

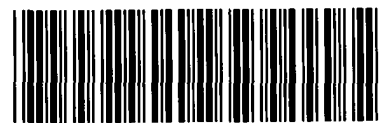
Company No. 07904096 (England & Wales)

ENHANCE ACADEMY TRUST
(A Company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THURSDAY



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Enhance Academy Trust

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Enhance Academy Trust

Reference And Administrative Details of the Academy – Trustees, Directors and Advisors

Members	The Venerable Peter Townley Reverend Canon Ian Wildey John McLeod Richard Noake
Trustees	The Venerable Peter Townley John McLeod John Brady Linda Maskill Janet Milne Christopher Schofield Christine Abbott (resigned on 25 May 2018) Katharine Smith Fiona McMahon (appointed on 25 May 2018)
Chief Executive	Kevin Jones
Company Secretary	Schofield Sweeney LLP
Registered Office	C/O Schofield Sweeney Church Bank House Church Bank Bradford BD1 4DY
Principal Office	Church House 1 South Parade Wakefield WF1 1LP
Company Registration Number	07904096 (England and Wales)
Independent Auditor	Paylings 7 The Office Campus Paragon Business Village Red Hall Court Wakefield WF1 2UY
Bankers	Lloyds TSB Westgate Wakefield Branch P O Box 1000 BX1 1LT

Enhance Academy Trust

Trustees' Report – for the year ended 31 August 2018

The Trustees present their sixth annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August, 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During this financial year the Trust operated seven primary academies, based in the local authority areas of Kirklees and Wakefield, an eighth primary Academy trust was transferred to the Trust on 1 March 2018, and the Trust is the lead proposer for a post 16 free school that is scheduled to open in September 2018. Using the data used by the Education and Skills Funding Agency (ESFA) for funding during the year the eight academies had 2,124 pupils aged between 4 to 11 on roll and an additional 376 full time nursery pupils. The free school is scheduled to open with 105 post 16 students in September 2018 increasing to 500 students soon after moving its new buildings in September 2020.

Structure, Governance and Management

Constitution

The Wakefield Diocesan Academies Trust was incorporated on 10 January 2012 with company number 07904096. It was established to act as sponsor for Church of England, and other schools mainly within the previous Wakefield Diocesan area, that were required to become sponsored academies with the first of these being opened on 1 September 2012. On the 20 April 2014 the Diocese of Wakefield was merged with two other dioceses and in February 2016, the Wakefield Diocesan Academy Trust changed its name to Enhance Academy Trust (the "Trust") – no other changes were made at this time.

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees and the Chief Executive are also the Directors of the charitable company for the purposes of company law. The charitable company is known as Enhance Academy Trust.

The Academy Trust is governed by its Trustees who can delegate their responsibilities to the Chief Executive and to each Local Governing Body, or if this is not appropriate they can establish Advisory Boards, in accordance with the Articles of Association of the company. During 2017-18 Local Governing Bodies were in place in each academy.

Details of the Trustees and Chief Executive are given on page 2. The role of the Trustees is more of an over-arching, and strategic role, ensuring that their vision for the character and ethos of the Academy Trust, and its role in the local education system, is carried forward.

The financial statements have been prepared in accordance with the accounting policies on pages 23 to 27 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, and in accordance with the Charities Statement of Recommended Practices 2015 and the Academies Direction 2017 to 2018.

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 he is a member, or within one year after he ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he ceases to be a member.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2018

(Continued)

Trustees' Indemnity

The Trustees and the Chief Executive benefit from indemnity insurance purchased at the Trust's expense to cover the liability of the Trustees which by virtue of any rule of law, would otherwise attach to them in respect of negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust: Provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or a breach of duty or which was committed by the Trustees or Chief Executive in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to criminal prosecution brought against the Trustees or Chief Executive in their capacity as directors of the Trust. The limit of this indemnity is £2,000,000.

Recruitment and Appointment of Trustees and Directors

The Trustees are appointed by the Members as stated in the Articles of Association number 12. During the year, one of the Trustees, appointed predominantly to offer guidance and advice on the free school project, resigned and was replaced immediately with a Trustee with similar experience.

The Articles of Association numbered 45 to 63 deal with the appointment of Trustees and Chief Executive. The Articles state that the number of Trustees shall not be less than three but shall not be subject to any maximum unless otherwise determined by ordinary resolution. Full details relating to the appointment and removal of Trustees are contained in the Articles of Association.

Policies and Procedures Adopted for the Induction and Training of Governors

The Trustees and Chief Executive have a broad and detailed understanding of their role and therefore no formal induction and training has been provided. They have kept abreast of educational and financial developments in education including some being Trustees of another multi-academy trust and being Chairs of Governing Bodies. They have been involved in the development of this Academy Trust, and others, and take advice from external parties when deemed appropriate.

Organisational Structure and Management

The Articles of Association establish the organisational structure for the Trustees. Many of their responsibilities are undertaken by the Chief Executive who works closely with each of the Academies who are then run on a day to day basis by a Local Governing Body. The academies operate under a Scheme of Delegation agreed by the Trustees which delegates responsibilities to them but also reserves a number of key decisions that have to be agreed with the Trust. Each of the Academies is responsible to the Trustees through the Chief Executive, for a range of educational and management responsibilities covered by the Scheme of Delegation. The Trust's key reserved decisions include securing appropriate school improvement partners; the appointment of key personnel within each academy, agreeing a five year rolling budget, and all formal financial reporting arrangements. The Trustees are ultimately responsible to the Secretary of State through the Trust's Master Funding Agreement.

Arrangements for setting pay and remuneration of key management personnel

The Trustees and the Chief Executive are deemed to be the Trust's key personnel. The Trustees do not claim any remuneration or expenses for their duties. The Chief Executive has been in this role since the Trust started operations in 2012 but was not an employee of the Trust until 1 April 2017. His total remuneration package, including local travel, is based on a review of salaries paid to other Chief Executives of MATs and a percentage difference from the pay of Head teachers within the Trust.

Trade Union Facility Time

There were no employees who were relevant union officials during the relevant period.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2018

(Continued)

Related parties and other connected charities and organisations

The Academy Trust currently is connected to a company known as the Wakefield Diocesan Umbrella Trust. However, to date this company has been dormant. One of the Trustees also have links to the Board of Education of the Diocese of Leeds.

