

COMPANY REGISTRATION NO. 09200332 (ENGLAND AND WALES)

MINERVA LEARNING TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017



MINERVA LEARNING TRUST

CONTENTS

	Page
Reference and administrative details	1 - 3
Trustees' report	4 - 12
Governance statement	13 - 16
Statement on regularity, propriety and compliance	17
Statement of trustees' responsibilities	18
Independent auditor's report on the accounts	19 - 21
Independent reporting accountant's report on regularity	22 - 23
Statement of financial activities including income and expenditure account	24 - 25
Balance sheet	26
Statement of cash flows	27
Notes to the accounts including accounting policies	28 - 50

MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr E Wydenbach
Mr K Aslam
Mr J Crossley Holland (appointed July 2017)
Mr S Betts (appointed July 2017)
Mr J Bowers (appointed July 2017)
Ms E Underwood (resigned July 2017)
Mr S Sims (resigned July 2017)

Trustees

Mr E Wydenbach (Chair)
Ms E Underwood (Vice Chair) (Resigned 26 September 2017) *
Mr S Sims (Chair of Finance and Responsible Officer) *#
Ms A Quaile (Resigned 1 October 2017)
Mr J McDonnell *#
Mr S Chew
Mr K Aslam
Mr D Burkinshaw (Appointed 1 October 2017)
Mr I Robinson (Appointed 1 October 2017)

* members of the finance and general purposes committee

members of the audit committee

Governors of Handsworth Grange Community Sports College

Ms E Underwood (Chair)
Mr S Sims
Mr J McDonnell
Mr K Aslam (Vice Chair)
Mr N Craig
Mrs D Clarke
Mr A Khayum

Governors of Stocksbridge High School

Mr R Crowther
Ms S Irish-Deverill
Ms V Brown
Ms S Cavanagh (Chair)
Ms A Peers
Mr B Fieldsend
Mr M Warren
Mr Y Matischen
Ms N Buchanan
Mr J Tear
Mr J Wilson
Mr B Mosley

MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Governors of Ecclesfield School

Mr R Walker (Chair)
Mr M Levery (Vice Chair)
Mr R Brailsford
Ms M Walker
Mr L Davis
Ms L Heeley
Mr I McKinney
Mr J Moran
Ms J Cox
Mr R Hinchliffe
Ms D Taylor
Ms S Holland
Ms K Kitson

Senior management team

- Headteacher	Ms A Quaile (Accounting Officer)
- Deputy Head	Mr N Parker
- Assistant Head	Mrs S Ruczenzyn
- Assistant Head	Ms K Grapes
- Assistant Head	Ms S McCoy
- Assistant Head	Mrs K Reynolds
- Business Manager	Mr S Wild (left August 2017)
- Business Manager	Mr A Anderson (started August 2017)

Company registration number

09200332 (England and Wales)

Registered office

Handsworth Grange Community Sports College
Handsworth Grange Road
Sheffield
South Yorkshire
S13 9HJ

Academies operated

Handsworth Grange Community Sports College
Stocksbridge High School
Ecclesfield School

Location

Sheffield
Sheffield
Sheffield

Head of School

Ms A Quaile
Mr A Smith
Mr R Walkden

Independent auditor

UHY Hacker Young
6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

MINERVA LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank
Church Street
Sheffield
S1 1HP

Solicitors

Sheffield City Council Legal Services
Pinstone Street
Sheffield
S1 1HH

MINERVA LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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 year 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 11 to the financial statements.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the academy trust shall have the following Governors:

- The Trust Board will have up to 7 members
- The academy governing body will have 10 members
- The composition of the Governing Body includes 1 Headteacher, 1 Trust Board member, 2 parents, 5 co-opted governors and 1 staff member.

Policies and procedures adopted for the induction and training of trustees

During the year under review the Full Governing Body met 3 times and there were 11 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. All 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 YEAR ENDED 31 AUGUST 2017

Organisational structure

The organisational structure consists of three levels: the Minerva Learning Trust Board (members have oversight of the trust and appointment of trustees), 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, 1 Deputy Head, 4 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.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Headteacher and following guidance from the relevant professional pay review bodies. Naturally the Headteacher was not involved in setting her own remuneration package.

