Knowle DGE Academy was nominated for a TES Award in the category of 'Alternative provision school of the year'. The Academy achieved this recognition by providing a nationally recognised specialist provision for Speech, Language and Communication Needs, working with national specialists to develop resources and materials for young people across the country and also being a regional centre for developing the Nurture Group Approach. It also continues to be an International School promoting partnership work with schools in Nakuru, Kenya.

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 established 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 outdoor space at St Matthias Academy has been developed to include a multi-use games area. This is a fantastic resource for the young people to develop their social and emotional skills through playing team games.

Lansdown Park Academy has established a forest school area within its grounds, where young people are developing key skills such as 'grow your own' and establishing an appreciation for the outdoor environment.

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

With the help of a grant from Bristol City Council a proportion of the residential bedrooms at Notton House Academy have been developed to include en-suites. This enables the young people to have more of their own space and privacy.

Staffing

During the year the Trust has supported an Alternative Provision in Bristol by seconding one of the Headteachers to support this local Trust during the re-brokering stage. This secondment gave an opportunity to other leaders within the Trust to step-up into 'acting Headteacher' roles which in turn helps the Trust to develop its leadership capacity.

Nick Lee-Wells was appointed as the permanent Headteacher of Lansdown Park Academy following a brief period of being 'acting Headteacher'.

The Leadership Team have been through a coaching programme during the year to improve their leadership skills and the capacity within the Trust. The Trust has worked with Maximising the Impact of Teaching Assistants (MITA) during the year to develop a course for teaching assistants to develop their skills and reach their potential. The project was trialled at one of the Academies and will be rolled out across the whole Trust in 2018/19.

In January 2018 the Trust held a second Learn@ MAT Conference on 'Understanding and Managing Behaviour Effectively'. This was held at Knowle DGE Academy for over 200 delegates from across the Trust and key partners. Guest speakers were:

- Mark Armiger - specialist in Safeguarding, looked after children and childhood trauma
- Sue Cowley - teacher, author and expert on behaviour management and creative classrooms
- Jules Daulby - teacher and consultant with Driver Youth Trust improving outcomes for children with literacy difficulties
- Mick Simpson - Head of Kilgarth School (SEMH), using a no-consequence approach to behaviour

Growth

Bath and North East Somerset Council tendered for providers to run their secondary alternative provision during the year. Learn@ MAT was awarded the contract to provide education for up to 20 young people. 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.

Key Performance Indicators

Learn@ MAT is funded based on places commissioned by Local Authorities. General Annual Grant funding is 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 2018 census for the Trust was 87%.

The demand for places at the two special Academies is very high from Local Authorities and therefore it is anticipated that occupancy rate in 2018/19 will be close to or at 100%. Likewise demand in the alternative provision Academies is also increasing and therefore it is anticipated that this occupancy rate will rise.

Another key financial performance indicator is staffing costs as a percentage of total revenue income (excluding amounts transferred on conversion and start up grant). For 2018 this was 77%.

The Academies did not achieve the annual targets for Attendance or Pupil Progress. As a result the Board of Trustees have responded by appointing an Attendance Officer across Learn@ MAT to lead the development of strategies and support for families and schools to enhance attendance. The Board also gave the CEO approval to appoint Lead Teachers in the Core subjects to ensure best practice is shared across all Academies and good interventions are in place to improve pupil progress.

The main financial target that was set for the year was that the Trust would ensure that it had reserves of £185,000 at the end of the year. This target was met with the Trust finishing the year with revenue reserves of £570,975.

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

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 accounting 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 2018 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 2018, the Academy received total income (including fixed assets donated on conversion) of £47,326,730 and incurred total expenditure of £10,117,375. The excess of income over expenditure for the year was £37,209,355. Excluding income on conversion, total income for the year ended 31 August 2018 was £9,381,552, with a deficit for the year of £735,823.

At 31 August 2018 the net book value of fixed assets was £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.

The land, buildings and other assets were transferred to the Trust upon conversion. Land and buildings were valued at £43,089,994. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former schools' budget share £152,990 was transferred across on conversion and is shown as Unrestricted Funds.

The Trust has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in note 23 to the financial statements.

