

Company Registration Number: 07827368 (England & Wales)

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

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



CENTRAL LEARNING PARTNERSHIP TRUST
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**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2019**

Members

Melvyn Pope
Joan Pilsbury
Robert Turton
Phil Marshall
Andrew Morris

Directors

Helen Child (resigned 28 March 2019)
Michael Hardacre (resigned 31 December 2018)
Timothy Manson (resigned 10 March 2019)
Philip Marshall
James Nichols (resigned 11 January 2019, re-appointed 15 May 2019)
Graham Parker
Douglas Selkirk, Chief Executive and Accounting Officer (resigned 31 December 2018)
Robert Turton, Chairman
Sofia Zamir (appointed 15 May 2019)

Company registered number

07827368

Company name

Central Learning Partnership Trust

Principal and registered office

Heath Park High School
Prestwood Road
Wolverhampton
West Midlands
WV11 1RD

Company secretary

Karen Newey (resigned 30 June 2019)
Philip Williams (appointed 01 July 2019)

Chief executive officer

Douglas Selkirk

Senior management team

Douglas Selkirk, Chief Executive Officer (CEO)
Georgetta Holloway, Executive Head (Wolverhampton Secondary)
Ann Brown, Executive Head (Wolverhampton SEN)
Richard Young, Executive Head (Rotherham Primary)
Helen Vernon, Executive Head (Wolverhampton Primary)
Karen Newey, Chief Operations Officer (COO)
Philip Williams, Chief Finance Officer (CFO)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS DIRECTORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019

Independent auditor

Crowe U.K. LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Bankers

Lloyds Bank Plc
Queen Square
Wolverhampton
WV1 1RF

Solicitors

Browne Jacobson LLP
Victoria Square House
Victoria Square
Birmingham
B2 4BU

CENTRAL LEARNING PARTNERSHIP TRUST
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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Directors present their annual report together with the financial statements and auditor's report of Central Learning Partnership Trust (the Trust) for the year ended 31 August 2019. The Directors confirm that the Annual report and financial statements of the Trust comply with the current statutory requirements, the requirements of the Trust's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

There are presently eleven academies in the Trust. In Wolverhampton there is: Heath Park, a converter secondary academy, opened on 1 December 2011; Moseley Park, a sponsored secondary academy, which joined the Trust on 1 June 2012; Woden Primary, a sponsored primary academy which joined the Trust on 1 April 2013, Wolverhampton Vocational Training Centre (WVTC), a Post 16 SEN free school opened on 1 September 2015; Westcroft School, a converter SEN academy which joined the Trust on 1 December 2015; Broadmeadow Special School, a converter SEN academy which joined the Trust on 1 December 2016; D'Eyncourt Primary School, a converter primary academy which joined the Trust on 1 February 2018; and Coppice Performing Arts School, a sponsored secondary academy, which joined the Trust on 1 June 2018. In Rotherham there is: Coleridge Primary, a sponsored primary academy which joined the Trust on 1 April 2013; East Dene Primary, a sponsored primary academy which joined the Trust on 1 April 2013; and Eastwood Village Primary, a basic need primary academy which opened on 1 September 2015. The Trust's academies have a combined pupil capacity of 5,283 and had a roll of 4,880 in the October 2018 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

Central Learning Partnership Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Trust. The Charitable Company was incorporated on 28 October 2011.

The Board of Directors (the Directors) act as the directors for the charitable activities of Central Learning Partnership Trust and are also the directors of the Charitable Company for the purposes of Company law. The Charitable Company is known as Central Learning Partnership Trust.

Details of the Directors who served Central Learning Partnership Trust throughout 2018/19 are included in the Reference and Administrative Details on page 1.

MEMBERS' LIABILITY

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

DIRECTORS' INDEMNITIES

During the year, an indemnity from the Charitable Company was available to the Directors to insure against liabilities that might be incurred by them in defending proceedings against them in respect of the affairs of the Trust. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association. Cover is provided through the Risk Protection Arrangement.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS

The number of Directors shall not be less than three but shall not be subject to any maximum. The Trust shall have up to three Directors appointed by the Members. Appointed Directors may themselves appoint Co-opted Directors. During the year it was agreed that all directors would be non-employees of the Trust. The CEO resigned as a director during the year.

The term of office for any director is 4 years.

The Board of Directors who were in office on 31 August 2019 and served for all or part of the year are listed on Page 1.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS

The Academies procure Governor Support services provided from either the Local Authority in which individual academies are sited, or independent companies. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

ORGANISATIONAL STRUCTURE

The Trust has defined the responsibilities of each group or person involved in the administration of each academy's finances and accountability framework, to avoid the duplication or omission of functions and to provide a framework of accountability for governors and staff. The reporting structure is illustrated below:

Board of Directors

The board of directors has overall authority for all financial matters relating to the charitable trust and are responsible for ensuring that each academy conforms to the requirements of the DfE, the ESFA, the charity commission and other regulatory bodies. The Trust Board delegates some of its financial oversight in relation to the individual academies within the Trust to the Local Governing Body of each academy or Hub. Each Local Governing Body is a sub-committee of the Trust Board and includes representation from the Directors.

The Finance, Personnel, Audit and Risk Committee

The Finance, Personnel, Audit and Risk Committee is a sub committee of the board of directors. The Committee aims to meet at least once per term but more frequent meetings can be arranged if necessary. The main responsibilities of the Committee are detailed in the committee's terms of reference which have been approved and adopted by the board of directors.

The Pay and Remuneration Policy Committee

The Pay and Remuneration Policy Committee is a sub committee of the board of directors. The Committee aims to meet at least once per term but more frequent meetings can be arranged if necessary. The main responsibilities of the Committee are detailed in the committee's terms of reference which have been approved and adopted by the board of directors.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

Local Governing Body

The Local Governing Body is a sub-committee of the board of directors. Westcroft School and Wolverhampton Vocational Training Centre have one Executive Local Governing Body. The three primary schools in Rotherham have one Executive Local Governing Body. Heath Park and Moseley Park have one Executive Local Governing Body. All other academies within the Trust have a Local Governing Body. Each Body has delegated responsibility from the board of directors for the administration of specific academy finances. The responsibilities delegated are detailed in the scheme of delegation approved by the Directors; this scheme of delegation is reviewed annually and published on the Trust's website.

The board of directors have the power to dissolve a Local Governing Body if a school enters an Ofsted category or malpractice is evident. The board of directors, in these circumstances, will appoint an Interim Governing Body. It will be the decision of the board of directors what constitutes a reason for such an appointment.

Chief Executive Officer (CEO)

The CEO holds the title of accounting officer for the group of academies and the charitable Trust however he delegates some of his financial responsibilities to the Chief Finance Officer (CFO), for the group as a whole, and to the Executive Headteacher and/or the Headteacher at each academy; in so much that they become the Local "Accounting Officer" for that establishment.

Chief Finance Officer (CFO) and Business Managers

The CFO has delegated responsibilities from the board of directors and CEO for the group finance as a whole. For each Academy, a Business Manager works in close collaboration with the CFO and the Headteacher and has a responsibility to the Local Governing Body for the finances of each academy.

