

COMPANY REGISTRATION NO. 09200332 (ENGLAND AND WALES)

**MINERVA LEARNING TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

TUESDAY



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# MINERVA LEARNING TRUST

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# MINERVA LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

Mr E Wydenbach  
Ms E Underwood  
Mr S Sims  
Mr K Aslam

### Trustees

Mr E Wydenbach (Chair) (Appointed 2 September 2014)  
Ms E Underwood (Vice Chair) (Appointed 2 September 2014)  
Mr S Sims (Chair of Finance and Responsible Officer) (Appointed 2 September 2014) \*#  
Ms A Quaile (Accounting Officer) (Appointed 2 September 2014)  
Mr J B McDonnell (Appointed 4 September 2014) \*#  
Mr S P Chew (Appointed 2 September 2014)  
Mr K Aslam (Appointed 2 September 2014)  
Mr R W C Moore (Appointed 2 September 2014 and resigned 2 September 2014)  
Mr P Crawford (Appointed 2 September 2014 and resigned 4 September 2014)

\* members of the finance and general purposes committee  
# members of the audit committee

### Governors of Handsworth Grange Community Sports College

Mr E Wydenbach (Chair)  
Ms E Underwood (Vice Chair)  
Mr S Sims  
Ms A Quaile  
Mr J B McDonnell  
Mr K Aslam  
Mr N Craig \*#  
Mrs D Clarke \*#  
Mr A Khayum  
Mr D Whitehouse (Staff Governor)

### Senior management team

- Deputy Head	Mr P Hurst
- Deputy Head	Mr N Parker
- Assistant Head	Mrs S Ruczenczyn
- Assistant Head	Mr P Burrows
- Assistant Head	Ms K Grapes
- Assistant Head	Ms S McCoy
- Assistant Head	Mrs K Reynolds
- Business Manager	Mr S Wild

# MINERVA LEARNING TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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<b>Company registration number</b>	09200332 (England and Wales)
<b>Registered office</b>	Handsworth Grange Community Sports College Handsworth Grange Road Sheffield South Yorkshire S13 9HJ
<b>Independent auditor</b>	UHY Hacker Young 6 Broadfield Court Broadfield Way Sheffield S8 0XF
<b>Bankers</b>	Lloyds TSB Church Street Sheffield S1 1HP
<b>Solicitors</b>	Sheffield City Council Legal Services Pinstone Street Sheffield S1 1HH

# MINERVA LEARNING TRUST

## TRUSTEES' REPORT

### FOR THE PERIOD ENDED 31 AUGUST 2015

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The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 2 September 2014 to 31 August 2015.

#### **Structure, governance and management**

##### Constitution

The academy 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 academy trust.

The trustees of Minerva Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period are included in the Reference and Administrative Details on page 1.

##### Members' liability

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

##### Trustees' indemnities

The Academy Trust maintains Trustees', governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The academy trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the academy trust.

Details of the insurance cover are provided in note 10 to the financial statements.

##### Principal activities

The Academy Trust took over the operation of Handsworth Grange Community Sports College on the school's conversion to academy status on 1 October 2014. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 11 and 16.

##### Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the Academy Trust shall have at least three trustees.

##### Policies and procedures adopted for the induction and training of trustees

During the year under review the full Governing Body met 3 times, the Trust Board met 3 times, and there were 12 committee meetings. The training and induction provided for new Governors depends on their previous experience. All new Governors are given a tour of the school and the chance to meet with staff and students. Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. New Governors attend an induction course provided by Sheffield City Council Governor Services, meet with the Training Governor to discuss their training needs and have access to a full programme of courses which they will choose to attend, based on their role and experience.

# **MINERVA LEARNING TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 AUGUST 2015**

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#### Organisational structure

The organisational structure consist of three levels: the Minerva Learning Trust Board, Academy Governing Body and the Senior Leadership Team (supported by the Middle Leaders Team). The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Minerva Learning Trust Board is responsible for deciding the strategic direction of the trust. The Academy Governing Body are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The Senior Leadership Team comprises the Headteacher, 2 Deputy Heads, 5 Assistant Heads and a Business Manager. These managers control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for posts in the Senior Leadership Team always contain a Governor. Some spending control is devolved to members of the Middle Leaders Team, with limits above which a member of the Senior Leadership Team must countersign.