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, CFO, Headteachers, 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 Academy, 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 is £750,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Total reserves of the Trust amount to £37,905,355, although £37,460,867 of this is invested in fixed assets or represents non GAG restricted funds. The remaining £444,488 (representing £189,381 unrestricted funds and £255,107 unspent GAG) is the balance that the Trustees monitor

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

in accordance with the Board's reserves policy. This represents 0.6 months of normal recurring expenditure.

The Trust is working towards building up its reserves to the target level by ensuring that pupil numbers are increased from current levels and making cost savings.

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 and the Trust is working with Local Authorities to establish a more long term system of commissioning places. The Trust is also reliant on continued Government funding through the ESFA. In the last year in excess of 95% 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 process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

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

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 23 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. The Trust has the following plans in place for 2018/19 to improve the outcomes for its young people.

A full time Attendance Officer has been recruited to the Trust with the aim of improving the levels of attendance within all of the Academies.

Subject Leads for English and Science have been appointed to start from 1 September 2018 to raise standards in these subjects across the Trust by sharing best practice with all.

A Mental Health and Wellbeing lead for the Trust has been appointed to start from 1 September 2018. They will share and help implement best practice across the Trust.

Lansdown Park Academy was given approval to expand by 20 places with effect from 4 September 2018. This is to enable the Academy to provide alternative education to young people in Bath and North East Somerset.

The Trust will continue to develop its leadership structure by a new permanent appointment of a Headteacher of Notton House Academy and trialling a new leadership model across the Trust.

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.

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

Prior to conversion the Trust was granted approval to establish a free school. During the year a site was purchased for the free school in South Gloucestershire by LocatEd. The free school is due to open in September 2020 and during the next year the Trust will be working to establish the free school.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

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, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 11 December 2018 and signed on the board's 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	0	0
C Townsend	6	6
A Wills	4	6
J Baker	4	5
M Bisp	4	5
L Carswell	0	1
P Evans	6	6
K Featherstone	2	6
E Flynn	6	6
R George	2	3
I Marr	1	1
R Moorcroft	6	6
R Riddell	2	2
M Winfield-Chislett	2	4

The Board of Trustees has been developing during its first year. The initial Chair of the Board stepped down in November 2017 and Vice Chair Christine Townsend assumed the role of Chair of Trustees for the rest of the academic year. A new Chair of Trustees was appointed at the end of August; Stephen Bradshaw. The Board is currently recruiting new Trustees.

The Board of Trustees has spent its first year putting procedures and policies in places as well as challenging the Chief Executive Officer on his reports presented. The Board of Trustees had to take the difficult decision to disband one of the Academy Councils within the Trust as they did not think that it was operating effectively and to then establish a strong Academy Council in its place. Data presented to the Board of Trustees has been acceptable but there are still improvements to be made. A 'RAG' rated key performance measures report will be introduced in 2018/19.

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.

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.

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Baker	1	3
M Bisp	0	2
E Flynn	2	2
R George	1	1
R Moorcroft	4	4

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 needs to build up reserves to get to its target level and therefore during the year there has been close monitoring of budgets and all members of staff have been as economical as possible.
- Value for money purchasing. The Trust has taken advantage of economies of scale in some areas of purchasing. This is a long-term 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 and purchasing of software.
- 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 ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Learn@ MAT for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the 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 have been in place for the period from 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

GOVERNANCE STATEMENT (continued)

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 Audit, Finance and Resources 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 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:

- Testing of petty cash
- Testing of purchase invoices
- Testing of credit cards
- Testing of treatment of VAT

On an annual basis, 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 and no material control issues were identified.

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

GOVERNANCE STATEMENT (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 on 11 December 2018 and signed on their behalf, by:

S Bradshaw
Chair of Trustees

P Evans
Accounting Officer

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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

P Evans
Accounting Officer

Date: 11 December 2018

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

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

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

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

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

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

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

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

S Bradshaw
Chair of Trustees

Date: 11 December 2018

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

OPINION

We have audited the financial statements of Learn@ MAT (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

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

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy 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 Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy Trust or to cease operations, or have no realistic alternative but to do so.

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.