Only staff trustees, including the Headteacher, are remunerated, and these individuals only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in note 10.

The day to day running of the remuneration policy is delegated to the Headteacher and monitored by the Teaching, Learning and Staffing committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and performance management review policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual has remuneration at an appropriate level. As such, salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 9.

Related parties and other connected charities and organisations

Handsworth Grange Community Sports College was the only school in the trust during the year to 31 August 2017. Since the year end Ecclesfield School and Stocksbridge High School joined the trust on 1 December 2017. The trust is expanding the secondary schools that will be part of the Multi Academy Trust by a further 2 over the next academic year making a total of 5 Secondary Schools.

These accounts refer to Handsworth Grange Community Sports College only, as for the period 1 September 2016 to 31 August 2017 this was the only academy in the trust. Handsworth Grange 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. Both of these income streams are included in these financial statements.

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

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

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. Two further secondary schools have also joined Minerva, Ecclesfield School and Stocksbridge High School on 1 December 2017, a further 2 secondary schools will be joining in the new year.

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 during the year ended 31 August 2017).

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

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 are often asked to showcase our school. This year we have worked with Future Leaders, the DfE and we have conducted 3 pupil premium reviews which has led to collaborative work between us and other schools. By continually focussing on our own improvement strategies we are developing the capacity to support new partners to our trust.

Last year our school accepted the commission to be the Virtual School for Looked After Children, and we are rated as an Outstanding Future Leaders Placement and Training School.

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

The Chair of our Trust Board is a National Leader of Governance and supports the training and development of other school Governors and Governing Bodies.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 has undertaken four Pupil Premium Reviews for other schools during the last year
- 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 the 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 were the first school in the country to set up a food bank, collect food each half term and staff in school have also had the training to refer families for food.

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 above, are demonstrably to the public benefit.

Strategic report

Achievements and performance

The school has opted in to the new government measure of Progress 8 and secured a value of +0.79. In context, this ranks the school as the 3rd highest in terms of Progress 8 from the 27 schools within Sheffield; and only 4% of good and 20% of outstanding schools have a P8 figure of greater than 0.5% 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.

55% of students gained both Maths and English GCSE at grade C or better and 82% made better than expected progress.

Attendance rates continue to increase with 2016/17 being 94%.

100% of our students are now in Post 16 education, training or employment.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

The Governors consider that the following are key performance indicators for the academy trust:

- Pupils numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from ESFA 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 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 it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2017, total expenditure of £6,268,155 was not covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £310,216. The school is currently subsidising its GAG income from its trading activities and other income. The school closely monitors this income and is working to ensure that funds from the General Annual Grant cover the costs of its educational provision.

At 31 August 2017, the net book value of fixed assets was £9,896,703 and movements in tangible fixed assets are shown in note 12 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.

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.

Under FRS 102 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 2017 the deficit on this reserve was £2,858,000. Contributions to the pension scheme are being increased over the next few years in order to help reduce the deficit.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

Principal risks and uncertainties

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 financial 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.

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.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 - this 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.

Pension deficit risk - pension deficits have decreased this year due to the improvement in corporate bond yields (i.e. the discount rates), which increased the pension assets. However, the accounting deficits have no effect on the academy trust's contribution rates, which are determined using long-term funding assumptions based on the particular investment strategy of the related Pension Fund rather than being solely based on the yields on corporate bonds.

Plans for future periods

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.

Minerva Learning Trust is expanding its Multi Academy Trust, Ecclesfield School and Stocksbridge High School joined the trust on 1 December 2017 with a further 2 secondary Schools joining in April 2018. The board has agreed not to talk to other secondary schools but to establish and embed the Trust before making future commitments re expansion. The Trust is looking to develop a Primary hub.