The Middle Leaders Team includes Curriculum Area Leaders. Along with the Senior Management Team these managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

#### Risk management

The Governors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors have implemented a number of systems to assess risks that the school 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. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to manage risk. Where significant risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

#### Connected organisations and related party relationships

Handsworth Grange Community and Sport College is part of Minerva Learning Trust. At the present time it is the only school that is part of this trust. The academy has sporting facilities that are open for out of hours community use and the finances for these are operated separately to those of the academy. The school also maintains a separate school fund account specifically for school trips.

Details of related parties and related party transactions are detailed in note 22.

#### **Objectives and activities**

##### Objects and aims

Our aim is to provide an outstanding education for all pupils within the Trust's Academies (presently only Handsworth Grange Community Sports College).

Our approach is founded on partnership working, building together our academies, parents and their communities.

# MINERVA LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

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#### Objectives, strategies and activities

We are continuing to raise educational attainment with a focus on increased levels of pupil progress and on our progress 8 score.

We will continue to develop expertise and capacity with the Trust in order to effectively support other schools. In the short term we are continuing working on joint projects with Sheffield Inclusion Centre, Westfield School and Thornhill Academy. By continually focussing on our own improvement strategies we are developing the capacity to support new partners to our Trust.

We were awarded the Pupil Premium Award for Yorkshire and Humber in 2015 in recognition of outstanding achievements of pupil premium pupils.

#### Public benefit

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined below, are demonstrably to the public benefit.

Handsworth Grange Community Sports College is a converter academy catering for children aged 11 to 16 and strives to promote and support the advancement of education within the Sheffield and South Yorkshire area. The school provides an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example the school:

- Headteacher undertakes Pupil Premium Reviews for other schools
- leads the Forge School Sport Partnership that currently includes 23 primary and 3 secondary schools providing high quality PE and Sport opportunities to over 10,000 pupils
- holds the Sheffield Careers Standard at Gold level which is recognised as one of the agreed National awards for quality careers education, guidance and advice
- is one of the first across the country to be awarded the Bronze Award by the Carers Trust in recognition of all the work school does to identify and support Young Carers and their families. Young carers are 12-18 year olds who have extra responsibilities caring for someone in their families with an illness or disability.

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- we offer a wide range of community sports facilities and activities in our sports hall, fitness suite, floodlit multi use games area, sports hall and other activity spaces
- we provide school holiday clubs offering a wide range of sporting and fun activities for children aged 7 to 13 years
- we offer a summer school for our intake of disadvantaged Year 6 pupils
- we are a partner of the local Handsworth food bank collecting and donating supplies regularly.

# MINERVA LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

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#### **Achievements and performance**

##### Achievements in the period

The school has opted in to the new government measure of Progress 8 and secured a value of +0.28. In context, this ranks the school as the 7th highest in terms of Progress 8 from the 22 schools within Sheffield. Whilst this figure was extremely satisfying, the school recognises the need to continue to improve all the headline figures by a relentless focus on improving student outcomes.

Attendance rates continue to increase with 2014/15 being 94.6% an improvement on the previous year and slightly above the Sheffield average.

The percentage of 18-24 year old former pupils Not in Education, Employment or Training (NEETS) in 2014 was at a three year low of 0.5% which is significantly below the national average of 15.95%

We were awarded the Pupil Premium Award for Yorkshire and Humber at the 2015 National Pupil Premium Awards, in recognition of the outstanding achievements of our disadvantaged pupils.

##### Key performance indicators

The Governors consider that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from EFA spent on total staff costs
- Income per pupil
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Capital expenditure per pupil;
- Year 7 pupil intake

The Governors have been pleased that the expectations for all key performance indicators listed have been successfully met during the period.

##### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

#### **Financial review**

During the period the Academy Trust inherited assets and liabilities in hand on 1 October 2014, the date of conversion to academy status. A net donation of £9,193,437, which includes a valuation of land and buildings, is included within the Statement of Financial Activities, in accordance with the EFA Accounts Direction. Fixed assets inherited are included in the Restricted Fixed Asset Fund; all other assets and liabilities, excluding the opening Local Government Pension Scheme position, are shown as a net donation into unrestricted funds. The opening Local Government pension Scheme liability is shown with Restricted Funds.



# **MINERVA LEARNING TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 AUGUST 2015**

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Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

During the period ended 31 August 2015 total expenditure of £5,636,181 was more than covered by recurrent grant funding from the EFA together with other incoming resources. The excess of income over expenditure for the year (excluding restricted fixed assets funds and pension funds) was £259,011.

