Sussex Learning Trust

(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year ended 31 August 2019

Company Registration Number:
07705100 (England and Wales)

WEDNESDAY
A8KL55C0
A16 18/12/2019 #76
COMPANIES HOUSE

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2019

Contents **Page**

Reference and Administrative Details	1
Trustees' Report	3
Governance Statement	24
Statement of Regularity, Propriety and Compliance	29
Statement of Trustees' Responsibilities	32
Independent Auditor's Report	31
Independent Reporting Accountant's Assurance Report on Regularity	34
Statement of Financial Activities incorporating Income & Expenditure Account	36
Balance Sheet	38
Cash Flow Statement	39
Notes to the Financial Statements, incorporating:	
Statement of Accounting Policies	40
Other Notes to the Financial Statements	44

Sussex Learning Trust
Annual report and financial statements for the year ended 31 August 2019

Reference and Administrative details

Members

S Carter
R Stevens
R Stoneley
R Tapping
H Young (resigned 1/8/19)

Trustees / Directors registered at Companies House

J Ash-Edwards (Chairman)
P Bradbury (Term ended 31/8/19)
M Caidan (resigned 30/9/19)
E Gunter
H Hill
C Homer
J Packham
J Pearman
R Tapping
J Thompson (appointed 9/10/19)
P Todd
S Watt (resigned 28/10/19)

CEO & Accounting Officer J Morris

Company Secretary J Howard

Senior Management Team – Secondary Academy

Headteacher	D Kenrick
Deputy Headteacher	M Sorrell
Assistant Headteacher	R Atwell
Assistant Headteacher	K Fitzgerald
Assistant Headteacher	N Regan
Assistant Headteacher	N Simmons
Assistant Headteacher	D Wheeler
Business & Finance Director & Assistant CEO	C Granlund

Senior Management Team – Warden Park Primary Academy

Headteacher & Assistant CEO	S Davis
Deputy Headteacher (Maternity leave 8/18 – 4/19)	E Conneely
Deputy Headteacher (Retired 5/19)	E Walling
Assistant Headteacher (Covered maternity leave & retirement of DHT)	K Forster

Senior Management Team – Northlands Wood Primary Academy

Headteacher	M Sears
Deputy Headteacher	P Johnson

Reference and Administrative details (continued)

Principal and Registered Office	Broad Street Cuckfield Haywards Heath West Sussex RH17 5DP
Company Registration Number	07705100 (England and Wales)
Independent Auditor	Crowe U.K. LLP Riverside House 40-46 High Street Maidstone, Kent, ME14 1JH
Bankers	HSBC Bank Plc 38-40 South Road Haywards Heath West Sussex RH16 4LU
Solicitors	Browne Jacobson LLP 15th Floor 6 Bevis Marks London EC3A 7BA

Trustees report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Sussex Learning Trust operates two primary academies and one secondary academy in Mid Sussex. The pupil capacity and number of students on roll as per the January 2019 census is detailed in the table below.

Academy	Pupil capacity	Number on roll (Jan 2019)
Warden Park School	1500	1491
Warden Park Primary Academy (Year R to 6)	420**	378
Warden Park Primary Academy nursery	32*	57
Northlands Wood Primary Academy	420**	374

* Per session

** The Pupil capacity for these academies was increased to two form entry in 2017 at the request of the Local Authority. The difference between the pupil capacity and number on roll relates to the older year groups.

Structure, Governance and Management

Constitution

Sussex Learning Trust (referred to herein as the "Trust") is a company limited by guarantee and an exempt charity. It was established on 14 July 2011. Warden Park Secondary Academy (WPSA) converted to academy status on 1 September 2011 and Heyworth Primary School joined the Trust on 1 January 2012 changing its name on conversion to Warden Park Primary Academy (WPPA). Northlands Wood Community Primary School joined the Trust on 1 May 2017 changing its name on conversion to Northlands Wood Primary Academy (NWPA).

The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. The Trust Articles of Association were last updated in 2016. The trustees of Sussex Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sussex Learning Trust (SLT). This governance structure for the Trust is shown on page 1 of this report. Details of the trustees who served throughout the year except as noted are included in the Governance Statement.

Trustees are appointed by the members with representation from the governing bodies of individual member academies. The articles of association also permit a member appointed trustee to appoint a co-opted trustee.

Trustees report (continued)

Members' Liability

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

Principal Activities

The principal activities of the Trust are to:

- advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- promote for the benefit of the inhabitants of Haywards Heath and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of said inhabitants.

Method of Recruitment and Appointment or Election of Trustees

Trustees are appointed by the members or co-opted by the Board in accordance with the Trust's Articles of Association, having regard to the approved role description for trustees. Any vacancies are openly advertised and consideration is given to the skills mix of the Board.

The formal requirement for parental representation is met by the presence of elected parent governors on each Local Governing Body, although there are current parents of children at Trust academies serving as trustees.

Policies and Procedures Adopted for the Induction and Training of Trustees

New Trustees are inducted into the workings of the Trust at briefing sessions held with the Chairman and Chief Executive Officer. These sessions cover both educational and business matters. Trustees are issued with appropriate background material and are subject to a Disclosure and Barring Service (DBS) check. Trustees are encouraged to attend both internal and external training sessions organised for the education sector. Governance resources are available to the Trust through subscriptions to the Specialist Schools and Academies Trust and The Key for Governors.

Trustees report (continued)

Organisational Structure

The Trust structure is made up of 5 members who appoint the Trust Board, comprising 11 trustees. The Trust Board appoints its sub-committees (where required) and local governing bodies for each academy. A scheme of delegation sets out the specific roles and responsibilities of the trust board, sub committees and local governing bodies.

The Trustees have overall responsibility and ultimate decision making authority for all the work of the Trust, including the establishment and running of academies. The responsibilities of the Trustees are set out in the Scheme of Delegation with due adherence to the Articles of Association.

In order to discharge these responsibilities, the Trustees appoint people who are more locally based to serve on the Local Governing Body (LGB) which has been established to ensure the good governance of each academy. The LGB is formally a committee of the Trustees. The role of the LGB is an important one. LGBs carry out their functions on behalf of the Trustees and in accordance with the Trust's policies. The Trust wishes to avoid the duplication of governance and for decisions to be made as close to the impact of decision making as possible. The Trust therefore wishes LGBs to have considerable autonomy to act in the best interests of their academy, within the framework and support provided by the Trust.

The Trustees appoint a Chief Executive Officer (Accounting Officer) and two Assistant CEOs with responsibility for Business and Finance and Primary Projects. The CEO line manages all the academy Headteachers on behalf of the LGBs and Trustees ensuring all statutory duties are executed and standards are high and improving. The Trust bases its work on close collaboration between the academies in a spirit of working partnership. The Trust Officers are responsible for furthering this aim. The CEO is charged by the Trustees to ensure that the Trust fulfils its responsibilities to the region via liaison with the Regional Schools Commissioner. The CEO is also responsible for project managing any new schools joining the Trust or Free Schools being established under the auspices of the Trust.

The Scheme of Delegation and Articles of Association are available on the trust website and on request.

The CEO is appointed by the Trustees to manage the day-to-day operations of the Academy Trust in consultation with the Head Teachers of the Academies. In order to facilitate effective operations, the CEO and Business and Finance Director have delegated authority within the terms approved by the Trustees for operational matters including educational, finance and employment matters.

Trustees report (continued)

Organisational Structure (continued)

The pay and remuneration of key management personnel is set in accordance with the Academy Trust's appraisal and pay policy. The salary range for all staff paid on the leadership spine will take into consideration the provisions of the STPCD together with any broader responsibilities that may be attached to the role. The CEO is responsible for the appraisal and pay awards for key management personnel subject to Trustee review and approval.

Related Parties and other Connected Charities and Organisations

The Trust continues to have several successful partnerships with a number of local primary schools where it provided support for French. Support for ICT and Maths has also been made available to some of these schools.

The Trust has also worked successfully with other schools through the Haywards Heath schools' locality network. The Trust continues to play an active role in the Bentswood Community Partnership (BCP).

These partnerships have enabled the Trust to not only support education for other schools in the Haywards Heath area, but have also brought benefits to the education of the young people at our academies. For example, students at the secondary academy have had many opportunities to develop their leadership and team-building skills through their work with pupils in the primary schools.

The CEO of the Trust is a National Leader of Education (NLE) and WPSA is a National Support School. This has brought a wide range of CPD opportunities for the CEO and wider staff in addition to the related revenue generating opportunities for the Trust. The work of an NLE challenges the holder to find ways to support school improvement elsewhere but naturally encourages and stimulates initiatives that benefit the host school. The designation also attracts other schools to consider joining the Trust which naturally brings cost saving and other educational collaborative benefits.

Objects and Aims

The Trust's mission is summarised by its academies' maxims:

'The Best from All' and ***'Reach for the stars'*** and ***'Together we learn and grow'***

Trustees report (continued)

Objects and Aims (continued)

The Trust aims to:

- Provide a happy, safe, secure, healthy, stimulating, well-resourced and caring learning environment for the whole community.
- Meet the needs of all learners including students, adult learners and staff as part of our commitment to inclusion and equal opportunity.
- Challenge all learners to have high expectations, to broaden their horizons, embrace change, adopt a dynamic approach to their future life plans, achieve the highest standards and celebrate their success.
- Offer a broad, balanced and differentiated curriculum relevant to the needs of our economy in which we celebrate cultural diversity and promote creativity, a love of learning, independence, confidence, the flexibility needed for a rapidly changing world, international understanding and excellent communication skills.
- Encourage all teachers and support staff to attain the highest standards of teaching and support through high-quality professional development and rigorous self-evaluation.
- Promote learners' self-confidence, self-respect, self-esteem, self-discipline and self-motivation in the context of encouraging them to develop their skills and valuing their achievements.
- Develop an awareness of others, in all members of the academy community, which leads to excellent interpersonal relationships and the ability to form friendships appropriately.
- Maintain strong partnerships with families, other schools, colleges and universities in Britain and overseas, local businesses and community organisations to promote excellence and progression in learning.
- Encourage and expect high standards of behaviour based on personal responsibility, good manners and courtesy, mutual respect and the peaceful resolution of conflict.
- Involve learners, families and staff in making a positive contribution to the academy and wider community by encouraging active citizenship, promoting sustainable development and supporting other people locally and overseas who may need our help.