MINERVA LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2017 and signed on its behalf by:



Mr E Wydenbach
Chair



Mr S Sims
Chair of Finance and Responsible Officer

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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 Headteacher, 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 year. Attendance during the year at meetings was as follows:

Trustees	Meetings attended	Out of possible
Mr E Wydenbach (Chair)	3	3
Ms E Underwood (Vice Chair) (Resigned 26 September 2017)	3	3
Mr S Sims (Chair of Finance and Responsible Officer)	3	3
Ms A Quaile (Resigned 1 October 2017)	3	3
Mr J McDonnell	3	3
Mr S Chew	3	3
Mr K Aslam	3	3
Mr D Burkinshaw (Appointed 1 October 2017)	0	0
Mr I Robinson (Appointed 1 October 2017)	0	0

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 local 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 ESFA Academies Financial Handbook and the school Funding Agreement. To oversee the management of the schools finances within the framework established by the ESFA Academies Financial Handbook and the school Funding Agreement.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Ms E Underwood (Vice Chair) (Resigned 26 September 2017)	3	3
Mr S Sims (Chair of Finance and Responsible Officer)	3	3
Mr J McDonnell	3	3

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The role of the **Audit Committee** 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.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr S Sims (Chair of Finance and Responsible Officer)	3	3
Mr J 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:

- continuing to develop and implement 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 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 continuing to target resources to improve attainment in the key areas of English and mathematics
- continuing the development of 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 their potential, thereby improving educational outcomes
- undertaking an estate wide review of our 885 ICT hardware devices to develop a strategic replacement and sustainment plan. This has enabled us to develop an effective strategy for the use of limited funds to replace ageing equipment and upgrade the remainder to increase its lifespan by a further 3 to 5 years
- participating in citywide benchmarking exercises with other secondary schools on science technicians and departmental capitation budgets, that has enabled us to achieve budget savings in these areas

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 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts.

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 1 September 2016 to 31 August 2017 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: to appoint external accountants to undertake our internal audit function.

The internal auditor'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 internal auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

The Finance and General Purposes Committee have reviewed the reports received from the internal auditors covering the above areas, and no material control issues were found.

MINERVA LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of effectiveness

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


- the work of the 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.

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

Approved by order of the board of trustees on 12 December 2017 and signed on its behalf by:



Mr E Wydenbach
Chair



Ms A Quaile

MINERVA LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Minerva Learning Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

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



Ms A Quaile
Accounting Officer

12 December 2017

MINERVA LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who are directors of Minerva Learning Trust for the purposes of company law and some of whom also act as governors for Handsworth Grange Community Sports College) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued 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 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 2015 and the Academies Accounts Direction 2016 to 2017;
- 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 ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 12 December 2017 and signed on its behalf by:



Mr E Wydenbach
Chair



Mr S Sims
Chair of Finance and Responsible Officer

MINERVA LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MINERVA LEARNING TRUST

Opinion

We have audited the accounts of Minerva Learning Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

MINERVA LEARNING TRUST

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

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

MINERVA LEARNING TRUST

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

Auditor's responsibilities for the audit of the accounts

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

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

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

19 December 2017

Chartered Accountants
Statutory Auditor

6 Broadfield Court
Broadfield Way
Sheffield
S8 0XF

MINERVA LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MINERVA LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 August 2015 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 Minerva Learning Trust during the period 1 September 2016 to 31 August 2017 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 ESFA 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 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 the Minerva Learning Trust and the ESFA, 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 accountant

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 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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:

- 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO MINERVA LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 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: 19 December 2017

MINERVA LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	56	-	520,829	520,885	30,227
Charitable activities:						
- Funding for educational operations	3	-	5,341,808	-	5,341,808	5,393,977
Other trading activities	4	271,331	50,904	-	322,235	364,396
Investments	5	373	-	-	373	765
Total income and endowments		<u>271,760</u>	<u>5,392,712</u>	<u>520,829</u>	<u>6,185,301</u>	<u>5,789,365</u>
Expenditure on:						
Raising funds	6	114,826	63	-	114,889	355,880
Charitable activities:						
- Educational operations	7	91,958	5,747,740	313,568	6,153,266	6,023,956
Total expenditure	6	<u>206,784</u>	<u>5,747,803</u>	<u>313,568</u>	<u>6,268,155</u>	<u>6,379,836</u>
Net income/(expenditure)		64,976	(355,091)	207,261	(82,854)	(590,471)
Transfers between funds		-	(20,101)	20,101	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	540,000	-	540,000	(1,236,000)
Net movement in funds		<u>64,976</u>	<u>164,808</u>	<u>227,362</u>	<u>457,146</u>	<u>(1,826,471)</u>
Reconciliation of funds						
Total funds brought forward		123,580	(3,222,055)	10,170,933	7,072,458	8,898,929
Total funds carried forward		<u>188,556</u>	<u>(3,057,247)</u>	<u>10,398,295</u>	<u>7,529,604</u>	<u>7,072,458</u>