At 31 August 2015, the net book value of fixed assets was £10,416,898 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

#### Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans;

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

#### Financial and risk management objectives and policies

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - the Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

#### Reserves policy

The Trustees review the reserve levels of the Academy Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

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# MINERVA LEARNING TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

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Under FRS17 projected deficits on the Local Government Pension Scheme (LGPS) provided for non-teaching staff have to be charged to a specific restricted reserve. As at 31 August 2015 the deficit on this reserve was £1,969,000. Contributions to the pension scheme are being increased over the next few years in order to help reduce the deficit.

#### Investment policy and powers

The trust has no other investments other than cash balances. These are monitored regularly to ensure there are always sufficient funds to meet our financial commitments, and to decide when, how much and for how long cash can be transferred into higher interest deposit accounts.

#### **Plans for the future**

The school's priorities are;

- to pursue excellence in everything that we do
- to deliver the highest levels of achievement for all our pupils by having an uncompromising drive and commitment to Outstanding teaching and learning

The school is committed to raising achievement for all by improving our Progress 8 figures. It will achieve this by continuing to improve the quality of teaching and learning so that it is mostly good and often outstanding, and by effectively tracking, monitoring and intervening with students as necessary. The school is committed to working with the Partners in Excellence (PiXL) network of schools, implementing strategies to raise performance and continually adapting the curriculum to meet the needs of all learners. Having recently been recognised nationally for outstanding work with disadvantaged students, the school wishes to develop these strategies further.

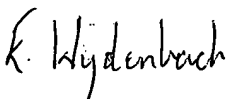
#### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:



Mr E Wydenbach  
**Chair**

# MINERVA LEARNING TRUST

## GOVERNANCE STATEMENT

### FOR THE PERIOD ENDED 31 AUGUST 2015

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#### Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Minerva Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The members and headteacher have formally met 3 times during the period. Attendance during the period at meetings was as follows:

	Meetings attended	Out of possible
Mr E Wydenbach	3	3
Ms E Underwood	3	3
Ms A Quaile	3	3
Mr K Aslam	3	3
Mr S Sims	3	3

The board of governors was reduced in size at the point of conversion to an academy to make it more streamlined and effective. The board is continually self evaluating its effectiveness lead by the Chairperson who is a National Leader of Governance as designated by the National College for Teaching and Leadership.

The finance and general purposes committee is a sub-committee of the governing body. Its purpose is to ensure proper financial administration arrangements are in place that enables the Governing Body to fulfil its statutory responsibilities for financial management and also demonstrate the achievement of key financial administration standards required by the EFA Academies Financial Handbook and the school Funding Agreement.

Attendance at meetings in the period was as follows:

	Meetings attended	Out of possible
Mr S Sims	3	3
Mr N Craig	3	3
Mrs D Clarke	3	3
Mr J B McDonnell	3	3

## MINERVA LEARNING TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE PERIOD ENDED 31 AUGUST 2015

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The role of the audit committee in this first year since conversion has been undertaken by the Finance and General Purposes Committee which is also a sub-committee of the governing body.

Its purpose is to ensure that independent checks take place on the financial systems, processes and internal controls of the trust, such that assurance can be provided to its Accounting Officer that they meet with the required standards of regularity, propriety and compliance. These checks have followed the guidance contained in the DfE Schools Financial Value Standard (SFVS).

Attendance at meetings in the period was as follows:

	Meetings attended	Out of possible
Mr S Sims	3	3
Mr N Craig	3	3
Mrs D Clarke	3	3
Mr J B McDonnell	3	3

#### Review of Value for Money

As accounting officer, the Headteacher 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 board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- successfully developing and implementing strategies which meet the individual needs of disadvantaged pupils and enable us to close their achievement gap. The effective targeting of our Pupil Premium funding was recognised earlier this year when we became a regional winner at the National Pupil Premium Awards 2015. We aim to improve the educational outcomes of disadvantaged pupils still further during the next year by targeting our prize money to improve attainment in the key areas of English and mathematics.

- developing high quality data tracking systems to track the progress of pupils and different categories of pupil such as disadvantaged, most able, English as a Second Language etc. This enables targeted intervention and additional learning sessions to be provided to those groups or individuals at risk of not achieving, thereby improving educational outcomes.

- restructuring in the areas of management information, data and IT following a vacancy, to improve management information and data services without the need to recruit a replacement.