Objectives and Aims

The Trust was established to advance for the public benefit education in the UK by establishing, maintaining, managing and developing academies which shall offer a broad and balanced curriculum and which shall include:

- Designated Church of England academies which shall be conducted in accordance with the principles, practices and tenets of the Church of England both generally and in particular in relation to arranging for religious education and daily acts of worship; and
- Other academies whether with or without a designated religious character; but in relation to each to recognise and support their individual character and to respect the different background and links to the local community which they serve.

Objectives, Strategies and Activities

There is a strong focus on educational outcomes and working with key partners to deliver measurable and sustainable educational improvements whilst having to recognise that the recruitment and retention of good and outstanding teachers created another challenge to our objectives. Improvement strategies have been developed and actioned for each academy dependent upon their specific needs. Seven out of the eight academies in the Trust were the equivalent of sponsored academies and were deemed to be inadequate with one joining the Trust with an Ofsted good judgement. The Trust now has no academies deemed to be inadequate and five of the eight now have Ofsted good judgements.

The Trust aims to grow at a sustainable pace and continue to improve the educational outcomes for the pupils who attend its academies. It is not actively seeking applications but will consider enquiries as they are made. It anticipates that the schools/academies that join the Trust in the future will have a combination of Ofsted judgements and these will be supported by others within the Trust and by a growing support network of other schools and specialist education providers.

Public Benefit

The Trustees have referred to the guidance on public benefit published by the Charity Commission when reviewing the Trust's aims and objectives, in planning general activities and on reporting of its activities.

Equal Opportunities Policy

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled Persons

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy supports this by adapting the physical environment wherever possible, by making support resources available, and through training and career development.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2018

(Continued)

Strategic Report

Achievements and Performance

By the end of the 2017-18 academic year the Trust had five schools judged as Good by Ofsted and three as Requires Improvement. These outcomes reflect the amount of hard work being undertaken by staff, governors and pupils within each Academy.

A summary of the key pupil attainment and progress data for the 2017-18 academic year is given in the two tables below:

TABLE 1	Early Years and Key Stage 1							
	Christ Church	Overthorpe	Sandal Magna	St Michael's	St Helen's	Diamond Wood	All Saints	St Botolph's
Early Years - % of pupils achieving a good level of development								
	47%	67%	57%	68%	83%	67%	73%	67%
Key Stage 1 - % of pupils achieving expected standard								
Reading	63%	59%	63%	76%	73%	72%	78%	67%
Writing	50%	56%	57%	73%	35%	69%	63%	63%
Mathematics	57%	69%	53%	80%	62%	76%	67%	70%
Phonics	63%	70%	70%	80%	48%	75%	76%	80%

TABLE 2	Key Stage 2						
	Christ Church	Overthorpe	Sandal Magna	St Michael's	St Helen's	All Saints	St Botolph's
% of pupils achieving expected standard							
Reading	50%	57%	48%	67%	62%	71%	64%
Writing	71%	62%	76%	75%	54%	83%	75%
Mathematics	54%	49%	52%	81%	62%	88%	68%
Grammar, Punctuation and Spelling	57%	54%	69%	67%	69%	83%	80%
RWM Combined	39%	41%	38%	63%	38%	67%	45%
Progress Scores							
Reading	-1.5	-3.4	-1.9	-2.1	0.6	0.0	2.5
Writing	2.9	-3.8	3.5	-0.7	-1.2	-0.2	5.2
Mathematics	-0.9	-2.5	-0.9	2.3	0.0	1.3	0.3

The progress scores need to be above -5.0 for Reading and Mathematics and -7.0 for Writing to have met the DfE's floor targets. All of the academies have KS2 progress scores above these targets. However, there is now much more focus on each pupil's progress throughout their education not just at the end of each key stage. This will enable the Trust to narrow the attainment gaps between its academies and the national averages over the coming years.

Key Financial Performance Objectives

The key financial objective was to start using the balances brought forward to help deliver improved educational outcomes whilst ensuring that each individual academy operated with a balanced budget thereby ensuring that the Trust's overall revenue budget was in surplus. This was achieved in six out of seven academies with the deficit in the seventh being covered from a net surplus overall in the Trust. 2017/18 has proved a difficult financial year with compulsory and voluntary staffing reductions having to be made to secure longer term balanced budgets. However, by the end of the year all of the Trust's academies held a surplus balance. Future financial plans aim to maintain this position and to ensure that the Trust has a cumulative surplus throughout its five year financial plan.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2018

(Continued)

Going Concern

The Trustees and Chief Executive have a reasonable expectancy that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing these financial statements.

Financial Review

The majority of the Academy's income for the period to 31 August 2018 was comprised of Education and Skills Funding Agency grants or local authority funding for early years and special educational needs provision. During the year capital grants from the ESFA (condition improvement fund and devolved formula capital) were received and further condition improvement grants were received for works due to be completed in 2018/19. The income from generated funds was mainly derived from pupils paid for meals, school visits and the operation of day care facilities.

The Pension Reserve shows a net liability of £2,674,000 at 31 August 2018 and changes to this liability, linked to a revaluation of the LGPS (administered by The City of Bradford MDC) are being kept under regular review. The net liability at 31 August 2017 was £3,028,000 and therefore by the end of the year there has been an decrease in the overall pension liability of £354,000 even after taking into account the £280,000 deficit resulting from the transfer into the Trust. The Academy Trust will need to keep the pension liability under review and if it does not appear to be reducing consider increasing its employers' contribution rate in future years. The Trust decided to be treated as a single employer for LGPS purposes during 2016/17 consolidating all its pension fund assets and liabilities – prior to this decision each academy has been treated as a small separate employer.

Reserves and Funds Policy

The accounts show that there is a Restricted General Fund balance of £656,000 (2017: £190,000) at the end of the year and an Unrestricted General Fund balance of £1,405,000 (2017: £949,000). The Trustees and Chief Executive anticipate that the majority of these funds will be used to support delivery of improved educational outcomes over the next two years.

Investment Policy

There is currently no overall investment policy. The majority of surplus funds are held by each academy however, the use of surplus funds has to be agreed by the Trustees and Chief Executive, in consultation with each Local Governing Body, and are released for educational and building developments only.

Principal Risks and Uncertainties

The main risks to the Academy Trust is failure to deliver the improved educational outcomes for pupils and a worsening financial position. The first risk is significantly linked to any sponsor Trust and has a higher significance for this Trust as seven of its eight academies were required to be sponsored. The Trust are well aware of this risk and are constantly striving to minimise its impact on any Academy within the Trust and therefore its impact on the Trust overall. The second risk has been managed to date but this has resulted in staffing reductions during 2017/18, which then has an impact on educational outcomes.