The Executive Head and Headteacher of each Academy

The Executive Headteacher and/or Headteacher has delegated powers in accordance with the scheme of delegation agreed by the board of directors and reviewed on an annual basis. The Executive Headteacher and/or Headteacher works in close collaboration with the CEO and CFO. Much of the group financial responsibility has been delegated to the CFO but the Executive Headteacher and/or Headteacher still retains local responsibility for the running of the establishment.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Pay and Remuneration Policy Committee was established to consider the pay of key management personnel and to make recommendations to Trust Board with ultimate authorisation being enacted at Trust level. The Pay and Remuneration Policy Committee considers the pay of the CEO, the Executive Heads, CFO and COO on an annual basis, and agree any uplift taking into account market conditions.

During the year HR consultants were commissioned to review and benchmark the criteria used by Directors in setting the remuneration of the CEO.

The levels of pay for other key management personnel are based upon nationally accepted levels of pay within the education and public sectors with the establishment of pay protocols and extended pay scales. The use of these protocols and scales will be reviewed annually at Board level.

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DIRECTORS' REPORT (continued)
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TRADE UNION FACILITY TIME

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	1.32
Percentage of time spent on facility time	Number of employees
0%	-
1%-50%	-
51%-99%	2
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	54,808.49
Total pay bill	22,696,972.89
Percentage of total pay bill spent on facility time	0.24%
Paid Trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	73.45%

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

All academies continue to work collaboratively with other schools in their Local Authorities and participate fully in Local Authority organised events. Additionally, Heath Park and Broadmeadow are Lead schools in ConnectED Teaching School Alliance.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The overarching aims and objectives of the Trust and in turn the individual academies therein are set out in the Company's Articles of Association. Our overriding principle is to ensure that each individual setting works collaboratively with partner academies, either formally or informally, to be the best they possibly can and to optimise the opportunities for success. To provide support and challenge in equal measure and to produce self-reliant, resilient learners, capable of making their way in a rapidly changing world.

All Trust academies have adopted the following principles as applicable to their individual Local Authority:

1. The Academy agrees to sign up to the Local Authority strategy for Inclusion.
2. The Academy will follow both the national code for Admissions and comply with Local Authority coordinated admission arrangements.
3. Academy sponsors and trust must be fully engaged with the Council and its policies and principles.
4. The Academy will be committed to and fully involved in the Local Authority educational vision and to playing a full part in the further development of school improvement partnerships.
5. The Academy will be committed to driving up standards, improving achievement and progression across all key stages for all children and using its capacity to support other schools.
6. The Academy will be fully engaged with the Local Authority Every Child Matters Agenda, especially working in partnership with the integrated locality based teams.
7. The Academy will agree to collaborate with the Local Authority and local schools on the operation of specialism; sharing its resources with others schools especially in the context of providing pathways for 14-19 students through the operation of consortia arrangements.
8. The Academy will commit to ensuring all staff benefit from the same terms and conditions they already enjoy in addition to further opportunities arising from innovative staffing structures.

The success of the Trust can be defined by a set of core aims:

1. All schools within the collaboration will be adding value to the results of their students.
2. All schools will be capable of an outstanding judgement from OFSTED when next inspected after September 2019 (or within 3 years of joining the Trust).
3. Trust schools would be oversubscribed or on a significant upward trend.
4. The schools would work closely together within the Trust, creating a sustainable model of education for the all students who attend them. This will be as a result of sharing ideas that work, co development, support provision, utilising teachers, leaders and support staff for the benefit of all partnership schools.
5. An inclusive culture will be the norm in each school, with permanent exclusions rare and every student leaving their school with a plan for the next stage of their career.
6. The Professional Development Programme will produce high quality, committed professionals and future leaders for Trust schools as well as schools beyond.
7. Trust schools will be recognised nationally as organisations of high quality, producing outstanding results within a culture of innovation and achievement.
8. All schools within the Trust will continually develop their own unique characteristics and ethos re-enforcing their individual identities within their respective communities.
9. The Trust will build upon the diversity of its schools in order to broaden the experience of its students and communities and challenge discrimination and prejudice in all its forms.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

OBJECTIVES, STRATEGIES AND ACTIVITIES

As a Trust our main priority is to raise the attainment of young people. A significant number of pupils, of both primary and secondary age, are attending schools judged other than 'good' or 'outstanding', which does not represent an "equalising of opportunity". We believe that school outcomes can improve incrementally, continually building on the improvements of the previous year.

We aim to ensure that each academy within the Trust:

- Adds value to the results of their students.
- Is capable of outstanding judgements from OFSTED within 3 years of becoming an academy partner within the Trust.
- Is oversubscribed or on a significant upward trend.
- Works closely with other Trust academies to create a sustainable model of education for all students.
- Fosters an inclusive culture where permanent exclusions are rare and every student leaving the school has a plan for the next stage of their learning/career.
- Is recognised nationally as organisations of high quality, producing outstanding results within a culture of innovation and achievement.
- Continues to develop their own unique characteristics and ethos; maintaining individual identities within their respective communities.
- Produces high quality committed professionals and future leaders for Trust academies, through our Teaching School Alliance Professional Development Programme.

PUBLIC BENEFIT

In setting objectives and planning the Trust's activities, the Directors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

All schools in the Trust produce annual School Improvement Plans which are agreed by either the Local Governing Body or, where applicable, the Local Executive Governing Body. The CEO is involved in the process for all academies both as a governor and a Line Manager. Plans are uniformly presented using Ofsted framework headings with objective targets included where appropriate. Attainment, progress and attendance targets are agreed by governors and are used in the Performance Management process of the headteacher.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Our core business is to support our pupils and students to fulfil their potential in order to best prepare them for their future lives. Validated results are not yet available, as many schools are appealing results for individual students and this can be quite a long, drawn-out process. Subsequently the key headline measure, Progress 8, which compares the added value a school achieves is, at this point, an estimate based on the available data, which will change as re-marks impact. If the experience of previous years is repeated, the change to this figure will be minimal, in the region of 0.01.

The unvalidated data for all secondary schools has been published and shows all three schools achieving a positive Progress 8 score. For Coppice, this is a first! As such it represents a measure of the impact we, the Trust, have been able to make in a very short period of time. This is primarily the result of the willingness of Coppice staff to positively engage with colleagues from our two other secondary settings. I am confident that the year's outcomes are but the start of the schools's journey of continuous improvement.

The outcomes for Heath Park and Moseley Park will both be graded as "well above national", as both are in advance of 0.5. This in real terms means that students at these two schools make collectively, a minimum of half a grade more progress across their subjects, than that made by their statistical, prior-attainment counterparts. It also places both schools on the top 15% nationally.

Unvalidated comparative data for primary schools is yet to be published but the outcomes for our five schools in this phase, are generally positive with a marked improvement at Coleridge Primary in Rotherham. The results for East Dene at KS2 are not where they have been in previous years and is a reflection of some specific staffing difficulties they endured last year. This has now been addressed and our expectation is that this will be reflected in an improvement in their KS2 results next year.

Westcroft School was the only setting within the Trust to be in receipt of an Ofsted inspection visit last year. The one day visit early in the Autumn Term resulted in the school retaining its Good overall judgement.

Coppice had an Ofsted "no formal designation inspection" in December 2018, which was prompted by some historical concerns prior to academy conversion. The outcome was extremely positive and praised the work of the Trust and its impact in the short time that it had been in situ.