Trustees report (continued)

Objects and Aims (continued)

In order to realise these aims, Trustees, Governors and staff of the Trust seek to:

- Promote excellence by working in close partnership with families to fulfil the potential of every learner to do their best as individuals and as members of teams.
- Foster the habits that will enable our students to enjoy learning for life.
- Encourage our students to respect themselves, other students, their families and their teachers within a safe, secure and caring environment.
- With the crucial support of families, develop healthy and hard-working young citizens with an international outlook who will play an active, responsible, creative and positive role in the academy and wider community.

Public Benefit

The Trustees confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission for England & Wales. Trustees have referred to the guidance in the Charities Commission's general guidance on public benefit when reviewing the Academy Trust's objectives and aims and in planning future activities for the year. Trustees consider that the Academy Trust's aims are demonstrably to benefit the public, as the academies within the Trust meet the educational needs of young people living in the areas appropriately designated by the Local Authority and the needs of other young people who meet the agreed admission criteria should further places be available.

The Academy Trust includes a primary academy formerly in an OFSTED special measures category and engages in activities to support this academy and its wider community which is one of the most economically challenged neighbourhoods in the Mid-Sussex area.

The Academy Trust has strengthened its links with other local schools through the Haywards Heath schools' locality network. The CEO, as an NLE, is a systems leader supporting many schools in West Sussex to improve.

Trustees report (continued)

Objectives, Strategies and Activities

Below is a summary of the Trust's main priorities.

- By 2020-21 all three existing academies will be deemed 'outstanding' because of student achievement, behaviour & safety, leadership & management and teaching.
- More schools will have joined to widen the impact and importance of the Trust locally and nationally.
- We will be understood as a local Trust operating for the benefit of all children in the area.
- We will be at the heart of collaboration within Mid-Sussex and West Sussex schools helping to shape and deliver improvements for the children of the area.
- The Quality of Teaching will be at least good or better, typified by:
    - 55% 'outstanding'
    - development of character education across the academies
    - flexible differentiation as standard
    - questioning skills to increase learner independence
    - pupils being involved with their own progress tracking
    - CPD for the teachers led by the teachers

- Attainment & Inclusion – for those children at risk of exclusion by:
    - improving the impact of interventions
    - ensuring children will make at least expected progress
    - ensuring the trend continue to show a 'closing of the gap' in attainment between PP pupils and non-PP pupils

- Attendance & behaviour for learning – targets include:
    - 96% + attendance each term
    - reduction of pupils with less than 90% attendance
    - reduced number of exclusions

- Curriculum & Assessment
    - curriculum meets the needs of our demographic and national expectations
    - character Education introduced across the Trust
- Progress
    - students are set targets that will ensure they exceed national expectations
    - all students will make at least good progress from early years to KS 2 (primary) and KS2 to KS4 (secondary)

Trustees report (continued)

Objectives, Strategies and Activities (continued)

- Achievement
    - students are supported to achieve their full potential in all subjects
    - opportunities are provided to students to support and enhance their learning
- Learning
    - students learning experiences are engaging and enhanced by ICT
    - parents and students engage with learning in and out of school
    - all programmes of study will be differentiated and will excite and engage all learners
    - technology will be used to enhance learning and promote independence and e-confidence

Governance and consolidating the Trust

- Trust values and aims are thoroughly embedded. As other schools approach us to enquire about joining the Trust we are able to continually reassess our values and aspirations and ensure we remain compliant with all legislation and policy.

- Academy freedoms have been exercised.

- The policy review process is responsive to need and location. Policy & practice reflects the needs of our students and the educational and safe-guarding 'landscape'.

- The Trustees and Governors are confident that safeguarding arrangements are entirely compliant, including the duties to address radicalisation and terrorism.

Community

- The Trust continues to take a role in Haywards Heath and environs and our premises continue to be widely used for community use.

- Partnerships with families at all academies are strong.

- Staff from WPPA and NWPA play significant roles in supporting the collaborative work of the Haywards Heath group of primary schools. Likewise WPSA enjoys excellent links with many schools in West Sussex for shared CPD opportunities.

Trustees report (continued)

Objectives, Strategies and Activities (continued)

Admissions

- WPSA is at capacity and every indication going forward suggests it will continue to be significantly over-subscribed.

- Pupil numbers are well in advance of expectations at WPPA and NWPA as they increase pupil numbers year-on-year to be full two-form entry academies. They are increasingly the schools of choice within their communities and are over-subscribed in reception.

Strategic report

Financial health

The financial health of the Trust remains sound particularly given the context of the national educational funding environment and the factors specific to the Trust outlined below.

- Reserves
  The Trust started the year with a strong reserves position and this has been maintained through prudent management of funds. The substantial reserve carried forward to 2019/20 has been retained as a precaution against funding uncertainty and future cost pressures. Given the national funding position and the challenges of the increasing staff cost base, it will be necessary for those reserves to be used very carefully whilst awaiting more information on implementation of the National Funding Formula.

- Expansion of WPPA and NWPA
  The increase in Pupil Admission Numbers (PAN) and significant improvements in the performance of WPPA since conversion have resulted in a very positive impact on pupil numbers with increases in reception numbers and in-year admissions. A similar increase in PAN for NWPA was agreed with WSCC to address demand for primary places locally during the prior year and a number of in-year admissions has also resulted in increased numbers on roll at NWPA. The ESFA per pupil funding allocation is provided on a lagged basis using census data from the previous academic year. Some growth funding has been provided by WSCC during 2018-19 but this has not fully compensated for the shortfall in ESFA funding that both primary academies have suffered as a result of the rapid growth in pupil numbers. In the medium term, the increase in the PAN will re-enforce the financial stability of the primary academies and contribute to the financial health of the Trust.

Trustees report (continued)

Strategic report (continued)

Financial health (continued)

- Nursery at WPPA
  In January 2018, WPPA extended its Early Years provision to include a nursery thus extending the age range of pupils to 2 to 11 years old. This has proved to be highly successful and self-financing in its first full year of operation.

- Best use of resources and maximising income
  The Trust has continued to focus on ensuring value for money in all activities undertaken by maximising income and controlling costs as outlined in the Value for Money section of the Governance report.

Pupil Premium

Our use of Pupil Premium across the Academy Trust is consistent with the Department for Education's aim to eliminate barriers to learning and achievement based on home circumstances.

The Trust has fully engaged with the principles of Pupil Premium funding and has embedded those principles in planning and monitoring of attainment to ensure that these funds have the desired impact.

Full details of Pupil Premium grant expenditure, impact of the strategy and the strategy for 2018-19 can be found on the separate academies' websites.

Fundraising

The majority of the Trust's income is derived from grant funding. The Trust does receive a small number of donations but does not raise any funds direct from the public.

Trustees report (continued)

Key Performance Indicators

Warden Park Primary Academy

Ofsted (June 2019) judged that the school continued to be good. The following are direct quotes from the report:

Leadership
The leadership team has maintained the good quality of education in the school since the last inspection. The headteacher, along with trustees of the Sussex Learning Trust and governors, share an admirable sense of moral purpose and determination to provide the best possible education for pupils. Staff and parents are highly supportive of your leadership and the improvements being made. Leaders' actions to address the areas for improvement from the previous inspection and raise standards have been successful. One parent, echoing the views of many, commented: 'The headteacher and his team have done an amazing job turning this school and its old reputation around. It is now the school to go to in Haywards Heath.'

Staff understand the academy's ambitious vision. They value the opportunities they are given to develop their professional skills successfully. Morale is high and there is a palpable sense of teamwork across the school.

On-going professional development
Skilled workforce - 85% of staff in process of or have completed middle or senior leadership training.

Parents
Parents who responded to Ofsted's online questionnaire, Parent View, were overwhelmingly positive about their children's progress and school experience. Staff know pupils well. This is a strength of the school. Consequently, levels of trust between staff and parents are high.

Standards
The quality of work in pupils' English and mathematics books is of a high standard. The headteacher and senior leaders monitor these closely and often to ensure that pupils are achieving well and making good progress.

Safeguarding
Leaders ensure that great care and attention is given to vulnerable pupils and their families. Concerns are swiftly followed up and the school seeks the support of other agencies, when appropriate, to ensure the safety of pupils in their care. This is a school where policy is firmly put into practice and care for pupils extends beyond the school gates.

Trustees report (continued)

Warden Park Primary Academy (continued)

Disadvantaged pupils

The high number of disadvantaged pupils in the school make good progress. They receive effective support from teachers, teaching assistants and leaders to help them catch up with others. The headteacher and senior leaders carefully track the progress of this group of pupils and monitor interventions regularly to check their impact. Provision for pupils' welfare is admirable. The overall care and support pupils receive helps them make the progress of which they are capable.