The Trust is also expecting to grow over the next five years and ensuring that this is done in a sustainable manner whilst continuing to improve outcomes for pupils and developing our own improvement capacity will require careful management.

There are a number of other key risks that the Trust itself needs to manage. These include preparing succession plans for the appointment of new Trustees and Chief Executive and trying to recruit, retain and develop high calibre staff who in turn will play an important role in delivering improved educational outcomes for pupils.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2018

(Continued)

Principal Risks and Uncertainties (continued)

The Trustees and Chief Executive also review the major risks to which each Academy within the Trust is exposed in particular those relating to educational improvements; their capacity to deliver continuous improvement, the recruitment and retention of key staff; and to the financial standing of each academy. They have introduced a number of systems to assess the risks that each Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Many of the risks are covered by the Scheme of Delegation and further systems, including operation procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (including regular Responsible Officer visits) in order to minimise risks are in operation. Where there is likely to be a significant risk remaining, the Trustees will ensure that they have adequate insurance cover.

The Trustees still have concerns about the suitability of the design and materials used to build one of its academies and work is still ongoing through the appropriate Local Authority to minimise the ongoing impact of these concerns. The Trust considers that some of the current ongoing issues have utilised resources, time and money, at the expense of delivering educational improvements and that this will continue until the main building concerns have been dealt with.

The Trustees confirm that as part of an on-going process they will identify the major risks to which the Academy Trust is likely to be exposed and will establish and review systems to mitigate any risks identified.

The principal financial risks relate to future levels of funding. These risks can be split into three main parts. The first relates to actual pupil numbers as much of the Academy's income is derived from pupil numbers and if numbers decrease so does income. Reductions in pupil numbers can also be associated with the perception of the academy within the community it serves and Trustees use changes in pupil numbers as one of their measures in assessing this.

The second risk relates to the changes in the funding regime for schools and academies to be implemented by the Department of Education through the Education and Skills Funding Agency. The main known change is the introduction of a national funding formula. Its impact at the academy level is not yet known but as all of our academies are in one local authority are currently protected by the minimum funding guarantee yet none in the other local authority and some changes are expected. There are likely to be protection factors built into the new funding regime, mainly through a minimum funding guarantee per pupil methodology, but the level of protection does reduce over time.

The third risk relates to income not increasing to meet additional costs. Although per pupil funding has not been reduced it has also not been increased to take into account for example pay awards for teachers and support staff; increased employers' pension contributions; increased employer national insurance contributions. These, and other cost pressures, mean that in real terms the funding per pupil at each academy within the Trust is reducing.

Many of these changes have an adverse impact on the Academy Trust's medium and long term financial position and they will need to be managed as plans for future years are developed. The budget plans show that without taking corrective action our academies will move into cumulative budget deficit by the academic year 2018-19 – and therefore actions have already started to manage this risk.

Financial Position

The Academy held a restricted and unrestricted fund balances at 31 August 2018 of £2,061,000 (2017: £1,139,000). The Academy Trust does have a rolling five year financial plan that aims to keep the revenue budget in balance and these funds will be taken account of as the five year plan is reviewed.

Enhance Academy Trust

Report of the Trustees – for the year ended 31 August 2018

(Continued)

Plans for Future Periods

The Academy aims to ensure that it will provide an enlightening educational experience for its learners and a rewarding and developmental experience for its staff. Each Academy now has a five year plan to facilitate these aims but its delivery is dependent on developing the standing of each academy within its community; raising educational outcomes; being able to recruit and retain staff; and on having stability in the main Government funding streams. More detailed plans are included in the Development Plans for each Academy.

The Academy Trust is the main proposer for a 500 place post 16 performing arts free school and in September 2015 this project progressed to the pre-opening stage. There have been a number of difficulties progressing this project, mainly associated with securing a suitable permanent site. The free school will now be based in the centre of Wakefield and opened in September 2018 in temporary accommodation although it is not expected to be fully operational until the 2020/21 academic year when it moves into its new purpose built facilities.

The Trust is also in discussions with a number of schools and academies in relation to them joining the Trust. These include Lepton CE(VC) J & I School and St Giles' CE Academy.

Auditor

In so far as the Trustees and Governors are aware:

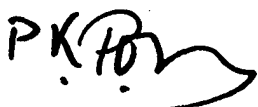
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees and Director have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Independent Auditors

The appointment of the Trust's auditor Paylings is currently on an annual basis and is until the completion of the accounts for the year ending 31 August 2018.

The Chief Executive, Kevin Jones, is the accounting officer, and has been advised of the implications of any internal control system review and of the need for plans to address weaknesses and to ensure continuous improvement of the system are in place.

Approved by order of the Trustees on 14 December 2018 and signed on their behalf by:-



The Venerable Peter Townley
Trustee

Enhance Academy Trust

Governance Statement – for the year ended 31 August 2018

Scope of Responsibility

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

The Trustees have delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to them in the funding agreement between the Enhance Academy Trust and the Secretary of State for Education. The Chief Executive is also responsible for reporting any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Trustees and Chief Executive have formally met 10 times during the year including the Trust's annual general meeting held on the 15 December 2017. Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of a possible
The Venerable P Townley	10	10
J McLeod	7	10
John Brady	5	10
Linda Maskill	10	10
Janet Milne	9	10
Christopher Schofield	5	10
Christine Abbott	0	2
Katharine Smith	8	10
Fiona McMahon	2	2
Chief Executive		
K Jones	10	10

These meetings were also attended by educational and legal advisors to the Trustees.

The effectiveness of the Trust's governance arrangements has previously been subject to a Department for Education case study review which described the governance arrangements as strong. However, this year has seen a number of changes to previous arrangements and a review of the new governance arrangements is being planned.

Review of Value for Money

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

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

- changing the way school improvement partners are engaged and deployed
- completing the move to a single payroll provider
- moving to a Trust wide combined budgeting and financial system
- changing and consolidating the insurance arrangements for the trust
- moving from being individual employers in the LGPS to being one consolidated employer
- reviewing and amending some services from all year to term time only.

Enhance Academy Trust

Governance Statement – for the year ended 31 August 2018

(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 eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the academy trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control includes the adoption of the Trust's financial policy by each academy and reviews undertaken by the Trust's Responsible Officer and has been in place during all of this financial year and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trustees are of the view that there has been an on-going process in place for identifying, evaluating and managing the academy trust's significant risks in place for the year ending 31 August 2018 and up to the date of approval of the next annual report and financial statements. Many of the key risks during the year are linked to the capacity and ability to deliver educational improvements and Trustees will continuously review how they can manage and minimise these.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring of systems with an annual budget and periodic financial reports to the local governing body and Chief Executive;
- regular reviews by the Chief Executive of reports that show actual financial performance against the forecast and reviews of major purchase and capital programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing guidelines (including for the purchase of assets);
- identification and management of risks at each academy as well as the trust overall.