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

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and 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
13 December 2018

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

In accordance with the terms of our engagement letter dated 15 May 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Learn@ MAT during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Learn@ 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Learn@ MAT and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**INDEPENDENT REPORTING ACCOUNTANTS' 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 suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

David Butler FCA DChA (Reporting Accountant)

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

13 December 2018

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

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
INCOME FROM:					
Donations & capital grants:					
Transfer on conversion	2	152,990	(5,340,000)	43,132,188	37,945,178
Other donations and capital grants	2	7,181	23,864	80,332	111,377
Charitable activities	3	390,358	8,873,755	-	9,264,113
Other trading activities	4	5,748	-	-	5,748
Interest	5	314	-	-	314
TOTAL INCOME		556,591	3,557,619	43,212,520	47,326,730
EXPENDITURE ON:					
Charitable activities		367,210	8,961,568	788,597	10,117,375
TOTAL EXPENDITURE	6	367,210	8,961,568	788,597	10,117,375
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		189,381	(5,403,949)	42,423,923	37,209,355
Transfers between Funds	18	-	(10,457)	10,457	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		189,381	(5,414,406)	42,434,380	37,209,355
Actuarial gains on defined benefit pension schemes	23	-	696,000	-	696,000
NET MOVEMENT IN FUNDS		189,381	(4,718,406)	42,434,380	37,905,355
RECONCILIATION OF FUNDS:					
Total funds brought forward		-	-	-	-
TOTAL FUNDS CARRIED FORWARD		189,381	(4,718,406)	42,434,380	37,905,355

All of the Academy Trust's activities derive from acquisitions in the current financial year.

The notes on pages 27 to 48 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £
FIXED ASSETS			
Tangible assets	14		42,434,380
CURRENT ASSETS			
Debtors	15	808,980	
Cash at bank and in hand		532,621	
		<u>1,341,601</u>	
CREDITORS: amounts falling due within one year	16	<u>(770,626)</u>	
NET CURRENT ASSETS			<u>570,975</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,005,355</u>
Defined benefit pension scheme liability	23		<u>(5,100,000)</u>
NET ASSETS			<u><u>37,905,355</u></u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds:			
General funds	18	381,594	
Fixed asset funds	18	42,434,380	
		<u>42,815,974</u>	
Restricted funds excluding pension liability		42,815,974	
Pension reserve		<u>(5,100,000)</u>	
Total restricted funds			<u>37,715,974</u>
Unrestricted funds	18		<u>189,381</u>
TOTAL FUNDS			<u><u>37,905,355</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 11 December 2018 and are signed on their behalf, by:

S Bradshaw
Chair of Trustees

P Evans
Chief Executive Officer

The notes on pages 27 to 48 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £
Cash flows from operating activities		
Net cash provided by operating activities	20	<u>358,347</u>
Cash flows from investing activities:		
Interest received		314
Purchase of tangible fixed assets		(83,225)
Capital grants from DfE/ESFA		23,863
Capital grants from Local Authority		<u>80,332</u>
Net cash provided by investing activities		<u>21,284</u>
Cash transferred on conversion to an Academy Trust		
Net cash received on conversion to an Academy Trust		<u>152,990</u>
Net cash provided by financing activities		<u>152,990</u>
Change in cash and cash equivalents in the year		<u>532,621</u>
Cash and cash equivalents brought forward		-
Cash and cash equivalents carried forward	21	<u><u>532,621</u></u>

The notes on pages 27 to 48 form part of these financial statements.

All of the cash flows are derived from acquisitions in the current financial year.

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

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Learn@ 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.

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 incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance 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 incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

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

1. ACCOUNTING POLICIES (continued)

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 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 expenditure is inclusive of irrecoverable VAT.

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

Depreciation is provided on all tangible fixed assets 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	-	25 years, 50 years or over the life of the lease
Furniture and fixtures	-	10% straight line
Motor vehicles	-	20% straight line
Computer equipment	-	33% straight line

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

1.6 OPERATING LEASES

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

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

1. ACCOUNTING POLICIES (continued)

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 HAND

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

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy 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. Provisions are measured at the best estimate of the amounts required to settle the obligation.

1.10 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 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 costs 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 Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1.13 CONVERSION TO AN ACADEMY TRUST

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

The assets and liabilities transferred on conversion from the predecessor schools to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 22.

1.14 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 27.