The end of the academic year saw a change in senior leadership at Coppice with the resignations of Mr McLean and Miss Bains. Mrs Gilber, who had been seconded to the school to support leadership development, was appointed as interim Head of School for the forthcoming academic year with Mrs Holloway remaining as Executive Headteacher.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

KEY PERFORMANCE INDICATORS

The Trust's key financial performance indicators for the year were:

- A year-end combined balance of Restricted and Unrestricted Funds (excluding pension deficit) equivalent to at least 10% of total annual incoming resources (excluding Fixed Assets)
- Maintenance of immediately available cash balances equivalent to at least three month's expended resources (excluding Fixed Assets)
- Maintenance of a Solvency Ratio (Current Assets to Current Liabilities) of at least 2:1

The Trust use a number of performance indicators to monitor its performance. These include, but are not restricted to, Ofsted outcomes where available, and exam results in comparison to the National average.

GOING CONCERN

After consideration of the Trust's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Directors have a reasonable expectation that the Trust has and will continue to have adequate resources to enable it to be a sustainable going concern in 2019/20 and for the foreseeable future. For this reason, the Trust continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FINANCIAL REVIEW

Principal Funding

The Trust received income into its Unrestricted Fund, Restricted Funds and Fixed Asset Fund during 2018/19:

Restricted Fund

The majority of the Trust's income was received through Education and Skills Funding Agency (ESFA) recurrent revenue grants into the Restricted Fund, the use of which is restricted to the Trust's charitable activities and its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. Restricted Fund income for the year was £30,929,322 (2018: £24,025,673), expenditure against the fund was £31,416,685 (2018: £26,506,442), giving an in year deficit (before transfers) on restricted revenue of £487,363 (2018: £2,480,769) after the pension actuarial service cost of £1,430,000.

Unrestricted Funds

Income received into the Unrestricted Fund was £1,288,033 (2018: £1,278,894). Expenditure against the fund was £987,903 (2018: £770,785) for the year, giving an Unrestricted Fund in year carry forward of £300,130 before transfers (2018: £508,109).

Restricted Fixed Asset (Capital) Fund

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Trust's depreciation policy.

The SOFA details a £69,848,488 (2018: £69,001,136) Restricted Fixed Asset Fund year end surplus after transfers between funds. This is detailed in note 17 to the accounts.

Summary of Financial Performance

Total fund balance as at 31st August 2019 was £64,071,001 (2018: £68,445,141) comprised of £3,894,335 (2018: £3,717,705), £(9,671,822) (2018: £(4,273,700)) and £69,848,488 (2018: £69,001,136) in Unrestricted, Restricted and Restricted Fixed Asset Funds respectively with the Restricted Pension Reserve deficit included in Restricted General Funds.

Balance Sheet

The Trust's assets are predominantly used for providing education to school students. Some assets were used by the local community, predominantly for sports, as part of the school's sports focus and strategic aims to promote health, pathways into the community and work, and community cohesion.

The net book value of the Trust's tangible fixed assets was £69,112,524 (2018: £68,546,013) as at 31st August 2019. The movement in this account is detailed in note 13.

Cash in hand at 31st August 2019 is £5,808,931 (2018: £5,154,886) and short term investments is £9,065,401 (2018: £9,198,606).

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

RESERVES POLICY

The Board of Directors reviews the Trust's Reserve Policy annually. The Board of Directors have determined that the appropriate level of free reserves should be the equivalent to three month's payroll and operational costs approximately £7,750,000.

The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In addition, future year's capital maintenance and development projects are considered in the reserves policy review.

The Trust also retains funds in reserve to support the growth and development plans of its schools.

The Trust's free reserves as at 31st August 2019 were £11,237,513 (before taking into account the deficit on the local government pension scheme) which comprises a mixture of restricted and unrestricted reserves as can be seen in note 17 to the financial statements.

Moseley Park are still in the construction stage of a dining block for their school. Total build costs at the year end were £1,080,420 with the anticipated final construction cost being £2,325,530, an amount being held within reserves.

Parliament has agreed, at the request of the Secretary of State of Education, to a guarantee that, in the event of Trust closure, outstanding local government pension scheme liabilities would be met by the Department of Education. The guarantee came into force on 18 July 2013.

INVESTMENT POLICY AND PERFORMANCE

Investment vehicles are approved by the Board of Directors with the support of expert advice as necessary. It was negotiated that cash flow funds would attract an interest rate that normally monies would need to be invested for a period of time to achieve. This was for a twelve month period. This is a low risk short term investment.

The Trust does not have any endowment funds.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors has a comprehensive risk management process to identify and monitor the risks faced by the Trust. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behavior, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The objective of the Trust's Risk Management procedure is to identify the principal risks facing the Trust so that existing controls may be considered and further action taken if required, including external insurance.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

RISK MANAGEMENT

The Board of Directors have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, (including school trips and the school's minibus), behavior management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Trust has an effective system of internal financial control as explained in the Governance Statement. The principal risks currently facing the Trust, and the strategies taken to manage these risks, are:

- **Health & Safety** – there is a risk of non-compliance with relevant Health & Safety legislation caused by the lack of appropriately trained staff, inappropriate policies and procedures, or the lack of appropriate and timely risk assessments. To manage this risk, the Trust have produced a checklist of Health & Safety checks to be completed by the site staff at each academy. These checks are monitored by the Trust's Site Manager who reports compliance to the Operations Director. For the PFI academies within the Trust, these checks are performed by the relevant facilities management companies who report back to the Trust via the Operations Director. All Health & Safety concerns are reported back to the Board of directors.
- **Safeguarding** – There is a risk that the Trust does not implement appropriate Safeguarding legislation due to a lack of planning, knowledge and training. In addition, there is a risk that failure to establish monitoring arrangements could result in an adverse OFSTED inspection or intervention by the Police which could lead to legal proceedings. To manage these risks, the Board of directors have nominated a Safeguarding Champion from Key Management who links with designated safeguarding leads in each academy to offer training and advice on policy and practice. The Safeguarding Champion is a member of Wolverhampton's Safeguarding board. There is a nominated Safeguarding Director as well as Safeguarding Governors at each academy who provide challenge to the safeguarding leads. A programme of external audits has been undertaken to review the safeguarding processes in place at academies within the Trust. A termly Safeguarding report is given to the Board of directors by the Safeguarding Champion.
- **Educational Outcomes** – The Board of directors recognise that there is a risk that the academies within the trust may not be able to demonstrate that they are providing education which meets the requirements of students resulting in an adverse OFSTED inspection, and/or failure to deliver performance targets. To manage this risk each academy has an Improvement Plan which is reviewed on a termly basis by the CEO and lead headteacher. Outcomes are continually monitored to ensure that no academy falls below Floor Standard. Educational outcomes are reviewed by each Local Governing board and are reported back to Directors at each Board of directors meeting by the CEO.
- **Loss of Senior Management** – the Trust recognise that there is a risk due to the potential loss of capability, expertise and experience should a member of senior management leave the trust. To manage this risk a "growing our own" strategy has been implemented within the Trust which allows identified staff to develop over a period of time to become future leaders. In addition, the Hub nature of the Trusts structure, allows succession planning to be implemented across academies more easily.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FUNDRAISING

Fundraising activities of the Trust are restricted to in-school activities such as summer fetes and dress down days, and are not bound by any voluntary scheme. These activities do not involve either professional fund-raisers or commercial participants.

Participants in the fund raising activities of the school are staff, pupils and parents and these activities do not involve the general public. All participants in the activities do so on a voluntary basis and are not subject to intrusive, persistent or undue pressure from the schools.