The Trustees have an external Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The RO reports to the Chief Executive and each Local Governing Body on the operations of the systems of control and on the discharge of the Trustees financial responsibilities on a termly basis. The RO and the Chief Executive agree a programme of tests to be undertaken and these include the testing of:-

- the payroll system – including testing payroll costs to agreed establishment lists
- purchasing procedures and associated accounting arrangements
- testing of income due and received
- testing of control and bank account reconciliations.

The agreed programme of tests by the RO, and the reporting of findings and resultant action plans, have been completed for the period covered by this report. The findings from these tests are also reported to the Trustee who has specific responsibility for the financial oversight of the Trust.

The Trustees and Chief Executive are confident that the RO function is being performed in line with ESFA requirements.

Enhance Academy Trust

Governance Statement – for the year ended 31 August 2018

(Continued)

Review of Effectiveness

The Chief Executive, as Accounting Officer, has responsibility for reviewing the effectiveness of the system of internal control and during the year will be informed by:


- the work of the Responsible Officer
- the work of the External Auditor
- the financial management and governance self-assessment process, and
- the work of the Senior Leadership Teams in each Academy who have responsibility for the development and maintenance of the internal control framework.
- Attending Local Governing Body and Resources Committee meetings

The accounting officer has been advised of the implications of the result of any reports and reviews undertaken by any of the above and any will address any weaknesses identified and ensure that continuous improvement of systems takes place.

Approved by order of the Trustees and Director on 14 December 2018 and signed on their behalf by:-



The Venerable Peter Townley
Trustee



Kevin Jones
Chief Executive and Accounting Officer

Enhance Academy Trust

Statement of Regularity, Propriety and Compliance

for the year ended 31 August 2018

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

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

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 trustees and the ESFA.

A handwritten signature in black ink, appearing to read 'K. Jones'.

Kevin Jones
Chief Executive and Accounting Officer
Date: 14 December 2018

Enhance Academy Trust

Statement of Trustees' and Governors' Responsibilities

for the year ended 31 August 2018

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

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


- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

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

The Trustees and Chief Executive 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 the ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on its websites. 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 Trustees and Chief Executive on 14 December 2018 and signed on their behalf by:



The Venerable Peter Townley
Trustee

Enhance Academy Trust

Independent Auditor's Report to the Members of Enhance Academy Trust

for the year ended 31 August 2018

We have audited the financial statements of Enhance Academy Trust for the year ended 31 August 2018, which comprises of the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the notes to the financial statements, including a summary of the significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practices; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018.

Basis of Opinion

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

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's opinion 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 misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Enhance Academy Trust

Independent Auditor's Report to the Members of the Enhance Academy Trust

for the year ended 31 August 2018

(Continued)

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustee's.

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

- adequate accounting records have not been kept or returns adequate to 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustee's' Responsibilities set out on page 14, the governors (who are also the directors of the charitable company for the purpose 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 trustee's determine is necessary to enable to prepare financial statements that are free from material misstatement whether due to error or fraud.

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

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but it 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.

Enhance Academy Trust

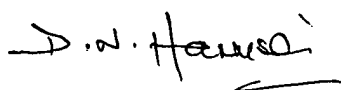
Independent Auditor's Report to the Members of the Enhance Academy Trust

for the year ended 31 August 2018

(Continued)

Our responsibilities for the audit of the financial statements (continued)

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



D.N. Harrison FCCA
For and on behalf of
Paylings
Accountants and Registered Auditors
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
West Yorkshire
WF1 2UY

Dated: 14 December 2018

Enhance Academy Trust

**Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of the
Enhance Academy Trust and the Education and Skills Funding Agency**

for the year ended 31 August 2018

In accordance with the terms of our engagement letter dated 1 October 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016 to 2017 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Enhance Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Enhance Academy Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook extant from 1 September 2017 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 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Confirmation that there are no new activities within the academy trust
- Analytical review of the activities of the academy trust
- Consideration of the evidence supporting the accounting officer's statement
- Evaluation of the general control environment
- Assessment and testing of a sample of the specific control activities over regularity
- Confirmation that each item tested has been appropriately authorised in accordance with the academy trusts delegated authorities
- Formal representations obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations, access to accounting records and provisions of information and explanations
- A review of credit card expenses
- Consideration of related party transactions

Enhance Academy Trust

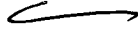
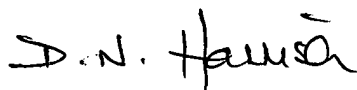
Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of the
Enhance Academy Trust and the Education and Skills Funding Agency

for the year ended 31 August 2018

(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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



D.N. Harrison FCCA
For and on behalf of
Paylings
Accountants and Registered Auditors
7 The Office Campus
Paragon Business Village
Red Hall Court
Wakefield
West Yorkshire
WF1 2UY

Dated: 14 December 2018

Enhance Academy Trust**Statement of Financial Activities for the year ended 31 August 2018****(incorporating an Income and Expenditure Account)**

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total 2018 £000	Total 2017 £000
	Notes					
Income and endowments from:						
Resources						
Donations and capital grants	2	13	-	631	644	787
Balances transferred from LA	2	343	190	1,500	2,033	1,433
Charitable Activities:						
Educational Operations	3	-	11,827	-	11,827	10,277
Other Trading Activities	4	359	150	-	509	483
Investments	5	2	-	-	2	3
Total		717	12,167	2,131	15,015	12,983
Expenditure						
Raising Funds	6,7	3	-	-	3	2
Charitable Activities:						
Academy's Educational Operations	6,7	243	12,192	940	13,375	12,315
Other		15	-	-	15	-
Total Resources Expended	6,7	261	12,192	940	13,393	12,317
Net Income/(Outgoing)						
Resources before Transfers		456	(25)	1,191	1,622	666
Gross Transfers between funds	16	-	(95)	95	-	-
Net Income/(Expenditure) for the year		456	(120)	1,286	1,622	666
Other Recognised Gains and Losses						
Pension Fund Deficit transferred on opening	16, 26	-	(280)	-	(280)	(270)
Actuarial gain/(losses) on defined benefit pension schemes	16, 26	-	1,220	-	1,220	2,755
Net Movement in Funds		456	820	1,286	2,562	3,151
Reconciliation of Funds						
Funds brought forward at 1 September 2017		949	(2,838)	17,069	15,180	12,029
Funds carried forward at 31 August 2018		1,405	(2,018)	18,355	17,742	15,180