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Minerva Learning Trust for the period 2 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

# **MINERVA LEARNING TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

### **FOR THE PERIOD ENDED 31 AUGUST 2015**

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#### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 2 September 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

#### **The risk and control framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor for the first year of operation. However the trustees have appointed Mr S Sims a trustee, as Responsible Officer.

The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, The Responsible Officer reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

It was agreed by the Finance and General Purposes Committee that the scope of work for the Responsible officer would be based on the checklist of tasks incorporated in the DfE School Financial Value Standard (SFVS). This schedule of checks was completed and no material control issues were found.

#### **Review of effectiveness**

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

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

## **MINERVA LEARNING TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2015**

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:



Mr E Wydenbach  
**Chair**



Ms A Quaile  
**Accounting Officer**

## **MINERVA LEARNING TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2015**

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

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Approved on 15 December 2015 and signed by:



Ms A Quaile  
**Accounting Officer**

## MINERVA LEARNING TRUST

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The trustees (some of whom also act as governors for Handsworth Grange Community Sports College and some of whom are also the directors of Minerva Learning Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

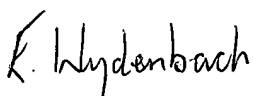
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

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

Approved by order of the board of trustees on 15 December 2015 and signed on its behalf by:



Mr E Wydenbach  
**Chair**



# **MINERVA LEARNING TRUST**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MINERVA LEARNING TRUST**

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We have audited the accounts of Minerva Learning Trust for the period ended 31 August 2015 set out on pages 19 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of Minerva Learning Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial period for which the accounts are prepared is consistent with the accounts.

# **MINERVA LEARNING TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MINERVA LEARNING TRUST**

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### **Matters on which we are required to report by exception**

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

**Roland Givans (Senior Statutory Auditor)  
for and on behalf of UHY Hacker Young**

**Chartered Accountants**

**Statutory Auditor**

6 Broadfield Court

Broadfield Way

Sheffield

S8 0XF

Dated: 17 December 2015

## **MINERVA LEARNING TRUST**

### **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO MINERVA LEARNING TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 17 August 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Minerva Learning Trust during the period 2 September 2014 to 31 August 2015 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 Minerva Learning Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Minerva Learning Trust and the EFA 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 the Minerva Learning Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of Minerva Learning Trust's accounting officer and the reporting auditor**

The accounting officer is responsible, under the requirements of Minerva Learning Trust's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. 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 2 September 2014 to 31 August 2015 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 2014 to 2015 issued by the EFA. 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:

- Planned our assurance procedures including identifying key risks,
- Carried out sample testing of controls,
- Carried out substantive testing including analytical review, and
- Concluded on procedures carried out.

## **MINERVA LEARNING TRUST**

### **INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO MINERVA LEARNING TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)**

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#### **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 2 September 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Reporting Accountant**  
**UHY Hacker Young**

Dated: 17 December 2015

# MINERVA LEARNING TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £
<b><u>Incoming resources</u></b>	<b>Notes</b>				
Resources from generated funds					
- Voluntary income	2	2,306	-	-	2,306
- Inherited on conversion	23	225,585	(1,696,000)	10,663,852	9,193,437
- Activities for generating funds	3	313,556	-	-	313,556
- Investment income	4	537	-	-	537
Resources from charitable activities					
- Funding for educational operations	5	-	5,049,293	36,481	5,085,774
<b>Total incoming resources</b>		<b>541,984</b>	<b>3,353,293</b>	<b>10,700,333</b>	<b>14,595,610</b>
<b><u>Resources expended</u></b>					
Costs of generating funds					
- Fundraising trading	6	280,078	-	-	280,078
Charitable activities					
- Educational operations	7	-	5,041,893	303,915	5,345,808
Governance costs	8	-	10,295	-	10,295
<b>Total resources expended</b>	<b>6</b>	<b>280,078</b>	<b>5,052,188</b>	<b>303,915</b>	<b>5,636,181</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>261,906</b>	<b>(1,698,895)</b>	<b>10,396,418</b>	<b>8,959,429</b>
Gross transfers between funds		-	(22,286)	22,286	-
<b>Net income/(expenditure) for the period</b>		<b>261,906</b>	<b>(1,721,181)</b>	<b>10,418,704</b>	<b>8,959,429</b>
<b><u>Other recognised gains and losses</u></b>					
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(151,000)	-	(151,000)
<b>Net movement in funds</b>		<b>261,906</b>	<b>(1,872,181)</b>	<b>10,418,704</b>	<b>8,808,429</b>
Fund balances at 2 September 2014		-	-	-	-
<b>Fund balances at 31 August 2015</b>		<b>261,906</b>	<b>(1,872,181)</b>	<b>10,418,704</b>	<b>8,808,429</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the financial period above.