2019 Attainment and Progress Data

EYFS

% reaching Good level of Development (GLD)

WPPA's GLD percentage was **68.3%** in 2018/19.

WPPA is in **percentile 47** when compared to all schools nationally for a good level of development.

	2016	2017	2018	2019
WPPA	61%	60%	68%	68%
National	69%	71%	72%	72%

Y1 Phonics Check

WPPA's Year 1 meeting expected standard percentage has remained the same between 2017/18 and 2018/19 at 88%. This is higher than the National average of 81.9%.

WPPA is in **percentile 23** when compared to all schools nationally for Year 1 expected standard.

	2016	2017	2018	2019
WPPA	80%	88%	88%	88%
National	81%	81%	83%	82%

Trustees report (continued)

Warden Park Primary Academy (continued)

Key stage 1
% Expected Standards

Writing
WPPA's expected standard percentage in Writing has **increased by 5.4%** from **68.3%** in 2017/18 to **73.7%** in 2018/19. This is **4.5% higher than** the National average of **69.2%**.
WPPA is in **percentile 34** when compared to all schools nationally for the expected standard in Writing. WPPA **rose 9** places in the percentile rankings between 2017/18 and 2018/19, from **43** to **34**.

Reading
WPPA's expected standard percentage in Reading has **increased by 7.4%** from **73.3%** in 2017/18 to **80.7%** in 2018/19. This is **5.8% higher than** the National average of **74.9%**.
WPPA is in **percentile 29** when compared to all schools nationally for the expected standard in Reading. WPPA **rose 14** places in the percentile rankings between 2017/18 and 2018/19, from **43** to **29**.

Maths
WPPA's expected standard percentage in Maths has **increased by 0.5%** from **76.7%** in 2017/18 to **77.2%** in 2018/19. **This is 1.6% higher than** the National average of **75.6%**.
WPPA is in **percentile 37** when compared to all schools nationally for the expected standard in Maths. WPPA **rose 2** places in the percentile rankings between 2017/18 and 2018/19, from **39** to **37**.

	2016		**2017**		**2018**		**2019**	
	School	National	School	National	School	National	School	National
Reading	63%	74%	66%	76%	73%	75%	81%	75%
Writing	59%	66%	57%	68%	68%	70%	74%	69%
Maths	66%	73%	75%	75%	77%	76%	77%	76%
RWM	54%	60%	55%	64%	67%	65%	67%	65%

Trustees report (continued)

Warden Park Primary Academy (continued)

% Greater Depth

	2016		2017		2018		2019	
	School	National	School	National	School	National	School	National
Reading	22%	24%	13%	25%	20%	26%	21%	25%
Writing	17%	13%	7%	16%	8%	16%	9%	15%
Maths	17%	18%	9%	21%	17%	22%	14%	22%
RWM	10%	9%	2%	11%	7%	12%	5%	11%

Key stage 2
% Expected Standards
Reading
At WPPA, 69% of pupils achieve the expected standard in Reading. This is 3.7% lower than the average for similar schools and 4.1% less than the national average.

Writing
At WPPA, 80.4% of pupils achieve at the expected standard in Writing. This is 2.6% more than the average for similar schools and 2.0% higher than the national average.

Maths
At WPPA, 84.3% of pupils achieve the expected standard in Maths. This is 6.7% higher than the average for similar schools and 5.7% more than the national average.

	2016		2017		2018		2019	
	School	National	School	National	School	National	School	National
Reading	72%	66%	69%	72%	60%	75%	69%	73%
Writing	51%	74%	72%	76%	73%	78%	84%	78%
Maths	64%	70%	72%	75%	76%	76%	88%	79%
RWM	41%	53%	66%	61%	52%	64%	69%	65%

Trustees report (continued)

Warden Park Primary Academy (continued)

% Greater Depth
Reading, writing and maths
12% of students achieved the higher standard in Reading, Writing and Maths. This is 1.5% more than the national average. This is 12.3% less than the Top Quintile schools.

Reading
At WPPA, 19.6% of pupils achieve a high scaled score in Reading. This is 5.4% less than the average for similar schools and 7.4% less than the national average.

Writing
At WPPA 19.6% of pupils achieve greater depth within the expected standard in Writing. This is 0.4% higher than the average for similar schools and 0.5% less than the national average.

Maths
At WPPA, 23.5% of pupils achieve a high scaled score in Maths. This is 0.9% more than the average for similar schools and 3.1% lower than the national average.

	2016		2017		2018		2019	
	School	National	School	National	School	National	School	National
Reading	8%	19%	31%	25%	24%	28%	20%	
Writing	3%	15%	17%	18%	8%	20%	20%	
Maths	5%	17%	28%	23%	16%	24%	25%	
RWM	0%	5%	10%	9%	5%	10%	12%	

Key stage 2
Progress
Reading
At WPPA the overall progress score for Reading is - 0.72 points. This is 0.32 points lower than the average for similar schools and 0.75 points less than the national average.

Writing
At WPPA the overall progress score for Writing is 1.17 points. This is 1.39 points higher than the average for similar schools and 1.14 points higher than the national average.

Trustees report (continued)

Warden Park Primary Academy (continued)

Maths
At WPPA, the overall progress score for Maths is 0.96 points. This is 1.51 points more than the average for similar schools and 0.93 points higher than the national average. This score constitutes an increase of 2.38 points over the past 3 years.

Disadvantaged Learners' progress
Reading
The overall progress score for Reading for Disadvantaged students at WPPA is 0.07 more than the National Disadvantaged average.
The school gap has narrowed by 4.11 points since 2016/17.

Writing
The overall progress score for Writing amongst Disadvantaged students at WPPA is 0.02 points more than the National Disadvantaged average.
The school gap has narrowed by 5.01 points since 2016/17.

Maths
The overall progress score for Maths for Disadvantaged students is 1.28 points more than the National Disadvantaged average.
The school gap has narrowed by 7.23 points since 2016/17.

Disadvantaged Learners' Attainment
RWM
The percentage of Disadvantaged students achieving the expected standard in Reading, Writing & Maths is 4.4% more than the National Disadvantaged average.
The school gap has narrowed by 18.7% since 2016/17.

Reading
The school gap has narrowed by 6.0% since 2016/17.
Writing
The school gap has narrowed by 37.1% since 2016/17.
Maths
The school gap has narrowed by 20.0% since 2016/17.

Trustees report (continued)

Warden Park Primary Academy (continued)

Broad and ambitious Curriculum
Demonstrated by:

- Strong Computing provision, bolstered by hardware and software which is fit-for-purpose
- Gold Sports Mark
- Improved Music provision – with all children learning to play a musical instrument through the 1term 2learn programme
- Established Forest School provision for all children
- Start of the art science and technology facilities
- Strong and meaningful links between the Primary and Secondary phases result in strengthened subject leadership and subject knowledge, and ultimately more effective provision for all pupils

Effective Inter Trust working has resulted in:
Common Assessment procedures:

- Common MIS and tracking software – Arbor
- Common assessment policy

2018/19 Summary:

- Educational outcomes at WPPA have been improved with the same resource.
- The curriculum has been delivered in a broader and more effective way with the same resource.
- Financial oversight and governance has been strengthened with the appointment of governors with an effective skill set.
- Income generation has been maximised through a focus on increasing out-of-hours lettings.

Trustees report (continued)

Key Performance Indicators (continued)

Northlands Wood Primary Academy

'Behaviour and attitudes', 'Personal development', 'Leadership and Management' and 'EYFS' are all self-evaluated as Outstanding, with 'The Quality of Education' judged as Good with elements of Outstanding.

- Continuing to develop as a flourishing Academy with the Sussex Learning Trust
- Excellent Headteacher in post: Very positive first two years with NWPA
- Extremely strong recruitment strategy has led to excellent new appointments adding to the dynamics of the team and school improvements and growing in line with the school's visions and values
- Culture of continual improvement, encapsulating a forward-thinking school
- Pupils' behaviour around the school and in lessons is outstanding
- Staff continue to be overwhelmingly supportive of the improvements in the school and the plans to improve the school further.
- A focus on generating new memorable learning opportunities for children, families and Staff.
- Lots of visitors and families came into the school and supported the learning which was happening throughout.
- Improvements around the school including a Sensory room and development of the Forest School environment.

Leadership development was a key driver in the successes which the school experienced. This was delivered on a whole range of levels, including Senior Leaders, Middle Leaders, Teachers, The leadership capacity of the school continues to increase thanks to having Senior Leaders out of class for more of the time. Children continue to grow as leaders with new roles including Digital Leaders, Autism Ambassadors and Forest School Rangers. These encourage pupils to make a difference and empower them in their personal development.

- Safeguarding procedures are clear and all staff know their roles in ensuring our children and staff remain safe. Regular training is provided and updates received by DSLs from West Sussex
- Appraisals are effective and up to date. This correlates with professional development; tightly focused on the needs of individuals and current school priorities
- The curriculum is well organised, both in the delivery of content and progression of skills. Time has been put into having a very clear Intent, Implementation and Impact.
- Pupils across the school were given opportunities to lead on various elements and raise their profile and skills.

Trustees report (continued)

Northlands Wood Primary Academy (continued)

Cross Trust opportunities remain ever present across a wide variety of subjects and disciplines. Children continue to experience lessons in both of the other academies and through this learn from a wider range of experts and from older students. Teachers from across the Trust have forged stronger working relationships, drawing on each other's experience and expertise to plan together and ensure a strong route from primary to secondary. Senior leaders continue to work together closely, strategically deploying resources to aid the progression of children and staff in a range of different ways. Sharing of resources has become more streamlined and the benefit of this has been clear to see and value for money has been improved.