All activities related to continuing operations. The notes on pages 23 to 43 form part of these financial statements.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

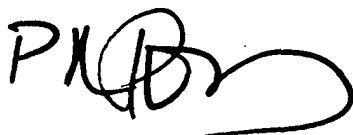
Enhance Academy Trust
(Company Number 07904096)

Balance Sheet as at 31 August 2018

	NOTES	2018 £000	2018 £000	2017 £000
FIXED ASSETS				
Tangible assets	12		18,355	17,069
CURRENT ASSETS				
Stock - Uniforms	13	16		17
Debtors	14	532		498
Cash at bank and in hand		2786		2,167
			3,334	2,682
CREDITORS				
Amounts falling due within one year	15		1,273	1,543
NET CURRENT ASSETS				
			2,061	1,139
Total assets less current liabilities (excluding pension liability)				
Defined benefit Pension scheme liability	26		(2,674)	(3,028)
NET ASSETS INCLUDING PENSION LIABILITY				
			17,742	15,180
FUNDS OF THE ACADEMY				
RESTRICTED INCOME FUNDS				
- Fixed asset funds	16		18,355	17,069
- General funds	16		656	190
- Pension reserve	16		(2,674)	(3,028)
TOTAL RESTRICTED FUNDS				
			16,337	14,231
UNRESTRICTED FUNDS				
- General funds	16		1,405	949
TOTAL UNRESTRICTED FUNDS				
			1,405	949
TOTAL FUNDS				
			17,742	15,180

The financial statements on pages 20 to 43 were approved by Trustees and authorised for issue on 14 December 2018 and are signed on their behalf by:-

The Venerable Peter Townley
Chair of Trustees



Enhance Academy Trust**Cash Flow Statement for the year ended 31 August 2018**

	NOTES	2018 £000	2017 £000
Cash inflow from operating activities			
Net cash provided by (used in) operating activities	18	2,214	1,853
Cash flows from financing activities		-	-
Cash flows from investing activities	18	(1,595)	(1,501)
Change in cash and cash equivalents in the reporting period		<u>619</u>	<u>352</u>
Cash and cash equivalents at 1 September 2017		<u>2,167</u>	<u>1,815</u>
Cash and cash equivalents at 1 September 2018		<u>2,786</u>	<u>2,167</u>

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

1. STATEMENT OF ACCOUNTING POLICIES

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

Basis of Preparation

The financial statements of Enhance 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 FRS102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Enhance Academy Trust meets the definition of public benefit under FRS 102.

Going Concern

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

Income

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

- **Grants**

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

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

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

- **Sponsorship Income**

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

- **Donations**

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

- **Other Income**

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

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Income (continued)

- **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

- **Donated fixed assets (excluding transfers on conversion/into trust)**

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

- **Donated fixed assets on conversion**

The opening of each academy trust involved the donation of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method. The assets and liabilities donated to each academy trust have been valued at their fair value being a reasonable estimate of the current market value that the trustees would expect to pay in an open market for the equivalent item. Their fair value is in accordance with the accounting policies of the academy trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. The value of assets donated on conversion was as follows:

Assets - Land and Buildings
 - Other fixed assets
 - Current assets

Liabilities - Pension

The transfer of property for the sponsored academies has either been included in the accounts based on the valuations commissioned by the ESFA except for the property for Sandal Magna, which has been included at costs based on the information provided from the local authority.

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**

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

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible Fixed Assets

Assets costing £500 are capitalised as tangible fixed assets and carried at cost, net of depreciation and any provision for impairment.

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

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

Long leasehold buildings	60/20 years
Mechanical equipment	15 years
Fixtures, fittings and equipment	5 years
ICT equipment	3/2/1 years
Motor vehicles	5 years

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

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

Liabilities

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

Provisions

Provisions are recognised when the academy 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.

Leased Assets

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

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Financial Instruments

The academy trust only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows:

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

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

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in 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 no obligation to deliver services rather than cash or another financial instrument.

Investments

There are no investments at 31 August 2018 and none were held during the period.

Stock

Stock is valued at the lower of cost or net realisable value.

Taxation

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

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 13 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that any such income or gains are applied exclusively to charitable purposes.

Pension Benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employees' working lives within the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, 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 and the contributions recognised in the period to which they relate.

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

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

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Fund Accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pension include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement throughout the year.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Capital Grants	-	631	631	762
Donated assets on transfer	343	1,690	2,033	1,433
Other Donations	13	-	13	25
	<hr/> 356	<hr/> 2,321	<hr/> 2,677	<hr/> 2,220

The donated assets relate to St Botolph's CE Academy who joined the Trust on 1 March 2018.

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018****(Continued)****3. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
General Annual Grant	-	8,973	8,973	7,971
Start Up Grants	-	-	-	37
Other DfE/EFA Grants	-	1,681	1,681	1,290
	-	10,654	10,654	9,298
Local Authority Grants	-	1,124	1,124	975
Other Grants	-	49	49	4
Other Grants	-	1,173	1,173	979
Total Grants	-	11,827	11,827	10,277

4. OTHER TRADING ACTIVITIES

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Catering Income	111	-	111	90
Day Care/Wraparound Care	66	-	66	65
Insurance Claims	-	121	121	70
Other Income	182	29	211	258
	359	150	509	483

5. INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Deposit in Bank	2	-	2	3
	2	-	2	3

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018****(Continued)**

6. EXPENDITURE	Unrestricted Funds £000	Restricted Funds £000	Total 2018 £000	Total 2017 £000
Expenditure on raising funds	3	-	3	2
Academy's Educational Operations				
- Direct Costs	-	10,698	10,698	9,764
- Allocated support costs	258	2,434	2,692	2,551
	<hr/>	<hr/>	<hr/>	<hr/>
	261	13,132	13,393	12,317
	<hr/>	<hr/>	<hr/>	<hr/>

Expenditure for the period includes:

	Total 2018	Total 2017
Operating lease rentals	20	10
Depreciation	940	797
Fees payable to the auditor for:		
- audit	34	22

7. CHARITABLE ACTIVITIES

	Total 2018 £000	Total 2017 £000
Direct costs – educational operations	10,698	9,553
Support costs – educational operations	2,434	2,400
	<hr/>	<hr/>
	13,132	11,953
	<hr/>	<hr/>