# MINERVA LEARNING TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11		10,416,898
<b>Current assets</b>			
Stocks	12	374	
Debtors	13	164,294	
Cash at bank and in hand		452,767	
		<u>617,435</u>	
Creditors: amounts falling due within one year	14	(256,904)	
<b>Net current assets</b>			<u>360,531</u>
<b>Total assets less current liabilities</b>			<u>10,777,429</u>
Defined benefit pension liability	18		(1,969,000)
<b>Net assets</b>			<u><u>8,808,429</u></u>
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	16		
- Fixed asset funds			10,418,704
- General funds			96,819
- Pension reserve			(1,969,000)
<b>Total restricted funds</b>			<u>8,546,523</u>
<b>Unrestricted funds</b>	16		<u>261,906</u>
<b>Total funds</b>			<u><u>8,808,429</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 15 December 2015.



Mr E Wydenbach

Chair

Company Number 09200332

# MINERVA LEARNING TRUST

## CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

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		31 August 2015 £
	Notes	
Net cash inflow/(outflow) from operating activities	19	271,750
Cash funds transferred on conversion		200,960
<b>Returns on investments and servicing of finance</b>		
Investment income		537
		<hr/>
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		537
		<hr/>
		473,247
<b>Capital expenditure and financial investments</b>		
Capital grants received		36,481
Payments to acquire tangible fixed assets		(56,961)
		<hr/>
<b>Net cash flow from capital activities</b>		(20,480)
		<hr/>
<b>Increase/(decrease) in cash</b>	20	452,767
		<hr/> <hr/>

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 AUGUST 2015

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#### 1 Accounting policies

##### 1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

##### 1.2 Going concern

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

##### 1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust, involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from the maintained school to an academy trust have been valued at their fair value being a reasonable estimate of the current market values that the trustees would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Minerva Learning Trust. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as a gift in the SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds.

##### 1.4 Incoming resources

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

##### Grants receivable

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

General Annual Grant is recognised in full in the period for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

##### 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 is certainty of receipt and the value of the donation is measurable.



# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

---

### 1 Accounting policies

(Continued)

#### Donations

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

#### Other income

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

#### Donated services and gifts in kind

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

### 1.5 Resources expended

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

#### Costs of generating funds

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

#### Charitable activities

These are costs incurred on the academy trust's educational operations.

#### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

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#### 1 Accounting policies

(Continued)

##### 1.6 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Land is not depreciated	
Buildings	2.5% straight line
Computer equipment	20% straight line
Fixtures, fittings & equipment	10% straight line

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

##### 1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price. Provision is made for obsolete and slow moving stock.

##### 1.8 Taxation

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

##### 1.9 Pensions benefits

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

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

#### 1 Accounting policies

(Continued)

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1.10 Fund accounting

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

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

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

#### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Other donations	2,306	-	2,306

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

#### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Hire of facilities	81,078	-	81,078
Exam fees	45	-	45
Other income	232,433	-	232,433
	<u>313,556</u>	<u>-</u>	<u>313,556</u>

#### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	537	-	537
	<u>537</u>	<u>-</u>	<u>537</u>

#### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
<b>DfE / EFA revenue grants</b>			
General annual grant (GAG)	-	4,606,185	4,606,185
Other DfE / EFA grants	-	360,246	360,246
	<u>-</u>	<u>4,966,431</u>	<u>4,966,431</u>
<b>Other government grants</b>			
Local authority grants	-	50,191	50,191
Other grants	-	46,398	46,398
	<u>-</u>	<u>96,589</u>	<u>96,589</u>
<b>Other funds</b>			
Other incoming resources	-	22,754	22,754
	<u>-</u>	<u>22,754</u>	<u>22,754</u>
<b>Total funding</b>	<u>-</u>	<u>5,085,774</u>	<u>5,085,774</u>