Results were really pleasing across the board. Whilst percentages were slightly down from the exceptional level in 2018, they remain very high and, almost entirely, above national figures. Early Years remain above National figures for the percentage of children at GLD (Good Level of Development), while Year 1 and Year 2 phonics check results remained high. KS1 showed good attainment in Reading and Writing. Our Key Stage 2, Year 6 cohort performed admirably in their SATs - achieving a brilliant 71% combined score for Reading, Writing and Maths. This was up from 50% in 2017 and similar to the 75% in 2018. The pupils' progress scores were transformational for the children involved.

Analysis as to why good levels of success were achieved has been completed to further focus the work being done this year.

Phase	This year's results	Last year's results
Y1 Phonics	80%	88%
Y2 Reading	83%	88%
Y2 Writing	73%	73%
Y2 Maths	65%	77%
Y6 Reading	80%	81%
Y6 Writing	82%	90%
Y6 Maths	80%	79%
Y6 RWM Combined	71%	75%

Assessment processes are rigorous and robust. Pupil Progress meetings provided a supportive approach to ensuring children were on track to meet targets and that progress was accounted for throughout the year. These were led effectively by the Deputy Head Teacher and SEN team. These have been further enhanced by our use of Arbor which allows us to have a more refined and useful assessment monitoring system. This has been formulated by both WPPA and NWPA.

Trustees report (continued)

Northlands Wood Primary Academy (continued)

School developments have extended far further than Literacy and Maths, with a high level of investment being made in a number of areas - both financially but also in training and support for staff and pupils.

Key developments include:

Forest School which has now seen four terms of high quality provision and has allowed the children to flourish and improve their personal development significantly. This has extended to all children now visiting a Forest site in Balcombe and improving their skills in a Forest setting with supervision from highly qualified instructors. New Early Years children had induction sessions involving Forest School tool work, something which was highly commended and praised by the new cohort of parents. This has also developed into an extra-curricular club which is well attended by children across a range of years.

Computing has been another area which has continued to grow significantly and seen lots of improvements. We are now in a position where a large number of staff have gained their Apple Teacher status and they are now actively pursuing further CPD and using this to develop their teaching of Computing. Again, this was further helped by the success of a grant to work with girl coders and also Disadvantaged children through the medium of coding and Sphero robots. This funded project began in 2017-18 and was concluded this year. E-safety has continued to remain a core component of all units of work, with children discussing this readily with staff to aid their understanding.

Sport and P.E. has, this year, build upon on the achievement of Platinum Games Mark in 2017-18. This was the springboard for more local clubs to further their work with us and offer high level coaching to a large number of our children. The number of locality organised festivals and competitions which we entered into grew further, meaning a larger number of children experienced sport in all manner of disciplines. Staff development has been further refined, with new staff joining Northlands Wood who brought with them specialist skills, namely in Dance and Striking and Fielding games.

Parents and Carers have continued to be very supportive of the school and survey results demonstrate a high level of trust in the school. Results from parental surveys remain high and the PTFA has grown from strength to strength. This helps with fundraising ventures as well as how the school is supported in its day-to-day running.

Trustees report (continued)

Warden Park Secondary Academy

In 2019 WPSA students' attainment and progress was significantly above the national and Local Authority averages as detailed in the tables below.

Ebacc attainment 2019 (GCSE average grades):

	English	Maths	Ebacc	Open
All	5.6	5.4	5.3	5.3
Boys	5.6	5.7	5.4	5.2
Girls	5.6	5.0	5.2	5.4
Disadvantaged	4.5	3.8	3.7	4.1

*2019 data remains provisional until approx. January 2020

Student progress overall as measured by ALPS Qi indicator is a 3 which places progress in the top 22% of schools nationally. In the ALPS analysis of subjects, 12 subjects are graded red (top 25% nationally); 14 graded in the middle 50%; 0 subjects graded blue (bottom 25%). 3 subjects graded ALPS 2 (top 10% nationally). Strong progress rates in subjects with high cohort numbers, English, Maths, Biology, Chemistry, Physics, Design Technology, History, Business have underpinned the success.

High Prior Attainers made particularly strong progress this year and remain an area of focus as these students make up a significant proportion of our cohorts.

There has been a good improvement in the Progress 8 score for disadvantaged students which improved to -0.28 from -0.53 in 2018. We are delighted by this progress as this was a key area for improvement focussed on across the academy.

Sustaining excellent outcomes for High Prior Attainers, reducing achievement gaps between boys and girls and improving outcomes for disadvantaged students will remain priority areas of action in 2019/20.

Trustees report (continued)

Key Performance Indicators (continued)

Warden Park Secondary Academy (continued)

Four whole school priorities form the basis for the school development plan:

- Effective learning for every student – securing outstanding academic progress and character development
- Professional learning – research and innovation to improve the quality of teaching and leadership
- Influential leadership – making a difference at every level to the quality of teaching, students' outcomes and colleagues performance
- Disadvantaged students – eradicating achievement gaps between disadvantaged and other students

CPD for teachers is focused on 'Effective learning for every student – securing outstanding academic progress and character development and is primarily delivered through Professional Learning Communities (PLC) based on identified areas of priority from our self-evaluation and research. Each teacher is a member of one of the following PLCs for 2019/20 which are focused on our agreed characteristics of excellent teaching:

- Challenge, Explaining, Modelling, Questioning, Assessing and reflecting, Practising,

Our Teaching and Learning group are at the forefront of driving our approach to teaching and it is their research work that has led to the identification of the features of excellent teaching above. We believe strongly in innovation and a collaborative cross-curricular approach to our CPD to help each individual teacher improve their practice. Through this we are embedding a high quality of teaching throughout the academy which is improving outcomes for our students. Our work in using research and evidence has been recognised as 'Transforming' by the SSAT through their Framework for Exceptional Education.

Our use of iPad technology to enhance the quality of teaching and improve students' learning is a strength of the academy. We have been accredited this year as an 'Apple Distinguished School' for our work with iPads - one of only 40 schools in the UK and 400 world-wide.

Developing the skills and capabilities of leaders is a long-term priority in building a culture in which distributed leadership unpins the Academy's future success. In July 2018 all middle leaders undertook a leadership development training programme focused on enhancing self-knowledge and identifying areas for individuals to prioritise for professional development. Through the introduction of inter department reviews the evaluative skills of curriculum leaders is being developed. We are also engaged in a Peer review programme as part of the SSATs Leading Edge.

Trustees report (continued)

Warden Park Secondary Academy (continued)

As a young but developing MAT of one secondary and two primaries we are, through joint planning, developing our curriculum in English, Maths and Science to better support students as they transition. Improving teachers subject specific knowledge and understanding of the skills and capabilities of students is focused on accelerating students through into KS3.

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Statement of Accounting Policies.

Reserves Policy

At 31 August 2019, the trust has total funds of £32,096,000 (2018: £31,843,000) and fixed asset funds at the same date totally £34,465,000 (2018: £32,969,000). At 31 August 2019, the Restricted General Fund had a deficit balance of £2,879,000 (2018: £1,560,000). The deficit has arisen as a result of recording the liability in respect of the Local Government Pension Scheme deficit of £2,879,000 (2018: £1,560,000) and the underfunding particularly in respect of the primary academies which means that no reserves are held in the Restricted General Fund. For its own purposes, the Academy Trust excludes the FRS102 Section 28 calculated liability when calculating free reserves but has considered the cash flow implications that may arise from the accounting disclosure in terms of increased contributions. Trustees have approved a plan to work towards holding a reserve of £410,000 at the end of 2019/20. This level of reserve will allow the Trust to undertake some development activity, manage funding uncertainty and provide some security against unexpected issues or events.

The Academy Trust has £510,000 in the Unrestricted General Fund as at 31 August 2019 (2018: £434,000). This reserve has been generated over a number of years through academy commercial activity such as catering and letting and from fundraising activities. This fund is freely available for its general purposes and has been held as an accumulating fund for major capital projects to enhance teaching and learning facilities in accordance with the Trust and member Academy Development Plans as well as supporting core activities in the current funding environment. During the year, a transfer of £473,000 (2018: £815,000) was made from the unrestricted fund to restricted funds to support core activity as well as contributing to capital expenditure.

Trustees report (continued)

Investment Policy

In the year ended 31 August 2019, higher interest deposit accounts have been used to achieve a more favourable return on funds where appropriate.

Risk Management

The Trustees have assessed the key risks to which the Academy Trust may be exposed, in particular those relating to pupil numbers, educational outcomes, the challenges of recruiting and retaining staff in shortage subjects, the development of our facilities, academy funding, finance and Trust expansion. Trustees have implemented a number of systems to assess and mitigate the risks that the Academy Trust faces in relation to all the areas mentioned above.

As part of a long-term strategic approach to risk management; the Trustees have developed, and will maintain, a risk register identifying the major areas of risk to which the Academy Trust and its member academies are exposed. The register identifies actions and procedures to mitigate those risks. This register is being developed and monitored by the CEO, Business and Finance Director, Head of Finance and by Board of Trustees and via the Local Governing bodies and Audit committee. The principal risks facing the Academy Trust at a strategic level are outlined below in the principal risks and uncertainties section; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls; for further details see the Governance Statement below.

Principal risks and uncertainties

The risks below are risks faced by independent Academy Trusts and are not specific to Sussex Learning Trust.