ANALYSIS OF SUPPORT COSTS

	Total 2018 £000	Total 2017 £000
Support staff costs	1,713	991
Technology costs	187	155
Premises costs	-	5
Other support costs	452	537
Governance costs	82	712
	<hr/>	<hr/>
	2,434	2,400
	<hr/>	<hr/>

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018****(Continued)**

8. STAFF COSTS	Total 2018 £000	Total 2017 £000
a) Staff costs during the period were:		
Wages and salaries	7,208	6,875
Social security costs	607	450
Operating costs of defined benefit pension schemes	1,620	740
	<hr/> 9,435	<hr/> 8,065
Supply staff costs	70	24
Staff restructuring costs	57	117
	<hr/> 127	<hr/> 141
Staff restructuring costs comprise:		
Redundancy payments	36	72
Severance payments	5	-
Other restructuring costs	16	45
	<hr/> 57	<hr/> 117
b) Non Statutory/non-contractual staff severance payments		
Compromise agreements	10	10
c) Staff Numbers		
The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:		
	2018	2017
Charitable activities	No.	No.
Teachers	111	110
Administration and support	316	278
Management	10	8
	<hr/> 437	<hr/> 396
d) Higher paid staff		
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:		
	2018	2017
	No.	No.
£60,001 to £70,000	4	4
£70,001 to £80,000	2	2
£80,001 to £90,000	1	-

The total employee benefits (including employer pension contributions) received by higher paid staff for their services to the Academy Trust was £540,000 (2017: £484,000). The increase is due to the Chief Executive of the Trust becoming an employee in April 2017.

The key management personnel of the academy is at this stage deemed to be the Chief Executive.

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

9. RELATED PARTY TRANSACTIONS – DIRECTORS’ REMUNERATION AND EXPENSES

One Director has received benefits from their engagement within the Academy Trust. This Director only received these benefits in respect of services provided in their role as Chief Executive of the Trust until 31 March 2017. From 1 April 2017 the Chief Executive became an employee of the Trust.

The total value of the benefits received prior to becoming an employee were £nil (£2017: £59,237).

The Trustees of Enhance Academy Trust are not remunerated in respect of any services they provide to the Academy and no expenses were claimed for the year (2017: £nil).

10. TRUSTEES’ AND OFFICERS’ INSURANCE

In accordance with normal commercial practice the trust has purchased insurance to protect trustees and officers employees from claims arising from negligent acts, errors or omissions occurring whilst they are undertaking academy business. The insurance provides cover up to £2,000,000 on any one claim.

The cost of this insurance for the period ended 31 August 2018 was £3,641 (2017: £3,757) and is included in the total insurance costs.

11. CENTRAL SERVICES

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

Human Resources
Financial Services
Legal Services
Educational Support Services
School Improvement Support
Project Management

The Trust charged a flat rate of £100 per full time equivalent pupil for the provision of these services.

	Total 2018 £000	Total 2017 £000
The actual amounts charged during the year were as follows:		
Christ Church CE Academy	22	21
Overthorpe C of E Academy	27	29
Sandal Magna Community Academy	22	24
St Michael’s CE Academy	46	45
St Helen’s CE Primary School	21	20
Diamond Wood Community Academy	34	34
Featherstone All Saints CE Academy	23	12
St Botolph’s CE Academy	17	-
	<hr/> 212	<hr/> 185

Enhance Academy TrustNotes to the Financial statements for the year ended 31 August 2018

(Continued)

12. TANGIBLE FIXED ASSETS

	Leasehold Land £000	Leasehold Buildings £000	Mechanical Equipment £000	Furniture and Equipment £000	IT Equipment £000	Vehicles £000	Total 2018 £000
Cost							
At 1 September 2017	693	18,281	82	356	492	40	19,944
Transferred in	65	1,258	-	158	19	-	1,500
Additions	-	613	2	56	55	-	726
Disposals	-	-	-	-	(103)	-	(103)
At 31 August 2018	758	20,152	84	570	463	40	22,067
Depreciation							
At 1 September 2017	-	2,286	10	184	357	38	2,875
Charged in Year	-	750	7	82	99	2	940
Disposals	-	-	-	-	(103)	-	(103)
At 31 August 2018	-	3,036	17	266	353	40	3,712
Net book values							
At 31 August 2018	758	17,116	67	304	110	-	18,355
At 31 August 2017	693	15,995	72	172	135	2	17,069

The Trust has challenged the condition of one of the buildings and has required a number of remedial works to be undertaken. To date these have not been completed to the Trust's satisfaction and further action may be needed to resolve this dispute.

13. STOCK	2018 £000	2017 £000
Uniforms	16	17
	16	17
14. DEBTORS	2018 £000	2017 £000
Debtors	24	23
Accrued Payments	22	23
Prepayments	280	312
VAT	206	140
	532	498

Enhance Academy TrustNotes to the Financial statements for the year ended 31 August 2018

(Continued)

15. CREDITORS		2018 £000	2017 £000	
Trade Creditors		623	668	
Accrued Expenditure		210	186	
Receipt in advance		440	689	
		<hr/> 1,273	<hr/> 1,543	
16. FUNDS		Gains Losses and Transfers £000	Balance at 31 August 2018 £000	
	Balance at 1 September 2017 £000	Incoming Resources £000	Resources Expended £000	
Restricted general funds				
General Annual Grant	190	8,973	(8,602)	466
Start Up Grants	-	-	-	-
Pupil Premium and other grants	-	1,681	(1,681)	-
Other Grants/Income	-	185	(185)	-
Local authority statementing income	-	153	(153)	-
Early Years Grant	-	835	(835)	-
Funds transferred from LA	-	190	-	190
Other Income	-	150	(150)	-
Pension Fund Deficit				
Transferred	(4,899)	-	-	(5,179)
Pension cost in year	1,871	-	(586)	2,505
	<hr/> (2,838)	<hr/> 12,167	<hr/> (12,192)	<hr/> (2,018)
Restricted fixed asset funds				
Value of assets	13,308	-	(940)	12,368
Transfers from LA	1,524	1,500	-	3,024
DfE/EFA capital grants	1,540	631	-	2,171
Capital expenditure from GAG	362	-	-	457
Other Capital Grants	335	-	-	335
	<hr/> 17,069	<hr/> 2,131	<hr/> (940)	<hr/> 18,355
Total Restricted Funds	<hr/> 14,231	<hr/> 14,298	<hr/> (13,132)	<hr/> 940

Enhance Academy TrustNotes to the Financial statements for the year ended 31 August 2018