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £
<b>Academy's educational operations</b>				
- Direct costs	3,164,465	-	322,070	3,486,535
- Allocated support costs	892,211	387,224	579,838	1,859,273
	<u>4,056,676</u>	<u>387,224</u>	<u>901,908</u>	<u>5,345,808</u>
<b>Other expenditure</b>				
Costs of activities for generating funds	162,390	1,381	116,307	280,078
Governance costs	-	-	10,295	10,295
	<u>162,390</u>	<u>1,381</u>	<u>126,602</u>	<u>290,373</u>
<b>Total expenditure</b>	<u>4,219,066</u>	<u>388,605</u>	<u>1,028,510</u>	<u>5,636,181</u>

### Incoming/outgoing resources for the year include:

	2015 £
Fees payable to auditor	
- Audit	3,500
- Other services	3,500
	<u>7,000</u>

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 7 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
<b>Direct costs</b>			
Teaching and educational support staff costs	-	3,164,465	3,164,465
Educational supplies and services	-	174,700	174,700
Examination fees	-	87,528	87,528
Staff development	-	52,544	52,544
Other direct costs	-	7,298	7,298
	-	3,486,535	3,486,535
<b>Allocated support costs</b>			
Support staff costs	-	892,211	892,211
Depreciation	-	303,915	303,915
Technology costs	-	170,000	170,000
Recruitment and support	-	4,132	4,132
Maintenance of premises and equipment	-	83,309	83,309
Cleaning	-	9,625	9,625
Energy costs	-	110,293	110,293
Rent and rates	-	37,409	37,409
Insurance	-	23,243	23,243
Catering	-	83,499	83,499
Interest and finance costs	-	56,000	56,000
Other support costs	-	85,637	85,637
	-	1,859,273	1,859,273
<b>Total costs</b>	-	5,345,808	5,345,808

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	5,840	5,840
Auditor's remuneration			
- Audit of financial statements	-	3,500	3,500
Other governance costs	-	955	955
	-	10,295	10,295

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 9 Staff costs

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

	2015 Number
Teachers	71
Administration and support	56
	<u>127</u>

#### Costs included within the accounts:

	2015 £
Wages and salaries	3,345,072
Social security costs	241,017
Other pension costs	582,232
	<u>4,168,321</u>
Supply teacher costs	50,745
	<u>4,219,066</u>

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number
£80,000 - £90,000	<u>1</u>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015
Teachers' Pension Scheme	Numbers	1
	£	<u>12,282</u>
Local Government Pension Scheme	Numbers	-
	£	<u>-</u>

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period, travel and subsistence payments totalling £40 were reimbursed to 1 trustee. Also trustees' expenses of £955 relating to training were incurred during the year.

The value of trustees' remuneration was as follows:

A Quaile (headteacher) £85,000 - £90,000

Other related party transactions involving the trustees are set out within the related parties note.

### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides unlimited cover on any one claim. The academy has joined the DfE Risk Protection Arrangement insurance scheme which does not specify the individual cost for the trustees and officers premium.

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 2 September 2014	-	-	-	-
Additions	10,058,000	330,707	332,106	10,720,813
At 31 August 2015	10,058,000	330,707	332,106	10,720,813
<b>Depreciation</b>				
At 2 September 2014	-	-	-	-
Charge for the period	177,228	98,030	28,657	303,915
At 31 August 2015	177,228	98,030	28,657	303,915
<b>Net book value</b>				
At 31 August 2015	9,880,772	232,677	303,449	10,416,898



# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 11 Tangible fixed assets

(Continued)

Included within land and buildings is an amount of £391,000 in respect of land which is not depreciated.

The valuation of land & buildings transferred on conversion was performed by Mouchel on 21 July 2015. In the opinion of the trustees, the resulting valuation, which was carried out on a depreciated replacement cost basis, are appropriate for inclusion in the accounts.

### 12 Stocks

2015

£

Stationery for resale

374

### 13 Debtors

2015

£

Trade debtors

14,202

VAT recoverable

10,289

Prepayments and accrued income

139,803

164,294

### 14 Creditors: amounts falling due within one year

2015

£

Taxes and social security costs

76,114

Other creditors

74,250

Accruals

92,657

Deferred income

13,883

256,904

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 15 Deferred income

2015  
£

Deferred income is included within:

Creditors due within one year 13,883

Total deferred income at 2 September 2014 -

Amounts credited to the statement of financial activities -

Amounts deferred in the period 13,883

**Total deferred income at 31 August 2015 13,883**

### 16 Funds

	Balance at 2 September 2014	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	-	4,606,185	(4,487,080)	(22,286)	96,819
Other DfE / EFA grants	-	360,246	(360,246)	-	-
Other government grants	-	60,108	(60,108)	-	-
Other restricted funds	-	22,754	(22,754)	-	-
	-	5,049,293	(4,930,188)	(22,286)	96,819
Funds excluding pensions	-	(1,696,000)	(122,000)	(151,000)	(1,969,000)
Pension reserve	-	3,353,293	(5,052,188)	(173,286)	(1,872,181)
	-				
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	-	36,481	-	(34,675)	1,806
Inherited fixed asset fund	-	10,663,852	(299,522)	-	10,364,330
Capital expenditure from GAG or other funds	-	-	(4,393)	56,961	52,568
	-	10,700,333	(303,915)	22,286	10,418,704
	-				
<b>Total restricted funds</b>	-	14,053,626	(5,356,103)	(151,000)	8,546,523
	-				
<b>Unrestricted funds</b>					
General funds	-	541,984	(280,078)	-	261,906
	-				
<b>Total funds</b>	-	14,595,610	(5,636,181)	(151,000)	8,808,429

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 16 Funds

(Continued)

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

Restricted general funds must be used for the normal running costs of the Trust in line with the Master Funding Agreement and restrictions from other sources of funding. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust at the discretion of the Trustees.

Unrestricted funds will be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.

Fund transfers relate to the pension scheme movements during the period, fixed assets purchased from unrestricted funds and recurrent expenditure purchased from non GAG funding.

### 17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2015 are represented by:</b>				
Tangible fixed assets	-	-	10,416,898	10,416,898
Current assets	261,906	353,723	1,806	617,435
Creditors: amounts falling due within one year	-	(256,904)	-	(256,904)
Defined benefit pension liability	-	(1,969,000)	-	(1,969,000)
	<u>261,906</u>	<u>(1,872,181)</u>	<u>10,418,704</u>	<u>8,808,429</u>

### 18 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the South Yorkshire Pensions Agency. 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 2013.

Contributions amounting to £61,689 were payable to the schemes at 31 August 2015 and are included within creditors.

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million

- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £316,264.

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 9.9% for employers and between 5.5% and 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £212,000.

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.

	2015 £
Employer's contributions	185,000
Employees' contributions	43,000
Total contributions	<u>228,000</u>

#### Principal actuarial assumptions

	2015 %
Rate of increase in salaries	4.05
Rate of increase for pensions in payment	2.30
Discount rate for scheme liabilities	4.00
Inflation assumption (CPI)	<u>2.30</u>

The effect of +0.1% in the assumed discount rate would be to reduce the liabilities to £2,841,000, reduce the scheme deficit to £1,898,000 and reduce the projected service cost for next year to £160,000. The effect of +0.1% in the assumed inflation rate would be to increase the liabilities to £2,985,000, increase the deficit to £2,042,000, increase the projected service cost for next year to £171,000 and increase the projected interest cost for next year to £124,000. The effect of +1 year in life expectancy would be to increase the liabilities to £2,963,000, increase the scheme deficit to £2,020,000, increase the projected service cost for next year to £169,000 and increase the projected interest cost for next year to £123,000.

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

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

	2015 Years
Retiring today	
- Males	23
- Females	26
Retiring in 20 years	
- Males	25
- Females	28

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

	2015 Expected return %	2015 Fair value £
Equities	6.50	560,000
Government Bonds	2.50	135,000
Other Bonds	3.60	56,000
Cash/Liquidity	0.50	17,000
Property	6.10	108,000
Other assets	6.50	67,000
Total market value of assets		943,000
Present value of scheme liabilities - funded		(2,912,000)
Net pension asset / (liability)		(1,969,000)

## MINERVA LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

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#### 18 Pensions and similar obligations

(Continued)

The expected rate of return on plan assets is based on market value expectations, at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the following assumptions appropriate to the individual asset class weighted by the proportion of the assets in the particular asset class.

The assumed investment return on government bonds is the yield on 20-year fixed interest gilts at the relevant date. As at 31 August 2015 this yield was 2.5% p.a.

The expected investment return on corporate bonds is based on market yields at the relevant date, although this will normally vary by duration, and the expected return should also take into account the risk of default in the corporate bond yield. As at 31 August 2015 the expected return has been taken as 3.6% p.a., which implies a reduction for the risk of default 0.3% p.a. when compared with the corporate bond yield/discount rate appropriate to the "Mature" deviation profile for example.