The Trust have received no complaints during the year regarding any of its fundraising activities. Fundraising income for the year was £27,160 (2018: £7,975).

PLANS FOR FUTURE PERIODS

SCHOOL IMPROVEMENT PLAN PRIORITIES

The Trust strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Trust believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Trust strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra curricular activities.

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DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2019

FUNDS HELD AS CUSTODIAN DIRECTOR ON BEHALF OF OTHERS

Neither the Trust nor the Board of Directors are acting as third party custodians of funds except for those disclosed within note 16 to the financial statements.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The Trust carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

The Trust has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the Trust's Equal opportunities policy, the Trust has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Trust's offices.

DISCLOSURE OF INFORMATION TO AUDITOR

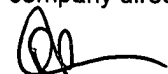
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the charitable company's auditor in connection with preparing its report and to establish that the charitable company's auditor is aware of that information.

AUDITOR

The auditor, Crowe U.K. LLP, has indicated its willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditor at a meeting of the Directors.

The Directors' report, incorporating a strategic report, was approved by order of the board of directors, as the company directors, on 2 December 2019 and signed on its behalf by:



Mr R Turton
Chair

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As directors, we acknowledge we have overall responsibility for ensuring that Central Learning Partnership 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 directors has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Central Learning Partnership Trust and the Secretary of State for Education. They are also responsible for reporting to the board of directors any material weaknesses or breakdowns in internal control.

GOVERNANCE

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

Director	Meetings attended	Out of a possible
Helen Child (resigned 28 March 2019)	4	4
Michael Hardacre (resigned 31 December 2018)	2	2
Timothy Manson (resigned 10 March 2019)	4	4
Philip Marshall	2	6
James Nichols (resigned 11 January 2019, reappointed 15 May 2019)	2	5
Graham Parker	6	6
Douglas Selkirk, Chief Executive and Accounting Officer (resigned as a director 31 December 2019)	2	2
Robert Turton, Chairman	6	6
Sofia Zamir (appointed 15 May 2019)	2	2

After due consideration, the directors agreed that the board would be composed of non-employees only. The CEO therefore resigned as a director on the 31 December 2018 but continues to attend all board meetings. Three further directors resigned during the year; Michael Hardacre (31/12/2018), Timothy Manson (10/03/2019) and Helen Child (28/03/2019). Due to logistical circumstances, James Nichols resigned as a director during the year (11/01/2019) but was reappointed (15/05/2019) following a change to those circumstances. A further director, Sofia Zamir, was recruited during the year to further strengthen the composition of the board.

A principle aim of the board is to ensure that all academies in the trust become more effective through the improvement in outcomes for students. There has been continued progress in this during the year with all academies who have had Ofsted inspections since joining the Trust, being judged to be good or better.

At each meeting the board of directors receives an update from the CEO upon the progress of each school, upon potential new developments, and upon regulatory changes that could affect the Trust. The directors also review the strategic direction of the Trust as part of this process.

The directors also review safeguarding and health and safety issues at each meeting.

The directors also receive and review financial information about performance and budget setting on a regular basis and are also responsible for reviewing and agreeing amendments to protocols and standing orders.

The CEO, COO and CFO provide timely, comprehensive and accessible information to the board of directors in order that they can carry out the above functions.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

Governance reviews:

In addition, each year the board of directors considers the training needs of the board to ensure appropriate expertise is maintained at board Level.

The board of directors continue to undertake a full self-evaluation review every 12 months.

The Finance, Personnel, Audit and Risk Committee is a sub-committee of the main board of directors. It is responsible for matters relating to finance, staffing and the site (to include Health and Safety).

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Michael Hardacre	1	1
Timothy Manson	1	1
Graham Parker	2	2

The Pay and Remuneration Policy Committee is a sub-committee of the main board of directors. It is responsible for considering the pay policies of key management personnel.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Tim Manson	1	1
Phil Marshall	1	1
Graham Parker	1	1

REVIEW OF VALUE FOR MONEY

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

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

- A continued review and renegotiation of IT licences across the Trust;
- A continued review and renegotiation of energy supplies across the Trust;
- Ensuring appropriate tender processes are followed for capital projects and;
- Close monitoring of building work under the PFI contracts.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

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

CAPACITY TO HANDLE RISK

The board of directors has reviewed the key risks to which the trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the trust's significant risks, that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of directors.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of directors has considered the need for a specific internal audit function and has decided to appoint Smith Cooper Limited as internal auditor.

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

- A review of the Financial Systems including the internal payroll function.

The auditor reports to the board of directors through the Finance, Personnel, Audit and Risk Committee, on the operation of the systems of control and on the discharge of the board of directors' financial responsibilities.

In addition, the board of directors has considered areas of risk other than finance and have commissioned the following work during the year:

- To appoint Browne Jacobson Solicitors to review the governance structure of the Trust,
- To appoint Concept Education Services Limited to perform a Statutory Testing and Compliance Audit across the Trust estate.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

All schools within the Trust are included within the schedule of works which has been delivered as planned. There were no material control issues arising from the work performed during the year.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the board of directors on 2 December 2019 and signed on their behalf, by:



Mr R Turton
Chair

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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

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



Mr D Selkirk
Accounting Officer

2 DECEMBER 2019

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 Directors are required to:

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

The Directors 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 Directors 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 Directors 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 directors on ~~1 December~~ 2019 and signed on its behalf by:



Mr R Turton
Chair

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL LEARNING PARTNERSHIP TRUST**

OPINION

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

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL LEARNING PARTNERSHIP TRUST**

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual report (which includes the Reference and Administrative Details, the Report of the Directors and Strategic Report and the Governance Statement), 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

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

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
CENTRAL LEARNING PARTNERSHIP TRUST**

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

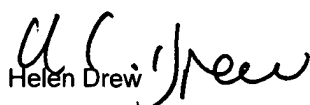
AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.


Helen Drew

Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 9-12-19

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CENTRAL
LEARNING PARTNERSHIP TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 20 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Central Learning Partnership Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF CENTRAL LEARNING PARTNERSHIP TRUST'S ACCOUNTING
OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Central Learning Partnership Trust's funding agreement with the Secretary of State for Education dated 19 March 2015, and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

The work undertaken to draw our conclusion includes a review of the design and implementation of the charitable company's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the charitable company and specific transactions identified from our review.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO CENTRAL
LEARNING PARTNERSHIP TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.