(Continued)

16. FUNDS (continued)

	Balance at 1 September 2017 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2018 £000
Unrestricted funds					
Funds transferred from LAS	705	343	-	-	1,048
Voluntary Income	221	13	(3)	-	231
Other Income	23	361	(258)	-	126
Total Unrestricted Funds	949	717	(261)	-	1,405
Total Funds	15,180	15,015	(13,393)	940	17,742

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

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant	589	7,971	(8,196)	(174)	190
Start Up Grants	-	37	(37)	-	-
Pupil Premium and other grants	-	1,290	(1,290)	-	-
Other Grants/Income	-	71	(71)	-	-
Local authority statementing income	-	148	(148)	-	-
Early Years Grant	-	760	(760)	-	-
Use of Sponsor's Grants	-	-	-	-	-
Other Income	-	3	(3)	-	-
Pension Fund Deficit Transferred	(4,629)	-	(270)	-	(4,899)
Pension cost in year	(233)	-	(381)	2,485	1,871
	(4,273)	10,280	(11,156)	2,311	(2,838)
Restricted fixed asset funds					
Value of assets	14,105	-	(797)	-	13,308
Transfers from LA	197	1,327	-	-	1,524
DfE/EFA capital grants	949	591	-	-	1,540
Capital expenditure from GAG	188	-	-	174	362
Other Capital Grants	164	171	-	-	335
	15,603	2,089	-	174	17,069
Total Restricted Funds	11,330	12,369	(11,953)	2,485	14,231

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018**

(Continued)

16. FUNDS (continued)

	Balance at 1 September 2016 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2017 £000
Unrestricted funds					
Funds transferred from LAS	599	106	-	-	705
Voluntary Income	198	25	(2)	-	221
Other Income	(98)	483	(362)	-	23
Total Unrestricted Funds	699	614	(364)	-	949
Total Funds	12,029	12,983	(12,317)	2,485	15,180

The specific purposes of each fund are explained in more detail below:

The restricted general fund is used in the main to record income and expenditure associated with the delivery of the learning experiences provided to pupils. The restricted fixed asset fund records the value of assets over £500 utilised by each academy, additions to these assets, and depreciation over their economic lives. The high value of this fund reflects the value of the assets transferred to the Academy Trust when each school became an academy building that will be depreciated over their anticipated useful lives.

The unrestricted fund includes the revenue balances of each academy transferred to the Trust from the appropriate local authority and other activities undertaken by each academy. The majority of this fund will also be used to enhance the educational experiences offered to pupils.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds 2018 £000	Total Funds 2017 £000
Funds balances at 31 st August 2018 are represented by:					
Tangible fixed assets	-	-	18,355	18,355	17,069
Current assets	1,405	1,929	-	3,334	2,682
Current liabilities	-	(1,273)	-	(1,273)	(1,543)
Pension scheme liability	-	(2,674)	-	(2,674)	(3,028)
	1,405	(2,018)	18,355	17,742	15,180

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018****(Continued)****17. ANALYSIS OF NET ASSETS BETWEEN FUNDS****Comparative information in respect of the preceding year is as follows:**

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds 2017 £000
Funds balances at 31 st August 2017 are represented by:				
Tangible fixed assets	-	-	17,069	17,069
Current assets	949	1,733	-	2,682
Current liabilities	-	(1,543)	-	(1,543)
Pension scheme liability	-	(3,028)	-	(3,028)
	<hr/> 949	<hr/> (2,838)	<hr/> 17,069	<hr/> 15,180

**18. RECONCILIATION OF NET INCOME TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2018 £000	2017 £000
Net income for the Year	1,622	666
Adjusted for:		
Depreciation	940	797
Capital grants from DfE/EFA and other capital income	(631)	(762)
Defined benefit pension scheme cost less contributions payable	512	555
Defined benefit pension finance cost	74	96
Increase/(Decrease) in stocks	1	-
(Increase)/Decrease in debtors	(34)	(4)
Increase/(Decrease) in creditors	(270)	505
Net cash provided by/(used in) operating activities	<hr/> 2,214	<hr/> 1,853
Cash flows from investing activities	2018 £000	2017 £000
Purchase of tangible fixed assets	(2,226)	(936)
Capital grants from DfE/EFA	631	591
Capital grants from others	-	171
Transfer from Local Authority	-	(1,327)
	<hr/> (1,595)	<hr/> (1,501)
Analysis of cash and cash equivalents	2018 £000	2017 £000
Cash in hand and at bank	2,786	2,167
Total cash and cash equivalents	<hr/> 2,786	<hr/> 2,167

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018**

(Continued)

19. ANALYSIS OF ACADEMIES

	2018	2017
	£000	£000
Analysis of Academies by fund balance		
Fund balances at 31 st August 2018 were allocated as follows:		
Christ Church CE Academy	275	191
Overthorpe CE Academy	12	(44)
Sandal Magna Community Academy	258	237
St. Michael's CE Academy	350	279
St. Helen's CE Academy	151	193
Diamond Wood Community	57	(49)
Featherstone All Saints	176	106
St Botolph's CE Academy	577	-
Enhance Academy Trust	205	226
	<u>2,061</u>	<u>1,139</u>
Restricted fixed asset fund	18,355	17,069
Pension Reserve	(2,674)	(3,028)
	<u>17,742</u>	<u>15,180</u>
Total		

Analysis of Academies by cost

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding) Depreciation £000	Total 2018 £000	Total 2017 £000
Christ Church CE Academy	910	138	70	209	1,327	1,560
Overthorpe CE Academy	1,180	195	112	176	1,663	1,716
Sandal Magna Community Academy	833	126	101	207	1,267	1,260
St. Michael's CE Academy	1,505	136	249	402	2,292	2,276
St. Helen's CE Academy	807	108	81	179	1,175	1,126
Diamond Wood Community Academy	1,334	146	108	271	1,859	2,031
Featherstone All Saints CE Academy	705	75	88	171	1,039	577
St Botolph's CE Academy	479	43	80	140	742	-
Enhance Academy Trust	123	719	69	178	1,089	974
	<u>7,876</u>	<u>1,686</u>	<u>958</u>	<u>1,933</u>	<u>12,453</u>	<u>11,520</u>

Enhance Academy TrustNotes to the Financial statements for the year ended 31 August 2018

(Continued)

20. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2018	2017
	£000	£000
Buildings	2,113	2,087
Mechanical Equipment	2	49
Furniture and equipment	56	48
IT equipment	55	79
Vehicles		-
	<hr/>	<hr/>
Cash outflow from capital expenditure	2,226	2,263
	<hr/>	<hr/>
21. CAPITAL COMMITMENTS	2018	2017
	£000	£000
Contracted for, but not provided in the financial statements	113	206
	<hr/>	<hr/>
22. OPERATING LEASE COMMITMENTS	2018	2017
	£000	£000
Land and buildings		
Due within one year	-	-
Due within two and five years	-	-
Due in over five years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Other		
Due within one year	15	4
Due within two and five years inclusive	18	3
Due in over five years	-	-
	<hr/>	<hr/>
	33	7
	<hr/>	<hr/>

23. CONTINGENT LIABILITIES

There are no known contingent liabilities other than the dispute between the Trust and Wakefield MDC about the poor condition of the land and buildings at one of the sites transferred. Some remedial work has been undertaken by the Council but there is still some remedial work outstanding that the Trust requires to be completed to its satisfaction.