It is generally accepted that the yield on equity investments will contain an "equity risk premium" in addition to the yield on Government bonds, which are perceived as the "least-risk" investment class, in order to compensate investors for the additional risk of holding this type of investment. Historical excess equity returns over more than 100 years have been approximately 4% p.a. on average. However, the level of equity risk premium can vary from time to time dependent on market levels and expectations for future returns. The overall expected return on equities as at 31 August 2015 has been taken as 6.5% p.a., implying an equity risk premium on equities of 4.0% p.a. over and above the gilt yield of 2.5% p.a.

Assumed returns on property are based on the expected long term returns on cash investments, plus a risk premium to allow for expected out-performance or property over cash, and an adjustment for the impact of the expected volatility of the returns.

There are few rules on how expected returns on assets should be calculated, and the approaches outlined above show the results of only one of the possible analyses.

The actual return on scheme assets was £28,000.

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 AUGUST 2015

#### 18 Pensions and similar obligations

(Continued)

##### Operating costs and income recognised in the statement of financial activities

	2015 £
<b>Financial expenditure/(income)</b>	
Expected return on pension scheme assets	(41,000)
Interest on pension liabilities	97,000
	<u>56,000</u>
<b>Other expenditure/(income)</b>	
Current service cost	251,000
Past service cost	-
	<u>251,000</u>
<b>Total operating charge/(income)</b>	<u>307,000</u>

##### Actuarial gains and losses recognised in the statement of financial activities

	2015 £
Actuarial (gains)/losses on assets: actual return less expected	13,000
Experience (gains)/losses on liabilities	138,000
(Gains)/losses arising from changes in assumptions	-
	<u>151,000</u>
<b>Total (gains)/losses</b>	<u>151,000</u>
<b>Cumulative (gains)/losses to date</b>	<u>151,000</u>

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

	2015 £
Obligations acquired on conversion	(2,383,000)
Current service cost	(251,000)
Interest cost	(97,000)
Contributions by employees	(43,000)
Actuarial gains/(losses)	(138,000)
	<u>(2,912,000)</u>



# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 18 Pensions and similar obligations

(Continued)

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

	2015 £
Assets acquired on conversion	687,000
Expected return on assets	41,000
Actuarial gains/(losses)	(13,000)
Contributions by employers	185,000
Contributions by employees	43,000
	<u>943,000</u>

#### History of experience gains and losses:

	2015 £
Present value of defined benefit obligations	(2,912,000)
Fair value of share of scheme assets	<u>943,000</u>
Surplus / (deficit)	<u>(1,969,000)</u>
Experience adjustment on scheme liabilities	(138,000)
Experience adjustment on scheme assets	<u>(13,000)</u>

# MINERVA LEARNING TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

### 19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015 £
Net income	8,959,429
Capital grants and similar income	(36,481)
Net deficit/(surplus) transferred on conversion	(9,193,437)
Net current assets other than cash transferred on conversion	24,625
Investment income	(537)
FRS17 pension costs less contributions payable	66,000
FRS17 pension finance income	56,000
Depreciation of tangible fixed assets	303,915
(Increase)/decrease in stocks	(374)
(Increase)/decrease in debtors	(164,294)
Increase/(decrease) in creditors	256,904
Net cash inflow/(outflow) from operating activities	271,750

### 20 Reconciliation of net cash flow to movement in net funds

	2015 £
Increase/(decrease) in cash	452,767
Net funds at 2 September 2014	-
Net funds at 31 August 2015	452,767

### 21 Analysis of net funds

	At 2 September 2014 £	Transferred on conversion £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	-	200,960	251,807	-	452,767

### 22 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.

## MINERVA LEARNING TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

#### 23 Conversion to an academy

On 1 October 2014 the Handsworth Grange Community Sports College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Minerva Learning Trust from the South Yorkshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total 2015 £
Fixed assets transferred	-	-	10,663,852	10,663,852
Surplus/(deficit) on LA budget funds	225,585	-	-	225,585
LGPS pension surplus/(deficit)	-	(1,696,000)	-	(1,696,000)
Net assets transferred	<u>225,585</u>	<u>(1,696,000)</u>	<u>10,663,852</u>	<u>9,193,437</u>

Net assets transferred include the following:

	£
Cash	200,960
Leasehold land and buildings	10,058,000
Tangible fixed assets apart from land and buildings	605,852
Pension deficit	(1,696,000)
Debtor	24,625
	<u>9,193,437</u>

#### 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10.