Crowe U.K. LLP

Reporting Accountant

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 9-12-19

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations & capital grants:						
Transfer on conversion	2	14,309	-	20,594	34,903	13,029,985
Other donations and capital grants	2	48,830	-	812,826	861,656	4,142,526
Charitable activities	3	717,189	30,929,322	-	31,646,511	26,373,079
Other trading activities	4	441,736	-	-	441,736	542,272
Investments	5	65,969	-	-	65,969	77,271
TOTAL INCOME		1,288,033	30,929,322	833,420	33,050,775	44,165,133
EXPENDITURE ON:						
Raising funds		219,723	-	-	219,723	272,042
Charitable activities		768,180	31,416,685	2,031,327	34,216,192	28,886,962
TOTAL EXPENDITURE	6	987,903	31,416,685	2,031,327	34,435,915	29,159,004
NET INCOME/(EXPENDITURE BEFORE TRANSFERS		300,130	(487,363)	(1,197,907)	(1,385,140)	15,006,129
Transfers between Funds	17	(123,500)	(1,921,759)	2,045,259	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		176,630	(2,409,122)	847,352	(1,385,140)	15,006,129
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(2,989,000)	-	(2,989,000)	2,140,000
NET MOVEMENT IN FUNDS		176,630	(5,398,122)	847,352	(4,374,140)	17,146,129
RECONCILIATION OF FUNDS:						
Total funds brought forward		3,717,705	(4,273,700)	69,001,136	68,445,141	51,299,012
TOTAL FUNDS CARRIED FORWARD		3,894,335	(9,671,822)	69,848,488	64,071,001	68,445,141

The notes on pages 30 to 57 form part of these financial statements.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07827368

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	£	2019 £	£	2018 £
FIXED ASSETS					
Tangible assets	13		69,112,524		68,546,013
CURRENT ASSETS					
Debtors	14	1,467,719		1,676,598	
Cash and cash equivalents	21	14,874,332		14,353,492	
		<u>16,342,051</u>		<u>16,030,090</u>	
CREDITORS: amounts falling due within one year	15	(4,368,574)		(3,534,962)	
NET CURRENT ASSETS			<u>11,973,477</u>		<u>12,495,128</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>81,086,001</u>		<u>81,041,141</u>
Defined benefit pension scheme liability	24		(17,015,000)		(12,596,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>64,071,001</u></u>		<u><u>68,445,141</u></u>
FUNDS OF THE TRUST					
Restricted income funds:					
Restricted income funds	17	7,343,178		8,322,300	
Restricted fixed asset funds	17	69,848,488		69,001,136	
Restricted income funds excluding pension liability		<u>77,191,666</u>		<u>77,323,436</u>	
Pension reserve		(17,015,000)		(12,596,000)	
Total restricted income funds			<u>60,176,666</u>		<u>64,727,436</u>
Unrestricted income funds	17		<u>3,894,335</u>		<u>3,717,705</u>
TOTAL FUNDS			<u><u>64,071,001</u></u>		<u><u>68,445,141</u></u>

The financial statements on pages 27 to 57 were approved by the Directors, and authorised for issue, on 2 DECEMBER 2019 and are signed on their behalf, by:



Mr R Turton
Chair of Trustees

The notes on pages 30 to 57 form part of these financial statements.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>2,209,755</u>	<u>836,658</u>
Cash flows from investing activities:			
Interest received		65,969	77,271
Proceeds from the sale of tangible fixed assets		400	16,839
Purchase of tangible fixed assets		(2,574,213)	(2,129,467)
Capital grants received from DfE		809,395	548,860
Net cash used in investing activities		<u>(1,698,449)</u>	<u>(1,486,497)</u>
 Transfer on conversion to academy trust		 <u>9,534</u>	 <u>155,918</u>
		<u>9,534</u>	<u>155,918</u>
Change in cash and cash equivalents in the year		520,840	(493,921)
Cash and cash equivalents brought forward		<u>14,353,492</u>	<u>14,847,413</u>
Cash and cash equivalents carried forward	21	<u><u>14,874,332</u></u>	<u><u>14,353,492</u></u>

The notes on pages 30 to 57 form part of these financial statements.

CENTRAL LEARNING PARTNERSHIP TRUST
(A company limited by guarantee)

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

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

The financial statements represent the financial results and financial position of Central Learning Partnership Trust ("the trust"), which comprised of the following member academies at the 31 August 2019:

Heath Park Academy
Moseley Park Academy
Woden Primary Academy
East Dene Primary Academy
Coleridge Primary Academy
Westcroft School
Eastwood Village Primary School
Wolverhampton Vocational Training Centre
Broadmeadow Special School
Coppice Performing Arts School
D'Eyncourt Primary School

1.2 Company status

The trust is a company limited by guarantee and was incorporated in England and Wales (registered number 07827368). The address of the registered office is Heath Park High School, Prestwood Road, Wolverhampton, WV11 1RD.

1.3 Conversion to an academy trust

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

During the prior year the assets and liabilities transferred on conversion from D'Eyncourt Primary School and Coppice Performing Arts School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

CENTRAL LEARNING PARTNERSHIP TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Investment income, gains and losses are allocated to the appropriate fund.

1.5 Income

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

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

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

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

The value of donated services and gifts in kind provided to the trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the charitable company 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 the trust's accounting policies.

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

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

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.6 Expenditure

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

Expenditure on raising funds includes all expenditure incurred by the trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

1.7 Going concern

The Directors 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 charitable company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment. In addition, I.T assets above £200 are also capitalised

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.

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1. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% Straight line basis
Long term leasehold property	-	0.8% - 10% Straight line basis
Fixtures and fittings and motor vehicles	-	10% -25% Straight line basis
Computer equipment	-	33% Straight line basis
Assets under construction	-	Not depreciated

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

1.9 Operating commitments

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

Some of the schools within the trust are operated under Private Finance Initiatives (PFI). Under these contracts the trust is liable for the annual Facilities Management (FM) costs throughout the lifecycle of the agreement. The FM commitments under such arrangements are accounted for on a straight line basis over the life of the agreement and are recognised within the Statement of Financial Activities.

1.10 Taxation

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

1.11 Cash and cash equivalents

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

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

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate director 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 the 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 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 recognised gains and losses.

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

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

1. ACCOUNTING POLICIES (continued)

1.14 Liabilities and provisions

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

Provisions are recognised when the trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Agency arrangements

The trust acts as an agent in distributing bursary funds and grants from the ESFA and other government bodies. Payments received and subsequent disbursements to students are excluded from the Statement of financial activities as the Trust does not have control over the charitable application of the funds. In some instances the Trust can use a % of the allocation towards its own administration costs and this is recognised in the Statement of financial activities.

The trust also distributes funds for the Wolverhampton Teaching School, administered by ConnectED, as an agent for the ESFA.

The funds received and paid and any balances held are disclosed in note 16.

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

1. ACCOUNTING POLICIES (continued)

1.16 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, 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.

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donation of fixed assets note	-	-	-	-	14,728,522
Surplus on conversion	14,309	-	-	14,309	163,463
Pension deficit on conversion	-	-	-	-	(1,862,000)
Devolved Capital Grant	-	-	20,594	20,594	-
Transfer on conversion	14,309	-	20,594	34,903	13,029,985
Donations	48,830	-	-	48,830	18,027
Land and buildings	-	-	-	-	3,521,155
IT and Fixtures & Fittings donations	-	-	24,025	24,025	54,484
Capital grants	-	-	788,801	788,801	548,860
Other donations and capital grants	48,830	-	812,826	861,656	4,142,526
	63,139	-	833,420	896,559	17,172,511
Total 2018	173,945	(1,862,000)	18,860,566	17,172,511	

3. CHARITABLE ACTIVITIES INCOME

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Funding for educational operations (see overleaf)	-	30,929,322	30,929,322	25,887,673
Trip income	144,793	-	144,793	119,090
Catering income	572,396	-	572,396	366,316
	717,189	30,929,322	31,646,511	26,373,079
Total 2018	485,406	25,887,673	26,373,079	

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**NOTES TO THE FINANCIAL STATEMENTS
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3. CHARITABLE ACTIVITIES INCOME (continued)