External

- Changes in Government policy with respect to academies.
- Additional cost pressures which are not funded such as a change to financial legislation affecting the employment of staff such as minimum wage levels or pension and national insurance contributions
- Reductions in Government spending (such reductions would be likely to apply in a similar way to all schools).
- Demographic changes affecting the number of children requiring educational provision in the Mid-Sussex area.
- Neighbouring schools increasing their roll.
- More academies operating in Mid-Sussex with better facilities - possibly sponsored by large organisations.

Trustees report (continued)

Principal risks and uncertainties (continued)

Legal

- Operating outside the Academy Trust's charitable objects.
- Health and safety infringements.
- Falling foul of employment law.

Governance

- Trustees acting in their own interests and not in the interests of the Academy Trust.
- The Board as a whole lacking the skill set required to run the Academy Trust successfully.
- Management information being insufficiently robust for effective decision making.
- Failure to respond to changes in external compliance requirements.

The Trustees have identified the following potential risks and uncertainties as applying specifically to the Sussex Learning Trust:

- **Falling rolls.** This is seen to be highly unlikely based on current admissions information.
- **Branding/reputation**. Our reputation remains strong as evidenced by high and increasing levels of interest and applications at each of our academies.
- **Delays in expansion and opening planned academies**. Such delays would impact on budget plans and cashflows for a specific year and are hard to manage due to factors related to stakeholders in the projects that are beyond the Trust's control.
- **Decrease in income affecting provision.** Given the UK public sector economic outlook, political and policy uncertainty, changes in NI and pension contribution rates and on-going changes in formula funding, there is still some uncertainty over funding levels in the near future. The budget strategy for 2018/19 provides for some contingency against unwelcome future developments but this remains a key area of risk and focus for management and board of trustees.
- **Lagged funding.** As outlined in the financial health section above, lagged funding represents a significant risk and challenge to both Warden Primary Academy and Northlands Wood Primary Academy although this will reduce as the expansion in the PAN affects each year group over time until they are full two form entry academies.

Trustees report (continued)

Financial risks

- **Bank balances and investments.** There is no significant risk other than a financial institution ceasing to trade. The Academy is therefore seeking a prudent spread for future investment over a number of very reliable and / or government-backed institutions.
- **Bad debts**. There are no material debtors which are not government backed institutions.
- **Credit rating**. The Academy Trust's credit rating is not in jeopardy and there has been no need as yet for advanced credit facilities since conversion.
- **Cashflow.** If the funding position does not improve, there will be increasing pressure on academy cashflow in future years which will require even more careful management.
- **Pensions related risk**. The increased cost of contributions required to support the continued membership of Defined Benefit pension scheme for the Trust's staff is a financial risk to the Trust although we appreciate the government funding to support the most recently announced increase.

Effective risk management involves three types of action:

Transferring the risk
Insurance is a means of transferring those risks the Trust decides not to accept. It limits the Trust's exposure to risk but it is not a substitute for active risk management. To the extent that the Trust manages its risks effectively, its insurance premiums will be lower, providing better value for money.

Reducing the probability of risk
The Trust will seek to identify the risks to Trust funds, property and people using their premises, collect them in a risk register and assess the potential frequency and severity of each risk, where possible based on careful analysis or recent experience. Action will be taken to prevent or reduce the probability of risk, particularly of those risks identified as high frequency and/or high severity.

Limiting the impact of risk
The Trust will continue to complete and review the risk register as a formal record of problems that could occur in the future which will impact on day to day operations. Effective monitoring of Academy Trust operations by the Trustees, Trust Officers, Local Governing Bodies and leadership teams in each academy will contribute to mitigate risks. This monitoring includes an annual review of the Risk Register and ongoing reporting of newly identified risks.

The Academy Trust will continue to develop an Emergency / Critical Incident and Business Continuity Procedures aimed at both protecting personal health and safety and minimising the disruption to normal operations that an unforeseen emergency would cause. Where necessary, the Academy Trust will continue to develop contingency plans for particular risks identified as high frequency and/or high severity.

Trustees report (continued)

Risk management (continued)

Principal risks and uncertainties (continued)

The Academy Trust operates systems, including operational procedures and internal financial controls in order to minimise risk.

The key controls used by the Academy Trust include:

- formal agendas for all Trustees' meetings
- detailed terms of reference for all committees
- formal written policies that are subject to regular and systematic review
- strategic planning, budgeting and management accounting according to a rigorous agreed timetable
- clear authorisation and approval levels as well as clearly defined purchasing guidelines

Plans for the future

Without repeating the aims and objectives above:

1. The Trust intends that each of its existing 3 academies will be outstanding by 2020 and implementation of Improvement Plans to this end are well advanced.
2. The CEO will continue to work in a consultancy capacity to fee earn on behalf of the Trust assisting schools in challenging situations to improve. This is widening to include opportunities for talented staff to be involved in school to school support projects too, providing much needed support and excellent CPD in addition. Thus, the children of our Trust will benefit as will those in receiving schools.
3. We will embed the Trust wide focus on Character Education addressing the increasing need for children to develop resilience, fortitude and inspiration to take their place in our increasingly complex society.
4. Ministerial approval has been given for our planned free-school, Hurst Farm Primary Academy. The proposed opening date is currently under consideration.
5. The pleasing improvements to the achievement of Disadvantaged Learners across the Trust in 2019 will be built upon to eradicate the achievement gap by 2022.
6. We will re-double our efforts towards the intention to expand the Trust's influence within the immediate and wider West Sussex vicinity. The RSC is very positive about the work of the Trust and is keen to support this intention.

Trustees report (continued)

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations as outlined below

Relevant union officials

Number of employees who were relevant union officials during the relevant period	*Full-time equivalent employee number*
3	2.58

Percentage of time spent on facility time

Percentage of time	*Number of employees*
0%	0
1-50%	3
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

First Column	*Figures*
Provide the total cost of facility time	£2k
Provide the total pay bill	£9,382k
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.02%

Trustees report (continued)

Trade union facility time (continued)

Paid trade union activities
As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

50%

The Trustees wish to acknowledge the following:

- The leadership provided by the CEO, the Headteachers and their senior leadership teams as Trustees seek to develop and expand the Academy Trust.
- The commitment of all of the staff, teaching and support, for the manner in which they have continued to deliver an increasingly effective learning and support environment for our learners.
- The parent teachers associations for their continued enthusiasm and commitment to fund raising to provide additional opportunities and facilities for our learners.
- The continued support of West Sussex County Council and Mid-Sussex District Council.
- The strong support from pupils, families and the whole community.

The Trustees' thanks go to all, for their part in the continued success of the Trust.

Auditor

In so far as the trustees are aware:

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

This report, incorporating the strategic report, was approved by order of the members of the Board of Trustees on 11 December 2019 and signed on its behalf by:

J Ash-Edwards

Chair

Governance Statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the CEO, 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 Sussex Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplement that described in the Trustees' Report and in the Statement of Trustees' responsibilities. The board has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of a possible
J Ash-Edwards (Chairman)	7	7
P Bradbury (Term ended 31/8/19)	5	7
M Caidan (Resigned 30/9/19)	5	7
E Gunter	5	7
H Hill	6	7
C Homer	5	7
J Packham	5	7
J Pearman	5	7
R Tapping	4	7
P Todd	7	7
S Watt (Vice chair) (Resigned 28/10/19)	7	7

The local governing bodies have delegated responsibilities as set out in the Scheme of Delegation (see SLT website) in respect of governance, finance and contracts, curriculum and standards, safeguarding, behaviour and attendance.

Governance Statement (continued)

Warden Park Secondary Academy local governing body attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
J Ash-Edwards	6	6
N Dyson	2	6
D Kenrick	6	6
J Meadows	5	6
B Leeming	2	5
R Scourfield	5	5
P Smith	2	2
C Stephen	3	6
R Tapping	2	6
J Thompson	5	6
S Watt	0	1
H Young	3	6

Warden Park Primary Academy local governing body attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
J Ash-Edwards	3	7
E Barrington	3	4
S Davis	6	7
L Doe	4	4
E Gunter	7	7
F Hart	2	2
S Hyde	0	1
L Meagher	3	7
B Newman	6	7
J Packham	6	7
J Pearman	7	7
M Thompson	6	6
E Walling	3	5
L Watson	3	5

Governance Statement (continued)

Governance (continued)

Northlands Wood Primary Academy local governing body attendance at meetings in the year was as follows:

Governor	Meetings Attended	Out of a possible
I Bateman	7	8
C Edgell	7	7
C Homer (Chair)	8	8
L Hother	8	8
K James	5	8
P Johnson	6	8
M McCourt	6	8
K McNeil	8	8
J Newton	5	8
T Parker	6	8
M Sears	7	8
R Stevens	6	8

Audit committee attendance at meetings in the year was as follows:

Committee member	Meetings Attended	Out of a possible
J Newton	1	2
R Tapping	0	2
J Thompson	2	2
P Todd	1	2
S Watt	2	2

Review of Value for Money

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

Governance Statement (continued)

Review of Value for Money (continued)

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 available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- performing detailed reviews of key contracts and ways of providing services prior to renewal or where there is an opportunity to do things differently to ensure best value in both financial and non-financial terms. Specific examples include the tendering and selection of ICT equipment and products. As a way to control costs, during 2018/19, a Trust ICT procurement system was developed, expanding a trust wide model or negotiating contracts for more than one academy, which has offered competitive prices from volume and a review of service for a lower overall annual cost to the Trust.