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

1. ACCOUNTING POLICIES (continued)

1.15 FUND ACCOUNTING

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

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

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

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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 2018

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Transfer on conversion	152,990	(5,340,000)	43,132,188	37,945,178
Donations	7,181	-	-	7,181
Capital Grants	-	23,864	80,332	104,196
Subtotal	7,181	23,864	80,332	111,377
	160,171	(5,316,136)	43,212,520	38,056,555

3. FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant	-	3,370,000	3,370,000
Start up grants	-	100,000	100,000
Other DfE/ESFA grants	-	225,592	225,592
	-	3,695,592	3,695,592
Other Government grants			
High Needs	-	5,099,538	5,099,538
Other Government grants	277,094	54,530	331,624
	277,094	5,154,068	5,431,162
Other funding			
Internal catering income	5,463	-	5,463
Charitable Activities Grants	-	4,096	4,096
Sales to students	3,526	-	3,526
Other	104,275	19,999	124,274
	113,264	24,095	137,359
	390,358	8,873,755	9,264,113

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

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Lettings	5,748	-	5,748

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Bank interest	314	-	314

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £
Direct costs	6,141,742	788,597	664,315	7,594,654
Support costs	1,034,014	457,496	1,031,211	2,522,721
	<u>7,175,756</u>	<u>1,246,093</u>	<u>1,695,526</u>	<u>10,117,375</u>

7. DIRECT COSTS

	Total 2018 £
Pension finance costs	77,000
Educational supplies	259,748
Examination fees	14,262
Staff development	57,064
Other costs	65,809
Supply teachers	218,173
Recruitment and support	15,071
Educational consultancy	175,361
Wages and salaries	4,481,958
National insurance	442,175
Pension cost	999,436
Depreciation	788,597
	<u>7,594,654</u>

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

8. SUPPORT COSTS

	Total 2018 £
Pension finance costs	62,000
Recruitment and support	113,025
Maintenance of premises and equipment	280,761
Cleaning	17,180
Rent and rates	32,518
Energy costs	103,867
Insurance	138,518
Security and transport	245,020
Catering	103,432
Technology costs	224,802
Office overheads	32,716
Legal and professional	122,042
Bank interest and charges	1,943
Governance	10,883
Wages and salaries	715,295
National insurance	45,326
Pension cost	273,393
	<hr/>
	2,522,721
	<hr/> <hr/>

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £
Depreciation of tangible fixed assets:	
- owned by the charity	788,598
Auditors' remuneration - audit	13,700
Auditors' remuneration - other services	1,750
Operating lease rentals	37,899
	<hr/>
	842,947
	<hr/> <hr/>

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £
Wages and salaries	5,161,477
Social security costs	487,501
Pension costs	1,272,829
	<hr/>
Agency staff costs	6,921,807
Staff restructuring costs	218,173
	35,776
	<hr/>
	7,175,756
	<hr/> <hr/>

Staff restructuring costs comprise:

	2018 £
Redundancy payments	4,291
Severance payments	31,485
	<hr/>
	35,776
	<hr/> <hr/>

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

There were no non-statutory/non-contractual staff severance payments.

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

10. STAFF COSTS (continued)

c. Staff numbers

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

	2018
	No.
Teachers	45
Educational support	79
Care	28
Administration and support	50
Leadership	13
	<hr/>
	215
	<hr/> <hr/>

Average headcount expressed as a full time equivalent:

	2018
	No.
Teachers	39
Educational support	58
Care	26
Administration and support	32
Leadership	13
	<hr/>
	168
	<hr/> <hr/>

d. Higher paid staff

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

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

The above employees participated in the Teachers' Pension Scheme. Annual equivalent pension contributions during the period for these staff members amounted to £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 £670,842.

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

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

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:

	2018
	£
Knowle DGE Academy	180,196
Lansdown Park Academy	43,544
Notton House Academy	167,606
St Matthias Academy	57,200
	<hr/>
Total	448,546
	<hr/> <hr/>

12. TRUSTEES' REMUNERATION AND EXPENSES

The Chief Executive Officer is the only staff Trustee of the MAT, 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 £130,000 - £140,000, Employer's pension contributions £20,000 - £25,000.