FUNDING FOR TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA and Local Authority grants				
General Annual Grant	-	25,923,453	25,923,453	21,444,327
Start Up Grants	-	13,376	13,376	2,640
Other DfE/ ESFA grants	-	873,916	873,916	684,741
Pupil Premium Grants	-	1,883,055	1,883,055	1,698,689
Local Authority Grants - Other	-	1,951,565	1,951,565	1,721,526
Local Authority Grants - Early Years Funding	-	283,957	283,957	335,750
	-	30,929,322	30,929,322	25,887,673
<i>Total 2018</i>	-	25,887,673	25,887,673	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	58,567	58,567	50,431
Other income	383,169	383,169	491,841
	441,736	441,736	542,272
<i>Total 2018</i>	542,272	542,272	

5. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank interest	65,969	65,969	77,271
<i>Total 2018</i>	77,271	77,271	

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**NOTES TO THE FINANCIAL STATEMENTS
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6. EXPENDITURE

	Staff costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading					
Direct costs	198,340	-	21,383	219,723	272,042
Support costs	-	-	-	-	-
Funding for educational operations:					
Direct costs	21,910,236	2,030,433	2,827,773	26,768,442	22,407,933
Support costs	3,077,863	3,437,760	932,127	7,447,750	6,479,029
	<u>25,186,439</u>	<u>5,468,193</u>	<u>3,781,283</u>	<u>34,435,915</u>	<u>29,159,004</u>
<i>Total 2018</i>	<u>20,933,761</u>	<u>5,016,559</u>	<u>3,208,684</u>	<u>29,159,004</u>	

7. SUPPORT COSTS

	Funding for education operations £	Total 2019 £	Total 2018 £
Technology costs	288,792	288,792	202,979
Premises costs	3,367,083	3,367,083	3,117,945
Other support costs	538,607	538,607	496,174
Governance costs	174,511	174,511	144,787
(Profit)/loss on disposal of fixed assets	894	894	(16,839)
Wages and salaries	2,016,178	2,016,178	1,585,519
National insurance	214,859	214,859	169,643
Pension cost	846,826	846,826	778,821
	<u>7,447,750</u>	<u>7,447,750</u>	<u>6,479,029</u>
<i>Total 2018</i>	<u>6,479,029</u>	<u>6,479,029</u>	

During the year ended 31 August 2019, the trust incurred Governance costs in relation to legal fees, statutory audit fees and other governance services.

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

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets:		
- owned by the Trust	2,030,433	1,898,616
Fraud losses	24,000	-
(Profit)/loss on disposal of fixed assets	894	(16,839)
Bad debt write off (see below)	20,715	-
PFI charges	1,732,035	1,676,406
Other operating leases	55,406	67,455
Auditor's remuneration (see note 9)	38,150	37,500
	<u> </u>	<u> </u>

Included within expenditure is the write off of a debt totalling £20,715 which relates to an amount due to the trust which is no longer considered recoverable. Management has mitigated the loss to the trust to the fullest extent possible.

During the year a loss of approximately £23,321 was incurred as part of an email phishing fraud. The loss has been reported to the ESFA and to West Midlands police.

9. AUDITOR'S REMUNERATION.

	2019 £	2018 £
Fees payable to the trust's auditor for the audit of the annual accounts	28,000	27,500
Fees payable to the trust's auditor in respect of: other services	10,150	9,800
	<u> </u>	<u> </u>

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

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	18,748,789	15,684,608
Social security costs	1,855,195	1,549,148
Operating costs of defined benefit pension schemes	4,437,360	3,607,151
	<u>25,041,344</u>	<u>20,840,907</u>
Agency staff costs	85,555	52,294
Staff restructuring costs	76,540	40,560
	<u>25,203,439</u>	<u>20,933,761</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	7,843	19,960
Severance payments	76,540	20,600
	<u>84,383</u>	<u>40,560</u>

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

Included in staff severance costs are non-statutory/non-contractual payments totalling £66,083 (2018: £20,600). The payments were made to five (2018: two) individuals and the payments were for £11,233, £18,000, £6,250, £6,600 and £24,000 (2018: £14,000 and £6,600).

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	369	292
Administration & support	406	370
Management	7	7
	<u>782</u>	<u>669</u>

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

10. STAFF COSTS (continued)

d. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	8	6
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	1	3
In the band £90,001 - £100,000	1	0
In the band £170,001 - £180,000	1	1
In the band £190,001 - £200,000	1	1

11. DIRECTORS' REMUNERATION AND EXPENSES

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

		2019	2018
		£	£
Mr Douglas Selkirk	Remuneration	70,000-75,000	190,000-195,000
	Pension contributions paid	-	-
Mrs Georgetta Holloway	Remuneration	-	95,000-100,000
	Pension contributions paid	-	15,000-20,000

During the year ended 31 August 2019, 4 Directors received a reimbursement of expenses of £1,324 (2018 - £1,645 to 4 Directors).

The key management personnel of the academy trust comprise the directors 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 £959,753 (2018: £827,864)

12. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the trust has purchased insurance to protect directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. Due to all academies in the trust opting into the Department of Education's risk protection arrangement, the directors' and officers' of the Trust have the required insurance. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year is included as part of the RPA costs.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Assets under constr'n £	Fixtures, fittings and motor vehicles £	Computer equipment £	Total £
Cost						
At 1 September 2018	11,215,000	58,345,125	2,101,033	698,821	2,587,765	74,947,744
Additions	-	-	2,115,484	315,481	167,273	2,598,238
Disposals	-	-	-	(7,564)	(53,258)	(60,822)
Transfer between classes	-	3,136,096	(3,136,096)	-	-	-
At 31 August 2019	11,215,000	61,481,221	1,080,421	1,006,738	2,701,780	77,485,160
Depreciation						
At 1 September 2018	1,018,037	3,014,418	-	160,664	2,208,612	6,401,731
Charge for the year	202,630	1,524,080	-	80,539	223,184	2,030,433
On disposals	-	-	-	(6,270)	(53,258)	(59,528)
At 31 August 2019	1,220,667	4,538,498	-	234,933	2,378,538	8,372,636
Net book value						
At 31 August 2019	9,994,333	56,942,723	1,080,421	771,805	323,242	69,112,524
At 31 August 2018	10,196,963	55,330,707	2,101,033	538,157	379,153	68,546,013

Freehold land

Included in freehold property is freehold land of £1,083,521 (2018: £1,083,521) which is not depreciated.

Leasehold title

Long term leasehold property includes property that has been gifted to the trust on 125 years leases upon conversion of constituent schools into the trust. The legal owners of the leasehold properties being Wolverhampton City Council and Rotherham Metropolitan Borough Council.

14. DEBTORS

	2019 £	2018 £
Trade debtors	176,229	102,063
Other debtors	451,750	630,908
Prepayments and accrued income	839,740	943,627
	<u>1,467,719</u>	<u>1,676,598</u>

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

15. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	635,084	1,157,150
Other taxation and social security	440,343	434,441
Other creditors	2,548,953	1,294,938
Accruals and deferred income	744,194	648,433
	<u>4,368,574</u>	<u>3,534,962</u>
	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	405,659	487,104
Resources deferred during the year	436,022	405,659
Amounts released from previous years	(405,659)	(487,104)
	<u>436,022</u>	<u>405,659</u>
Deferred income at 31 August 2019	<u>436,022</u>	<u>405,659</u>

Included in deferred income is grants and other funding received in advance of entitlement relating to the 2019/20 academic year.