23A. CONTINGENT ASSETS

There are no known contingent assets.

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

24. 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 required, but not exceeding £10.00, for the debts and liabilities contracted before he/she ceases to be a member.

25. RELATED PARTY TRANSACTIONS

One of the Trustees is the partner of an employee at Paylings, the Trust's auditors. The other Trustees are aware of this relationship and are confident that it has no impact on the operation of the Trust.

Services are supplied to some of the academies in the Trust by companies which two Trustees have interests. One Trustee is the managing director and majority shareholder of a company that provided sickness absence insurance amounting to £98,775. The other Trustee is the Managing Partner of a company that provided legal services to the Trust amounting to £21,788. All of the services provided were purchased after obtaining competitive bids and the other Trustees are aware of these related party transactions.

The Director was not an employee of the Trust until 1 April 2017 and the Trustees engaged his services through a contract with the Director's company which specialises in providing advice and support to organisations in the education field up to 31 March 2017. The total payment made through this contract in this year was £nil (2017 £59,250).

26. PENSION AND SIMILAR OBLIGATIONS

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

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

Contributions amounting to £49,000 were payable to the schemes at 31 August 2018 (2017: £46,000).

The Teachers' Pension Scheme

Introduction

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

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

Enhance Academy Trust

Notes to the Financial statements for the year ended 31 August 2018

(Continued)

26. PENSION AND SIMILAR OBLIGATIONS (continued)

Valuation of the Teachers' Pension Scheme

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

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

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

The total employer's pension contributions to the TPS during this year amounted to £588,000 (2017: £518,000).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The Trust has accounted for its contributions to the scheme as if it were a defined benefit contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Each Academy was deemed to have joined the scheme on the date of conversion.

The total contribution made for the year ended 31 August 2018 was £615,000 (2017: £544,000), of which employers' contributions totalled £447,000 (2017: £391,000), and employees' contributions totalled £168,000 (2017: £153,000). The agreed contribution rates for each academy for future years is currently 15.3% and from 5.5% for employees dependent on their earnings.

From the 1 April the Trust converted to being treated as one employer within the LGPS and its consolidated employer's contributions rate is 15.3%.

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

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018****(Continued)****26. PENSION AND SIMILAR OBLIGATIONS (continued)****Local Government Pension Scheme (LGPS) (continued)**

Principal Actuarial Assumptions	At 31 August 2018	At 1 September 2017
Rate of increase in salaries	3.25%	3.25%
Rate of increase for pensions in payment/inflation	2.00%	2.00%
Discount rate for scheme liabilities	2.80%	2.50%
Inflation assumption (CPI)	2.00%	2.00%
Commutation of pensions to lump sums	75.00%	75.00%

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

	At 31 August 2018	At 1 September 2017
Retiring today		
Males	22.1	22.1
Females	25.3	25.2
Retiring in 20 years		
Males	23.1	23.0
Females	27.1	27.0

The academy's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2018 £000	Fair Value 1 September 2017 £000
Equity instruments	8,043	6,777
Debt instruments	2,286	1,116
Property	453	372
	<hr/>	<hr/>
	10,782	8,265
	<hr/>	<hr/>

The actual return on employer asset was £572,000 (2017: £1,054,000).

Amounts recognised in the statement of financial activities	2018 £000	2017 £000
Current Service cost (net of employee contributions)	902	555
Net interest on defined benefit liability	74	96
	<hr/>	<hr/>
Total operating charge	976	651
	<hr/>	<hr/>

Enhance Academy TrustNotes to the Financial statements for the year ended 31 August 2018

(Continued)

26. PENSION AND SIMILAR OBLIGATIONS (continued)**Local Government Pension Scheme (LGPS) (continued)**

Amounts recognised in other comprehensive income	2018 £000	2017 £000
Asset gains during the period	341	917
Liability gains arising during the period	879	1,838
	<hr/> 1,220	<hr/> 2,755

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

	2018 £000	2017 £000
At 1 September 2017	11,293	11,238
Current service cost	902	946
Interest cost	306	233
Employee contributions	168	153
Benefits paid out	(128)	(117)
Past service cost	1,794	678
Actuarial (gains)/Losses	(879)	(1,838)
	<hr/> 13,456	<hr/> 11,293

Changes in the fair view of the academy's share of scheme assets

	2018 £000	2017 £000
At 1 September 2017	8,265	6,376
Interest income on assets	231	137
Re-measurement gain/(loss) on assets	341	917
Contributions by the Employer	447	391
Contributions by Members	168	153
Net benefits paid out	(128)	(117)
Net increase in assets from acquisition	1,458	408
	<hr/> 10,782	<hr/> 8,265

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

The free school sponsored by the Trust opened on 1 September 2018 in temporary accommodation. Student numbers were within the planned intake of 105. Detailed discussions have taken place to facilitate Lepton CE (VC) J & I School and St Giles CE Academy joining the Trust during 2018/19.

Enhance Academy Trust**Notes to the Financial statements for the year ended 31 August 2018****(Continued)****28. ACADEMY TRANSFERRED INTO THE TRUST**

On 1 March 2018, Knottingley St Botolph's CE Academy, a single standalone academy, was transferred into Enhance Academy Trust. The value of the assets and liabilities recognised for the transfer were:

Tangible Fixed Assets	£000
Freehold Land	65
Leasehold Land and Buildings	1,258
Furniture and Equipment	158
Computer Equipment	19
Current Assets	
Cash at bank and in hand	579
Prepayments	12
VAT Control Account	16
Liabilities	
Creditors due in less than one year	58
Receipts in advance	16
Pension Scheme Liabilities	280