During the year ended 31 August 2018, expenses totalling £532 were reimbursed to 1 Trustee.

Other related party transactions involving the Trustees are set out in note 26.

13. TRUSTEES' AND OFFICERS' INSURANCE

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

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

14. TANGIBLE FIXED ASSETS

	Leasehold property £	Furniture and fixtures £	Computer equipment £	Motor vehicles £	Total £
COST					
Additions	81,774	5,521	3,495	-	90,790
Transfer on conversion	43,089,994	-	-	42,194	43,132,188
	<u>43,171,768</u>	<u>5,521</u>	<u>3,495</u>	<u>42,194</u>	<u>43,222,978</u>
At 31 August 2018	<u>43,171,768</u>	<u>5,521</u>	<u>3,495</u>	<u>42,194</u>	<u>43,222,978</u>
DEPRECIATION					
Charge for the year	779,980	-	179	8,439	788,598
	<u>779,980</u>	<u>-</u>	<u>179</u>	<u>8,439</u>	<u>788,598</u>
At 31 August 2018	<u>779,980</u>	<u>-</u>	<u>179</u>	<u>8,439</u>	<u>788,598</u>
NET BOOK VALUE					
At 31 August 2018	<u><u>42,391,788</u></u>	<u><u>5,521</u></u>	<u><u>3,316</u></u>	<u><u>33,755</u></u>	<u><u>42,434,380</u></u>

15. DEBTORS

	2018 £
Trade debtors	327,350
VAT recoverable	115,588
Other debtors	19,857
Prepayments and accrued income	346,185
	<u>808,980</u>

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

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £
Trade creditors	175,149
Other taxation and social security	142,387
Other creditors	187,314
Accruals and deferred income	265,776
	<u>770,626</u>

At the balance sheet date, the Academy was holding £128,297 of funds received in advance for home to school transport in the 18/19 academic year.

17. FINANCIAL INSTRUMENTS

	2018 £
Financial assets measured at amortised cost	<u>1,094,776</u>
Financial liabilities measured at amortised cost	<u>(393,855)</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 2018

18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
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 Chance 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)
	-	3,557,619	(8,961,568)	(10,457)	696,000	(4,718,406)
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
	-	43,212,520	(788,597)	10,457	-	42,434,380
Total restricted funds	-	46,770,139	(9,750,165)	-	696,000	37,715,974
Total of funds	-	47,326,730	(10,117,375)	-	696,000	37,905,355

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

18. STATEMENT OF FUNDS (continued)

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 September 2020.

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 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 2018.

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

18. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £
Knowle DGE Academy	318,985
Lansdown Park Academy	63,992
Notton House Academy	72,350
St Matthias Academy	101,664
Central Services	13,984
	<hr/>
Total before fixed asset fund and pension reserve	570,975
Restricted fixed asset fund	42,434,380
Pension reserve	(5,100,000)
	<hr/>
Total	<u>37,905,355</u>

ANALYSIS OF ACADEMIES BY COST

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 depreciat- ion £	Total 2018 £
Knowle DGE Academy	1,883,673	658,547	250,896	926,248	3,719,364
Lansdown Park Academy	418,174	234,120	111,142	255,368	1,018,804
Notton House Academy	1,306,143	630,089	173,001	656,086	2,765,319
St Matthias Academy	579,659	256,336	58,109	329,497	1,223,601
Central Services	221,904	287,560	115,438	(23,212)	601,690
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,409,553	2,066,652	708,586	2,143,987	9,328,778
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

SUMMARY OF FUNDS - CURRENT YEAR

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
General funds	-	556,591	(367,210)	-	-	189,381
Restricted funds	-	3,557,619	(8,961,568)	(10,457)	696,000	(4,718,406)
Restricted fixed asset funds	-	43,212,520	(788,597)	10,457	-	42,434,380
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	47,326,730	(10,117,375)	-	696,000	37,905,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	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)
Pension scheme liability	-	(5,100,000)	-	(5,100,000)
	<u>189,381</u>	<u>(4,718,406)</u>	<u>42,434,380</u>	<u>37,905,355</u>