16. AGENCY ARRANGEMENTS

The trust distributes bursary funds to students as an agent for the ESFA. In the accounting year ending 31 August 2019 the charitable company received £54,797 (2018: £51,384) and disbursed £23,569 (2018: £43,269) from the fund. An amount of £148,485 (2018: £117,257) is included in other creditors relating to undistributed funds.

The trust distributes funds for the Wolverhampton Teaching School, administered by ConnectED, as an agent for the ESFA. In the accounting year ending 31 August 2019 the charitable company received £83,870 (2018: £72,000) and disbursed £83,870 (2018: £72,000) from the fund. An amount of £Nil (2018: £Nil) is included in other creditors relating to undistributed funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted funds	3,717,705	1,288,033	(987,903)	(123,500)	-	3,894,335
Restricted funds						
General annual grant	7,698,853	25,923,453	(24,970,426)	(1,921,759)	-	6,730,121
Start up grants	-	13,376	(13,376)	-	-	-
Other government grants	616,697	4,275,304	(4,291,980)	-	-	600,021
Other income	6,750	717,189	(710,903)	-	-	13,036
Pension reserve	(12,596,000)	-	(1,430,000)	-	(2,989,000)	(17,015,000)
	<u>(4,273,700)</u>	<u>30,929,322</u>	<u>(31,416,685)</u>	<u>(1,921,759)</u>	<u>(2,989,000)</u>	<u>(9,671,822)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	68,546,013	-	(2,031,327)	2,597,838	-	69,112,524
Capital grants	455,123	833,420	-	(552,579)	-	735,964
	<u>69,001,136</u>	<u>833,420</u>	<u>(2,031,327)</u>	<u>2,045,259</u>	<u>-</u>	<u>69,848,488</u>
Total restricted funds	<u>64,727,436</u>	<u>31,762,742</u>	<u>(33,448,012)</u>	<u>123,500</u>	<u>(2,989,000)</u>	<u>60,176,666</u>
Total of funds	<u>68,445,141</u>	<u>33,050,775</u>	<u>(34,435,915)</u>	<u>-</u>	<u>(2,989,000)</u>	<u>64,071,001</u>

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

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

Restricted fixed asset funds represents the carrying value of fixed assets that have either been received upon conversion of constituent academies into the Trust or have been purchased from grants received from the ESFA. It also includes fixed assets that have been funded by grants from the ESFA plus amounts received which have yet to be spent on future capital projects.

Transfers represent capital items purchased from GAG offset by revenue expenditure transfers.

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

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

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17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2019 were allocated as follows:

	Total 2019 £	Total 2018 £
Heath Park Academy	7,398,244	7,871,831
Moseley Park Academy	2,029,136	2,538,166
Coleridge Primary	70,254	(13,535)
East Dene Primary	135,481	13,018
Woden Primary	409,738	375,683
Eastwood Primary	(248,372)	(266,637)
Westcroft School	172,737	204,836
Wolverhampton Vocational Training Centre	(125,355)	(10,710)
Broadmeadow Special School	192,452	79,758
Central services	707,533	940,396
Coppice Performing Arts	260,713	134,244
D'Eyncourt Primary	234,952	172,955
Total before fixed asset fund and pension reserve	11,237,513	12,040,005
Restricted fixed asset fund	69,848,488	69,001,136
Pension reserve	(17,015,000)	(12,596,000)
Total	<u>64,071,001</u>	<u>68,445,141</u>

Any surpluses held by a school upon conversion are ring-fenced by the Trust to be utilised by that school. This is subject to the school producing a written plan of how and when these funds will be used.

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
Eastwood Primary	248,872
Wolverhampton Vocational Training Centre	125,355

Both of the above named schools opened in September 2015 as new provisions with no predecessor school. As part of the trust's ongoing strategy, the trust is continuing to support these schools whilst pupil numbers increase.

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17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching & educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depr'n £	Total 2019 £	Total 2018 £
Heath Park Academy	5,017,842	461,691	168,253	1,966,360	7,614,146	7,282,531
Moseley Park Academy	3,859,691	436,564	129,055	845,484	5,270,794	5,351,272
Coleridge Primary	829,344	108,618	45,294	325,452	1,308,708	1,357,043
East Dene Primary	1,208,691	111,364	49,743	446,262	1,816,060	1,813,468
Woden Primary	1,581,631	265,248	87,622	469,599	2,404,100	2,268,274
Eastwood Primary	787,588	75,550	25,725	192,752	1,081,615	1,206,218
Westcroft School	2,292,876	351,682	64,103	378,380	3,087,041	2,972,999
Wolverhampton Vocational Training Centre	466,095	83,042	12,102	87,383	648,622	623,772
Broadmeadow Special School	1,103,339	256,894	17,141	111,436	1,488,810	1,438,269
Central services	304,540	493,109	266	321,071	1,118,986	996,286
D'Eyncourt Primary School	902,502	123,113	49,988	251,991	1,327,594	794,845
Coppice Performing Arts School	3,754,436	327,989	210,300	945,387	5,238,112	1,172,250
	<u>22,108,575</u>	<u>3,094,864</u>	<u>859,592</u>	<u>6,341,557</u>	<u>32,404,588</u>	<u>27,277,227</u>

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17. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds	3,528,523	1,278,894	(770,785)	(318,927)	-	3,717,705
Restricted funds						
General annual grant	8,846,454	21,444,327	(19,506,267)	(3,085,661)	-	7,698,853
Start up grants	-	2,640	(2,640)	-	-	-
Other government grants	511,654	4,335,103	(5,746,368)	1,516,308	-	616,697
Other income	4,620	105,603	(109,167)	5,694	-	6,750
Pension reserve	(11,732,000)	(1,862,000)	(1,142,000)	-	2,140,000	(12,596,000)
	<u>(2,369,272)</u>	<u>24,025,673</u>	<u>(26,506,442)</u>	<u>(1,563,659)</u>	<u>2,140,000</u>	<u>(4,273,700)</u>
Restricted fixed asset funds						
Restricted Fixed Assets	50,010,938	18,304,162	(1,881,777)	2,112,690	-	68,546,013
Capital grants	128,823	556,404	-	(230,104)	-	455,123
Total restricted funds	<u>47,770,489</u>	<u>42,886,239</u>	<u>(28,388,219)</u>	<u>318,927</u>	<u>2,140,000</u>	<u>64,727,436</u>
Total of funds	<u>51,299,012</u>	<u>44,165,133</u>	<u>(29,159,004)</u>	<u>-</u>	<u>2,140,000</u>	<u>68,445,141</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. CENTRAL SERVICES

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

- Management services
- Legal services
- Education support services
- Maintenance and admin support services
- Marketing, graphics and website services
- Payroll services

The trust charges for these services on the following basis:

The charitable company charges for these services on a percentage basis applied to the income received by each constituent academy. Any surplus generated is held as a contingency reserve for use in future periods. No charge for central services is made to new schools in the first year of operation.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Heath Park Academy	314,817	319,083
Moseley Park Academy	257,924	234,914
Coleridge Primary	25,467	27,506
East Dene Primary	38,041	36,504
Woden Primary	58,298	58,611
Westcroft School	72,742	73,478
Wolverhampton Vocational Training Centre	14,170	15,974
Eastwood Village Primary	24,110	20,891
Broadmeadow Special School	16,390	16,549
D'Eyncourt Primary School	34,469	19,662
Coppice Performing Arts School	57,796	-
	<u>914,224</u>	<u>823,172</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	69,112,524	69,112,524
Current assets	3,894,335	11,711,752	735,964	16,342,051
Creditors due within one year	-	(4,368,574)	-	(4,368,574)
Provisions for liabilities and charges	-	(17,015,000)	-	(17,015,000)
	<u>3,894,335</u>	<u>(9,671,822)</u>	<u>69,848,488</u>	<u>64,071,001</u>