- developing our approach to income generation and fundraising as an important part of the Trust's financial planning and achieving our objectives. We have been successful by working with a grant acquisition consultants to be successful in being awarded significant capital grants improve the buildings and learning environment for both students and staff and to enhance student teaching and learning facilities. In 2018/19, the trust secured grants totalling £1.6m from the Condition Improvement Fund (CIF) for a major refurbishment of Science laboratories at WPSA. All the academies in the Trust have active PTAs who contribute to annual fundraising and the Trust is actively engaged with local businesses and successfully negotiated donations and sponsorship towards educational equipment, arts and sports events.

- maximised income generation through a renewed focus on lettings activity, whereby various facilities are let to outside community groups, clubs, bodies in return for an agreed rental payment. Hiring our facilities also supports local community and not for profit organisations. There are regular income streams from long-term core bookings which have achieved significant sums for example from hiring of academy halls to local church groups.

The Purpose of the System of Internal Control

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

Governance Statement (continued)

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The Risk and Control Framework

The Academy 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;
- regular reviews by the trustees and LGBs 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 carefully considered the Trust's internal scrutiny and whether a specific internal audit function was required for 2018/19. They decided not to appoint an internal auditor but agreed that the FD of a local academy who is a chartered accountant with audit experience would a perform peer review. The work programme included testing of payroll systems, testing of purchase systems and testing of key control accounts / reconciliations and did not identify any significant issues. On conclusion of the review, a report was presented to the Audit committee for their consideration and approval.

Governance Statement (continued)

Review of Effectiveness

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

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

No material weaknesses have been identified through the above review. The Accounting Officer and management are committed to a process of continuous improvement and will continue to review and assess the system of internal control going forward in light of any changes to the Trust or developments in best practice.

Approved by order of the members of the Board of Trustees on 11 December 2019 and signed on its behalf by:

J Ash-Edwards
Chair

J Morris
Accounting Officer

Statement on Regularity, Propriety and Compliance

As accounting officer of Sussex Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2019.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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 the ESFA.

J Morris
Accounting officer

11 December 2019

Statement of trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

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

Approved by order of the members of the board of trustees on 11 December 2019 and signed on its behalf by:



J Ash-Edwards

Chair of Trustees

Independent Auditor's Report to the Members of Sussex Learning Trust Limited

Opinion

We have audited the financial statements of Sussex Learning Trust for the year ended 31 August 2019 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 and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Independent Auditor's Report to the Members of Sussex Learning Trust Limited (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Independent Auditor's Report to the Members of Sussex Learning Trust Limited (continued)

Responsibilities of trustees / governors

As explained more fully in the trustees' responsibilities statement set out on page 32, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Crowe U.K. LLP

Darren Rigden
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP, Statutory Auditor
Riverside House. 40-46 High Street, Maidstone, ME14 1JH

17 December 2019

Independent Auditor's Report on Regularity to the Trustees of Sussex Learning Trust Limited and the Education and Skills Funding Agency

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

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

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

The accounting officer is responsible, under the requirements of Sussex Learning Trust's funding agreement with the Secretary of State for Education dated 1 September 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Independent Auditor's Report on Regularity to the Trustees of Sussex Learning Trust Limited and the Education and Skills Funding Agency (continued)

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure. The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

Conclusion

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

Crowe U.K LLP

Darren Rigden
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP, Statutory Auditor
Riverside House. 40-46 High Street, Maidstone, ME14 1JH

11 December 2019

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account and Statement of Total Recognised Gains and losses)

	Note	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000	Total 2018 £000
Income and endowments from:						
Balances on conversion	4	-	-	-	-	-
Donations and capital grants	4	377	170	1,841	**2,388**	**760**
Charitable activities:						
. Funding for the Academy's educational operations	7	530	10,645	-	**11,175**	**10,380**
Other trading activities	5	150	-	-	**150**	**85**
Investments	6	-	-	-	-	-
Total incoming resources		1,057	10,815	1,841	**13,713**	**11,225**
Expenditure on:						
Balances on conversion		-	-	-	-	-
Raising funds	8	17	-	-	**17**	**52**
Charitable activities:						
. Academy's educational operations	9	491	11,730	363	**12,584**	**12,041**
Total resources expended	8	508	11,730	363	**12,601**	**12,093**
Net incoming resources before transfers		**549**	**(915)**	**1,478**	**1,112**	**(869)**
Transfers						
Gross transfers between funds	20	(473)	454	19	-	-
Net income/(expenditure) for the year		**76**	**(461)**	**1,497**	**1,112**	**(869)**
Other recognised gains and losses						
Actuarial gains / (losses) on defined benefit pension schemes	30	-	(858)	-	**(858)**	**900**
Net movement in funds		**76**	**(1,319)**	**1,497**	**254**	**31**

Statement of Financial Activities for the year ended 31 August 2019 (including Income and Expenditure Account and Statement of Total Recognised Gains and losses) (continued)

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total 2019 £000
Reconciliation of funds				
Total funds brought forward at 1 September 2018	434	(1,560)	32,968	31,842
Total funds carried forward at 31 August 2019	**510**	**(2,879)**	**34,465**	**32,096**

Balance sheet as at 31 August 2019

	Notes	2019 £000	2019 £000	2018 £000	2018 £000
Fixed assets					
Tangible assets	14		32,709		32,937
Total fixed assets			**32,709**		**32,937**
Current assets					
Stock	15	5		6	
Debtors	16	2,029		303	
Cash at bank and in hand		1,181		1,107	
Total current assets		**3,215**		**1,416**	
Liabilities:					
Creditors: Amounts falling due within one year	17	(845)		(810)	
Net current assets		**2,370**		**606**	
Total assets less current liabilities			**35,079**		**33,543**
Creditors: Amounts falling due after one year	18	(104)		(141)	
Net assets excluding pension liability			**34,975**		**33,402**
Pension scheme liability			(2,879)		(1,560)
Net assets including pension liability			**32,096**		**31,842**
Funds of the academy:					
Restricted income funds					
. Fixed asset fund(s)	20		34,465		32,968
. General fund(s)	20		-		-
. Pension reserve	20		(2,879)		(1,560)
Total restricted funds			**31,586**		**31,408**
Unrestricted funds					
. General fund(s)	20		510		434
Total unrestricted funds			**510**		**434**
Total Funds			**32,096**		**31,842**

The financial statements on pages 45 to 76 were approved by the Board of Trustees and authorised for issue on 11 December 2019 and signed on their behalf by:

J Ash-Edwards
Chair

Cash flow statement for the year ended 31 August 2019

		2019 £000	2018 £000
Net cash (outflow) / inflow from operating activities	23	**(1,632)**	**(130)**
Returns on investments and servicing of finance	24	-	-
Capital expenditure & financial investment	25	**1,706**	**(35)**
Increase / (decrease) in cash in the year	26	**74**	**(165)**
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September		1,107	1,272
Net funds at 31 August		**1,181**	**1,107**

Notes to the Financial statements

1. Company information

Sussex Learning Trust is company limited by guarantee incorporated in England and Wales (company registration number 07705100). The principal activity is that of provision of primary and secondary school education. Its registered address is at Broad Street, Cuckfield, Haywards Heath, West Sussex, RH17 5DP

2. Accounting Policies

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

Basis of Preparation

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

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

Going Concern

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

When satisfying themselves that the trust remains a going concern, management and trustees consider the level of current reserves, future forecast levels of funding and expected spending. Given the known and potential future increases in salaries and pension contributions, assumptions have been made in preparing the forecasts regarding the future funding of these additional costs. In the commentary accompanying the budget strategies for 2019-2022 for each member academy and for the central trust, the uncertainty surrounding the implementation of the National Funding Formula (NFF) and the wider education funding environment, the assumptions over the cost base and the prospects for trust expansion were all considered.

Notes to the Financial statements (continued)

2. Accounting Policies (continued)

Going Concern (continued)

In October 2019, the DfE released NFF school-level allocations which show the minimum levels of funding to be provided in 2020/21 and 2021/22 which have now been reflected in the trust's budgets at a high level. This updated model presented to trustees in October 2019 shows that in comparison to the trust's July 2019 three year budget, the reserves position is more secure with reserves available to carry forward to 2022/23. This is on the basis that the current assumptions relating to the staff cost basis and inflation remain appropriate. Management and trustees are aware of the significance of such assumptions and update the reforecasts when new information becomes available.

Incoming Resources

All incoming resources are recognised when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted fund.

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

- **Donations**

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

- **Other income**

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

Notes to the Financial statements

2. Accounting Policies (continued)

- **Donated Services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with Academy Trust policies.

- **Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

These are costs incurred on the Academy Trust's educational operations.

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Trust's depreciation policy.

Notes to the Financial statements (continued)

2. Accounting Policies (continued)

Tangible Fixed Assets (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful lives, as follows:

Long leasehold buildings	125 years
Leasehold improvements	20 years
Fixtures, fittings and equipment	5 – 10 years
ICT equipment	4 years
Motor Vehicles	5 years

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

Leased Assets

Rentals under operating leases are charged on straight line basis over the lease term.

Stock

Catering stocks are valued at the lower of cost or net realisable value.

Taxation

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

Pensions Benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

Notes to the Financial statements

2. Accounting Policies (continued)

Pension Benefits (continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 30, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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 method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

It is the Academy Trust's policy to transfer any amounts in the Unrestricted Fund that have been spent on capitalised fixed assets to the Restricted Fixed Asset Fund. This policy has been formally approved, minuted and adopted by the Governing Body.