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

	2018 £
Net income for the year (as per Statement of Financial Activities)	37,209,355
Adjustment for:	
Depreciation charges	788,598
Interest receivable	(314)
Increase in debtors	(808,980)
Increase in creditors	763,062
Capital grants from DfE and other capital income	(104,196)
Defined benefit pension scheme cost less contributions payable	317,000
Defined benefit pension scheme finance cost	139,000
Net assets and liabilities from Local Authority on conversion	(37,945,178)
Net cash provided by operating activities	<u><u>358,347</u></u>

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £
Cash at bank and in hand	532,621
	<u><u>532,621</u></u>

22. CONVERSION TO AN ACADEMY TRUST

On 1 September 2017, Knowle DGE Learning Centre, Lansdown Park School, Notton House School and St Matthias Park Pupil Referral Service converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Learn@ MAT from Bristol City Council for £NIL consideration.

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

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

22. CONVERSION TO AN ACADEMY TRUST (continued)

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	-	43,089,994	43,089,994
- Other tangible fixed assets	-	-	42,194	42,194
Budget surplus/(deficit) on LA funds	152,990	-	-	152,990
LGPS pension surplus/(deficit)	-	(5,340,000)	-	(5,340,000)
Net assets/(liabilities)	<u>152,990</u>	<u>(5,340,000)</u>	<u>43,132,188</u>	<u>37,945,178</u>

The above net assets include £152,990 that was transferred to the Local Authority as cash.

The assets received on conversion by each school are as follows:

Knowle DGE Academy - leasehold land and buildings £20,966,420, motor vehicles £42,194, budget surplus on LA funds £10,268.

Lansdown Park Academy - leasehold land and buildings £5,002,801, budget deficit on LA funds £71,284.

Notton House Academy - leasehold land and buildings £13,668,407, budget surplus on LA funds £56,778.

St Matthias Academy - leasehold land and buildings £3,452,366, budget surplus on LA funds £157,227.

23. PENSION COMMITMENTS

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

As described in note 22 the LGPS obligation relates to the employees of the Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

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 £104,889 were payable to the schemes at 31 August 2018 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

23. PENSION COMMITMENTS (continued)

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £371,871.

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

Under the definitions set out in FRS 102, the TPS is 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 scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £725,000, of which employer's contributions totalled £569,000 and employees' contributions totalled £156,000. The agreed contribution rates for future years are 15.5% for employers and 5.5% - 8.5% for employees.

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

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

23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions:

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

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

	2018
Retiring today	
Males	23.6 years
Females	26.1 years
Retiring in 20 years	
Males	26.2 years
Females	28.8 years

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

	Fair value at
	31 August
	2018
	£
Equities	834,000
Gilts	247,000
Corporate bonds	262,000
Property	198,000
Cash and other liquid assets	81,000
Other	507,000
	2,129,000

The actual return on scheme assets was £80,000.

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

	2018
	£
Current service cost	(886,000)
Interest income	29,000
Interest cost	(168,000)
	(1,025,000)

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

23. PENSION COMMITMENTS (continued)

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

	2018 £
Upon conversion	6,678,000
Current service cost	886,000
Interest cost	168,000
Employee contributions	156,000
Actuarial gains	(658,000)
Benefits paid	(1,000)
	<hr/>
Closing defined benefit obligation	7,229,000
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Movements in the fair value of the Academy Trust's share of scheme assets:

	2018 £
Upon conversion	1,338,000
Interest income	42,000
Actuarial losses	38,000
Employer contributions	569,000
Employee contributions	156,000
Benefits paid	(1,000)
Administration expenses	(13,000)
	<hr/>
Closing fair value of scheme assets	2,129,000
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24. OPERATING LEASE COMMITMENTS

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

	2018 £
AMOUNTS PAYABLE:	
Within 1 year	39,638
Between 1 and 5 years	37,341
	<hr/>
Total	76,979
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25. 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.

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

26. RELATED PARTY TRANSACTIONS

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

The following related party transactions took place in the year. A Wills, a Trustee, was paid £1,000 for work done on research and drafting of statutory policy documents for the Multi Academy Trust. A balance of £Nil was outstanding in relation to this transaction at the year end.

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.

27. 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 2018 the Academy Trust received £1,072 and disbursed £603 from the fund. An amount of £469 is included in other creditors related to undistributed funds that is repayable to the ESFA.