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	<i>2018</i>	<i>2018</i>	<i>2018</i>	<i>2018</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Tangible fixed assets	-	-	68,546,013	68,546,013
Current assets	3,717,705	11,857,262	455,123	16,030,090
Creditors due within one year	-	(3,534,962)	-	(3,534,962)
Provisions for liabilities and charges	-	(12,596,000)	-	(12,596,000)
	<u>3,717,705</u>	<u>(4,273,700)</u>	<u>69,001,136</u>	<u>68,445,141</u>

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

	<i>2019</i>	<i>2018</i>
	<i>£</i>	<i>£</i>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,385,140)	15,006,129
Adjustment for:		
Depreciation charges	2,030,433	1,898,616
(Profit)/loss on disposal of fixed assets	894	(16,839)
Interest receivable	(65,969)	(77,271)
Cash transferred on conversion	(9,534)	(155,918)
Capital grant transferred on conversion	-	(7,545)
Decrease/(increase) in debtors	208,879	(789,382)
Increase in creditors	833,612	827,889
Capital grants from DfE and other sources	(833,420)	(548,860)
Defined benefit pension scheme on conversion	-	1,862,000
Defined benefit pension scheme cost less contributions payable	1,112,000	825,000
Defined benefit pension scheme finance cost	318,000	317,000
Tangible fixed assets received as a donation	-	(18,304,161)
Net cash provided by operating activities	<u>2,209,755</u>	<u>836,658</u>

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NOTES TO THE FINANCIAL STATEMENTS
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21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	5,808,931	5,154,886
Notice deposits (less than 3 months)	9,065,401	9,198,606
	<u>14,874,332</u>	<u>14,353,492</u>

22. CONTINGENT LIABILITIES

On 26 October 2018 the High Court ruled that equalisation for the effect of unequal Guaranteed Minimum Pensions (GMPs) is required. The ruling confirmed that trustees have a duty "to equalise benefits for men and women so as to alter the result which is at present produced in relation to GMPs". According to HM Treasury, any impact of GMPs is unlikely to be material to the pension valuation and therefore no allowance for GMP equalisation has been made in the FRS102 LGPS pension liability for this year. Full GMP indexation will be applied to the LGPS pension liability once changes to the LGPS have been formally announced.

23. CAPITAL COMMITMENTS

At 31 August 2019 the charitable company had capital commitments in connection with ongoing building works as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	<u>1,245,000</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

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

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

Contributions amounting to £361,389 were payable to the schemes at 31 August 2019 (2018 - 347,305) and are included within 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.

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.

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

The employers' pension cost paid to TPS in the period amounted to £1,998,668 (2018: 1,632,926).

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,260,000 (2018 - £1,060,000), of which employer's contributions totalled £970,000 (2018 - £803,000) and employees' contributions totalled £298,000 (2018 - £257,000). The agreed contribution rates for future years are between 12.8% and 25% 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 trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2019	2018
Discount rate for scheme liabilities	1.86 %	2.73 %
Rate of increase in salaries	3.56 %	3.70 %
Rate of increase for pensions in payment	2.16 %	2.30 %
Inflation assumption (CPI)	2.13 %	2.27 %

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

	2019	2018
Retiring today		
Males	21.5	22.2
Females	23.9	24.8
Retiring in 20 years		
Males	23.3	24.4
Females	26.0	27.1

	At 31 August 2019	At 31 August 2018
Sensitivity analysis on pension liabilities	£	£
Discount rate +0.1%	24,536,000	20,355,000
Mortality assumption - 1 year increase	26,137,000	21,521,000
CPI rate +0.1%	25,865,000	21,365,000

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

The sensitivity analysis above shows the effect on the present value of the defined benefit obligation when flexing the principal actuarial assumptions.

As the scheme is in a deficit position the trust is making additional contributions. Future contributions for 2019/20 are £142,440.

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

	Fair value at 31 August 2019 £	<i>Fair value at 31 August 2018 £</i>
Equities	5,923,000	5,086,000
Gilts	1,048,000	711,000
Other bonds	448,000	364,000
Property	835,000	700,000
Cash and other liquid assets	357,000	325,000
Other	1,487,000	1,108,000
Total market value of assets	10,098,000	8,294,000

The actual return on scheme assets was £607,000 (2018 - £140,000).

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

	2019 £	<i>2018 £</i>
Current service cost	1,667,000	1,628,000
Past service cost	398,000	-
Interest on pension assets/liabilities	328,000	317,000
Total	2,393,000	1,945,000

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24. PENSION COMMITMENTS (continued)

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

	2019 £	2018 £
Opening defined benefit obligation	20,890,000	18,961,000
Employee contributions	298,000	257,000
Actuarial losses/(gains)	3,340,000	(2,199,000)
Benefits paid	(213,000)	(128,000)
Liabilities transferred on conversion	-	1,862,000
Current service cost	1,668,000	1,628,000
Past service cost	398,000	-
Interest costs	568,000	509,000
Liabilities assumed on settlements	147,000	-
	<u>27,096,000</u>	<u>20,890,000</u>
Closing defined benefit obligation	<u>27,096,000</u>	<u>20,890,000</u>

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

	2019 £	2018 £
Opening fair value of scheme assets	8,294,000	7,229,000
Actuarial gains	351,000	(59,000)
Employer contributions	970,000	803,000
Employee contributions	298,000	257,000
Benefits paid	(213,000)	(128,000)
Interest on scheme assets	250,000	192,000
Settlement price received	148,000	-
	<u>10,098,000</u>	<u>8,294,000</u>
Closing fair value of scheme assets	<u>10,098,000</u>	<u>8,294,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. OPERATING LEASE COMMITMENTS

At 31 August 2019 the total of the trust's future minimum lease payments under non-cancellable operating leases was:

	Land and buildings			Other
	2019	2018	2019	2018
	£	£	£	£
Amounts payable:				
Within 1 year	1,239,348	1,239,348	65,871	44,295
Between 1 and 5 years	4,957,392	4,957,392	126,219	61,159
After more than 5 years	18,892,872	20,132,220	-	180
Total	25,089,612	26,328,960	192,090	105,634

The charitable company is committed to funding payments under the PFI Scheme for East Dene Primary School, Coleridge Primary School and Heath Park Academy. Separate funding is received from the ESFA towards these costs.

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26. RELATED PARTY TRANSACTIONS

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

Mr D Selkirk was a Director of the trust during the year and is related by marriage to Mrs G Holloway. Mr D Selkirk resigned as a director on 31 December 2018 and so his remuneration disclosed in note 11 represents 4 months of his total annual salary and pension contributions.

Mrs G Holloway, wife of Mr D Selkirk, is employed by the trust on a salary commensurate with the position held and was employed in line with the trust's recruitment policy. During Mr D Selkirk's tenure as a Director Mrs G Holloway received remuneration of between £55,000 - £60,000 (2018: £175,000 - £180,000).

27. MEMBERS' LIABILITY

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