Notes to the Financial statements

2. Accounting Policies (continued)

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i) Pension scheme: 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 29, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

ii) Tangible fixed assets: the trustees annually assess both the residual value of these assets and the expected useful life of such assets based on experience

iii) Building valuations: The basis for valuing buildings transferred to the Trust on conversion is to use the most recent valuation provided by the Local Authority.

iv) Going concern: When satisfying themselves that the trust remains a going concern, management and trustees consider the level of current reserves, future forecast levels of funding and expected spending. Given the known and potential future increases in salaries and pension contributions, assumptions have been made in preparing the forecasts regarding the future funding of these additional costs. In the commentary accompanying the budget strategies for 2019-2022 for each member academy and for the central trust, the uncertainty surrounding the implementation of the National Funding Formula (NFF) and the wider education funding environment, the assumptions over the cost base and the prospects for trust expansion were all considered.

In October 2019, the DfE released NFF school-level allocations which show the minimum levels of funding to be provided in 2020/21 and 2021/22 which have now been reflected in the trust's budgets at a high level.

Notes to the Financial statements (continued)

Critical accounting estimates and areas of judgement

Going concern (continued)

This updated model presented to trustees in October 2019 shows that in comparison to the trust's July 2019 three year budget, the reserves position is more secure with reserves available to carry forward to 2022/23. This is on the basis that the current assumptions relating to the staff cost basis and inflation remain appropriate. Management and trustees are aware of the significance of such assumptions and update the reforecasts when new information becomes available.

3. General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2019 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2019.

4. Donations and capital grants

	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000	2018 Total £000
Balances on conversion	-	-	-	-
Capital grants	-	1,841	**1,841**	**45**
Donated fixed assets	-	-	-	**195**
Other Donations	377	170	**547**	**520**
	377	**2,011**	**2,388**	**760**

5. Other trading activities

	Unrestricted Funds £000	Restricted Funds £000	2019 Total £000	2018 Total £000
Hire of Facilities	150	-	**150**	**85**
	150	-	**150**	**85**

6. Investment income

	2019 Total	2018 Total
Bank interest	-	-

Notes to the Financial statements (continued)

7 Funding for Academy's educational operations

	Unrestricted Funds £000	Restricted Funds £000	Total 2019 £000	Total 2018 £000
DfE / ESFA revenue grants				
. General Annual Grant (GAG)	-	9,523	**9,523**	**8,931**
Start up grants	-	-	**-**	**-**
. Other DfE / ESFA grants	-	715	**715**	**598**
NCTL grants	-	-	**-**	**-**
	-	**10,238**	**10,238**	**9,529**
Other Government grants				
. Local authority grants	-	407	407	340
	-	**407**	**407**	**340**
Catering income	530	-	**530**	**511**
	530	**10,645**	**11,175**	**10,380**

8. Resources Expended

	Staff Costs 2019 £000	Premises 2019 £000	Non Pay Expenditure 2019 £000	Total 2019 £000	Total 2018 £000
Expenditure on raising funds	17	-	-	**17**	**52**
Academy's educational operations					
. Direct costs	7,837	334	1,322	**9,493**	**8,985**
. Allocated support costs	1,528	29	1,534	**3,091**	**3,056**
	9,382	**363**	**2,856**	**12,601**	**12,093**

Net Incoming/outgoing resources for the year include:	2019 £000	2018 £000
Operating leases	230	240
Fees payable to auditor – Statutory audit	15	15
– Other services	1	1
Profit/(loss) on disposal of fixed assets	-	-

Notes to the Financial statements (continued)

9 Charitable Activities

	2019 Total £000	2018 Total £000
Direct costs – educational operations	9,493	8,985
Support costs – educational operations	3,091	3,056
	12,584	12,041

	Unrestricted funds £000	Restricted funds £000	2019 Total £000	2018 Total £000
Analysis of support costs				
Support staff costs	-	1,460	**1,460**	**1,365**
Depreciation	-	29	**29**	**37**
Technology costs	-	98	**98**	**119**
Premises costs	-	613	**613**	**626**
Other support costs	509	276	**785**	**816**
Governance costs	-	106	**106**	**93**
	509	**2,582**	**3,091**	**3,056**

10. Staff costs

Staff costs during the period were:	Total 2019 £000	Total 2018 £000
Wages and salaries	7,374	6,989
Social security costs	659	629
Other pension costs	1,335	1,226
	9,368	**8,844**
Supply teacher costs	14	17
Other agency staff	-	16
Staff restructuring costs	-	56
	9,382	**8,933**

Included in staff restructuring costs is a non-contractual severance payment of £nil k (2018: £56k).
The cost in the current year relates to contractual pension contributions paid in respect of a premature retirement following a strategic decision in respect of leadership restructuring.

Notes to the Financial statements (continued)

10. Staff costs (continued)

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows:

	2019 No.	2018 No.
Charitable Activities		
Teachers	112	111
Administration and support	105	98
Management	15	14
	232	**223**

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

	2019 No.	2018 No.
£60,000 - £70,000	**2**	**2**
£70,001 - £80,000	**1**	**2**
£80,001 - £90,000	**3**	**2**
£110,001 - £120,000	**-**	**-**
£120,001 - £130,000	**1**	**1**

The 6 of the 7 above employees participated in the Teachers' Pension Scheme with the other employee participating in the LGPS.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £1,118,000 (2018: £937,000).

Notes to the Financial statements (continued)

11. Central Services provided by the Multi Academy Trust

The central services provided by the Multi Academy Trust (MAT) include educational support and challenge for the Head and leadership team, reviews of key educational strategies including standards, Academy development plan support & guidance, line management / performance management of Head teacher, governance support and guidance, whole trust projects, finance (including budget setting, monitoring & reporting and payroll services), HR, ICT strategy, contract procurement, operational consultancy, estates and facilities support.

The Partnership charge is calculated as a percentage of GAG (less FSM funding) with 3% for secondary and 5% for primary for converter academies who are rated as good or outstanding by OFSTED. Specific rates are agreed for sponsored academies as appropriate to their specific circumstances.

The Catering service charge for WPPA is based on the FSM and UIFSM funding received.

Academy	Partnership charge (£'000)	Catering charge (£'000)
Warden Park Secondary Academy	203	-
Warden Park Primary Academy	60	88
Northlands Wood Primary Academy	61	-

12. Related Party Transactions - Trustees' remuneration and expenses

No trustees have been paid remuneration or have received other benefits from an employment with the academy trust in the financial year 2018-19.

In the prior year, the CEO who served as a Trustee until 11/1/18 only received remuneration in respect of services they provided undertaking the role of CEO under their contract of employment .

For Financial Year 2017-18, J Morris (CEO and trustee): Remuneration (for full year not period as trustee) £120,001 - £130,000 Employer's pension contributions paid £15,000 - £20,000.

During the year ended 31 August 2019, no travel and subsistence expenses were paid directly or reimbursed to trustees. (2018: £635 to 2 trustees).

Related party transactions involving the trustees are set out in note 31.

Notes to the Financial statements (continued)

13. Directors' and Officers' Insurance

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £240 (2018: £240).

14. Tangible Fixed Assets

	Long leasehold land	Long leasehold building	Leasehold improve-ments	Furniture & equipment	Computer equipment	Motor vehicles	Assets under construction	Total
Cost	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
At 1 September 2018	14,942	16,315	2,704	1,591	344	51	-	35,947
Additions	-	-	-	41	60	10	24	135
Disposals	-	-	-	(2)	(14)	-	-	(16)
At 31 August 2019	**14,942**	**16,315**	**2,704**	**1,630**	**390**	**61**	**24**	**36,066**
Depreciation								
At 1 September 2018	-	670	581	1,433	275	51	-	3,010
Charge	-	131	136	64	30	2	-	363
Disposals	-	-	-	(2)	(14)	-	-	(16)
At 31 August 2019	-	**801**	**717**	**1,495**	**291**	**53**	-	**3,357**
NBV As at 31/08/2019	**14,942**	**15,514**	**1,987**	**135**	**99**	**8**	**24**	**32,709**
As at 1/09/2018	14,942	15,645	2,123	158	69	-	-	32,937

Notes to the Financial statements (continued)

15. Stock

	2019	2018
	£000	£000
Catering	5	6

Stock recognised in resources expended during the year as an expense was £400k (2018: £369k). The difference between purchase price and their replacement cost is not material.

16. Debtors

	2019	2018
	£000	£000
VAT recoverable	101	91
Other debtors	12	8
Prepayments & accrued income	1,916	204
	2,029	**303**

17. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	31	12
Other taxation and social security	158	158
Other creditors	305	308
Accruals and deferred income	351	332
	845	**810**

Included within other creditors is a loan of £29k (2018: £29k) from SALIX which is an interest free loan for energy efficiency improvements, £5k (2018: £5k) CIF Public works loan and £8k (2018: £8k) from WSCC for NWPA community room which pre-dates academy conversion.

Deferred income

	£000
Deferred income at 1 September 2018	(237)
Amounts released from previous years	237
Resources deferred in year	(209)
Deferred income at 31 August 2019	**(209)**

Deferred income relates to funding for UIFSM for 2019-20 and Pupil premium received in advance from the ESFA and SEN related funding and growth funding received in advance from West Sussex County Council.

Notes to the Financial statements (continued)

18. Creditors: amounts falling due in over one year	2019	2018
	£000	£000
Other creditors	104	141
	104	**141**

19. Creditors: amounts falling due in over 5 years	2019	2018
	£000	£000
Other creditors	24	39
	24	**39**

The balances above relates to a loan from SALIX which is an interest free loan for energy efficiency improvements.

20. Funds

Restricted Fixed Asset Funds
Represents the value of fixed asset held by the academy trust, with the exception of funds either of an inherently capital nature, or allocated by the governing body for future capital spend, that remain unspent at the year end.

The difference of £1,757,000 between the fixed asset fund and the value of tangible fixed assets represents unspent CIF funding and an unspent capital donation.

Transfers
These relate to monies spent from unrestricted funds to purchase capitalised assets in during the year and from unrestricted funds to GAG to support and enhance the quality of the education provided by the trust beyond that facilitated by core GAG funding.

Notes to the Financial statements (continued)

20. Funds

	Balance at 31-Aug-18 £000	Incoming Resources £000	Resources Expended £000	Gains, losses & transfers £000	Balance at 31-Aug-19 £000
Restricted general funds					
General Annual Grant (GAG)	-	9,523	(9,977)	454	-
Start up Grant	-	-	-	-	-
Other DfE/ ESFA grants	-	715	(715)	-	-
Other voluntary income (restricted)	-	577	(577)	-	-
Pension reserve	(1,560)	-	(461)	(858)	(2,879)
	(1,560)	**10,815**	**(11,730)**	**(404)**	**(2,879)**
Restricted fixed asset funds					
Fixed assets donated on conversion	28,408	-	(363)	-	28,045
Fixed asset additions	346	-	-	-	346
DfE/ESFA capital grants	3,946	1,841	-	-	5,787
Capital expenditure from GAG / unrestricted funds	268	-	-	19	287
	32,968	**1,841**	**(363)**	**19**	**34,465**
Total restricted funds	**31,408**	**12,656**	**(12,093)**	**(385)**	**31,586**
Unrestricted funds					
Unrestricted funds	434	1,057	(508)	(473)	510
Total unrestricted funds	**434**	**1,057**	**(508)**	**(473)**	**510**
Total funds	**31,842**	**13,713**	**(12,601)**	**(858)**	**32,096**

Notes to the Financial statements (continued)

20. Funds (continued)

	Balance at 31-Aug-17 £000	Incoming Resources £000	Resources Expended £000	Gains, losses & transfers £000	Balance at 31-Aug-18 £000
Restricted general funds					
General Annual Grant (GAG)	(12)	8,931	(9,668)	749	-
Start up Grant	-	-	-	-	-
Other DfE/ ESFA grants	-	598	(598)	-	-
Other voluntary income (restricted)	(33)	479	(479)	33	-
Pension reserve	(2,000)	-	(460)	900	(1,560)
	(2,045)	**10,008**	**(11,205)**	**1,682**	**(1,560)**
Restricted fixed asset funds					
Fixed assets donated on conversion	28,789	-	(381)	-	28,408
Fixed asset additions	313	-	-	33	346
DfE/ESFA capital grants	3,706	240	-	-	3,946
Capital expenditure from GAG / unrestricted funds	268	-	-	-	268
	33,076	**240**	**(381)**	**33**	**32,968**
Total restricted funds	**31,031**	**10,248**	**(11,586)**	**1,715**	**31,408**
Unrestricted funds					
Unrestricted funds	780	977	(508)	(815)	434
Total unrestricted funds	**780**	**977**	**(508)**	**(815)**	**434**
Total funds	**31,811**	**11,225**	**(12,094)**	**900**	**31,842**

Notes to the Financial statements (continued)

20. Funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2019 were allocated as follows:

	Total
	£000
Warden Park Secondary Academy	547
Warden Park Primary Academy	101
Northlands Wood Primary Academy	(7)
Central Trust	(131)
Total before fixed assets and pension reserve	**510**
Restricted fixed asset fund	34,465
Pension reserve	(2,879)
Total	**32,096**

NWPA has negative reserves as a result of the lagged funding received from the ESFA at a time of rapid increase in pupil numbers resulting from an increase in planned admission numbers and demographic factors, trust support for improvement initiatives and due to the recognition of a loan (on conversion) from the local authority to build a community room. The remaining balance of this loan is £8k.

Notes to the Financial statements (continued)

20. Funds (continued)

	Teaching & Educational support staff costs	Other support staff costs	Educational supplies	Other costs (excluding depreciation)	Total
	£000	£000	£000	£000	£000
Warden Park Secondary Academy	5,212	921	228	1,519	**7,880**
Warden Park Primary Academy	1,372	130	43	252	**1,797**
Northlands Wood Primary Academy	1,104	109	29	336	**1,578**
Central Trust	166	368	-	449	**983**
Academy Trust	**7,854**	**1,528**	**300**	**2,556**	**12,238**

20. Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted general funds	Restricted general funds	Restricted fixed asset funds	Total funds 2019
	£000	£000	£000	£000
Tangible fixed assets	-	-	32,709	**32,709**
Current assets	510	949	1,756	**3,215**
Current liabilities	-	(845)	-	**(845)**
Non-current liabilities	-	(104)	-	**(104)**
Pension scheme liability	-	(2,879)	-	**(2,879)**
Total net assets	**510**	**(2,879)**	**34,465**	**32,096**

Notes to the Financial statements (continued)

20. Analysis of net assets between funds (continued)

Fund balances at 31 August 2018 are represented by:

	Unrestricted general funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds 2018 £000
Tangible fixed assets	-	-	32,937	**32,937**
Current assets	434	951	31	**1,416**
Current liabilities	-	(810)	-	**(810)**
Non-current liabilities	-	(141)	-	**(141)**
Pension scheme liability	-	(1,560)	-	**(1,560)**
Total net assets	**434**	**(1,560)**	**32,968**	**31,842**

21 Capital commitments

	2019 £000	2018 £000
Contracted for, but not provided in the financial statements	-	-

22 Financial commitments

Operating leases

The charitable company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2019 £000	2018 £000
Due not later than one year	261	210
Due between 1 and 5 years	338	383
Due more than 5 years	-	-
	599	593

Notes to the Financial statements (continued)

23	Reconciliation of net income to net cash inflow from operating activities	2019 £000	2018 £000
	Net income / (expenditure)	1,112	(868)
	Depreciation (note 14)	363	381
	Capital grants from the ESFA	(1,841)	(45)
	Donated assets from Local Authority	-	(195)
	(Increase)/decrease in stock	1	-
	(Increase)/decrease in debtors	(1,726)	35
	(Decrease)/increase in creditors	(2)	102
	FRS 102 Pension cost	412	406
	FRS 102 Pension interest cost	49	54
	Net cash inflow from operating activities	**(1,632)**	**(130)**

24	Returns on investments and servicing of finance	2019 £000	2018 £000
	Interest received	-	-
	Net cash inflow from returns on investment and servicing of finance	-	-

25	Capital expenditure and financial investment	2019 £000	2018 £000
	Purchase of tangible fixed assets	(135)	(80)
	Capital grants from DfE/ESFA/ LA	1,841	45
	Net cash outflow from capital expenditure and financial investment	**1,706**	**(35)**

Notes to the Financial statements (continued)

26 Analysis of changes in net funds

	At 1 September 2019 £000	Cash flows £000	At 31 August 2018 £000
Cash in hand and at bank	1,107	74	1,181
	1,107	**74**	**1,181**

27 Financial instruments

	2019 £000	2018 £000
Financial assets measured at amortised cost	**1,192**	**1,115**
Financial liabilities measured at amortised cost	**581**	**415**

Financial assets measured at amortised cost comprise cash at bank, trade debtors and other debtors.

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

28 Contingent Liabilities

Sussex Learning Trust Limited had no contingent liabilities as at 31 August 2019 (2018: nil).

29 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 (continued)

30 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £158,000 (2018 £149,000) were payable to the schemes at 31 August 2019 and are included in creditors.

Teachers' Pension Scheme

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The pension costs paid to TPS in the period amounted to £811,000 (2018: £835,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £590,000 (2018:£564,000) of which employer's contributions totalled £462,000 (2018: £447,000) and employees' contributions totalled £128,000 (2018: £117,000). The agreed contribution rates for future years are 22.8% for employers and between 5.5% and 12.5% for employees.

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

Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3%	3.1%
Rate of increase for pensions	2.3%	2.4%
Discount rate	1.8%	2.8%
Commutation of pensions to lump sums	50% - 75%	50% - 75%

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	**21.8**	**23.6**
Females	**23.6**	**25.0**
Retiring in 20 years		
Males	**23.0**	**26.0**
Females	**25.5**	**27.8**

Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

	Fair value at 31 August 2019 £000	Fair value at 31 August 2018 £000
Equities	3,762	3,469
Bonds	2,784	2,249
Property	602	514
Cash	376	193
	7,524	6,425

Total market value of assets

The actual return on the scheme assets was £187,000 (2018: £145,000).

The expected rates of return are set equal to the discount rate.

Total expenditure recognised in the Statement of Financial Activities

	2018 £000	2018 £000
Current service cost (net of employee contributions)	**789**	853
Past service cost	**85**	-
Total operating charge	**874**	853

Notes to the Financial statements (continued)

30 Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2019 £000	2018 £000
At 1 September	7,985	7,528
Transfer on conversion	-	-
Current service cost	789	853
Interest cost	236	199
Employee contributions	128	117
Actuarial (gains) / losses	1,236	(657)
Benefits paid	(56)	(55)
Past service costs including curtailments	85	-
At 31 August	**10,403**	**7,985**

	2019 £000	2018 £000
Opening fair value of fair value of employer assets	6,425	5,528
Transfer on conversion	-	-
Interest income	187	145
Return on plan assets	378	243
Actuarial gains / (losses)	-	-
Employer contributions	462	447
Employee contributions	128	117
Benefits paid	(56)	(55)
At 31 August	**7,524**	**6,425**

31 Related Party Transactions

Owing to the nature of the Academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of trustees may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures. There are no related party transactions in the year (2018: nil).