MINERVA LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2016		Funds	General	Fixed asset	2016
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	2	-	-	30,227	30,227
Charitable activities:					
- Funding for educational operations	3	-	5,393,977	-	5,393,977
Other trading activities	4	343,708	20,688	-	364,396
Investments	5	765	-	-	765
Total income and endowments		<u>344,473</u>	<u>5,414,665</u>	<u>30,227</u>	<u>5,789,365</u>
Expenditure on:					
Raising funds	6	355,880	-	-	355,880
Charitable activities:					
- Educational operations	7	1,919	5,675,099	346,938	6,023,956
Total expenditure	6	<u>357,799</u>	<u>5,675,099</u>	<u>346,938</u>	<u>6,379,836</u>
Net expenditure		(13,326)	(260,434)	(316,711)	(590,471)
Transfers between funds		(125,000)	146,560	(21,560)	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	19	-	(1,236,000)	-	(1,236,000)
Net movement in funds		(138,326)	(1,349,874)	(338,271)	(1,826,471)
Reconciliation of funds					
Total funds brought forward		261,906	(1,872,181)	10,509,204	8,898,929
Total funds carried forward		<u>123,580</u>	<u>(3,222,055)</u>	<u>10,170,933</u>	<u>7,072,458</u>


MINERVA LEARNING TRUST

BALANCE SHEET

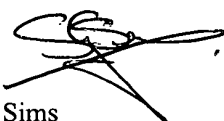
AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		9,896,703		10,163,816
Current assets					
Stocks	13	97		264	
Debtors	14	264,758		148,955	
Cash at bank and in hand		601,740		370,076	
		<u>866,595</u>		<u>519,295</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(375,694)		(359,653)	
Net current assets			490,901		159,642
Net assets excluding pension liability			<u>10,387,604</u>		<u>10,323,458</u>
Defined benefit pension liability	19		(2,858,000)		(3,251,000)
Net assets			<u>7,529,604</u>		<u>7,072,458</u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			10,398,295		10,170,933
- Restricted income funds			(199,247)		28,945
- Pension reserve			(2,858,000)		(3,251,000)
Total restricted funds			<u>7,341,048</u>		<u>6,948,878</u>
Unrestricted income funds	17		188,556		123,580
Total funds			<u>7,529,604</u>		<u>7,072,458</u>

The accounts set out on pages 24 to 50 were approved by the board of trustees and authorised for issue on 12 December 2017 and are signed on its behalf by:



Mr E Wydenbach
Chair



Mr S Sims
Chair of Finance and Responsible Officer

Company Number 09200332

MINERVA LEARNING TRUST**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 AUGUST 2017**

		2017	2016
	Notes	£	£
Cash flows from operating activities			
Net cash used in operating activities	20	(243,083)	(108,853)
Cash flows from investing activities			
Dividends, interest and rents from investments		373	765
Capital funding from sponsors and others		520,829	30,227
Payments to acquire tangible fixed assets		(46,455)	(93,856)
		<u>474,747</u>	<u>(62,864)</u>
Change in cash and cash equivalents in the reporting period		231,664	(171,717)
Cash and cash equivalents at 1 September 2016		370,076	541,793
Cash and cash equivalents at 31 August 2017		<u>601,740</u>	<u>370,076</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2017

1 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.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy trust to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an academy trust in an earlier period involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer was that of a gift and it was accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the maintained school to the academy trust were valued at their fair value. The fair value was derived based on that of equivalent items. The amounts were recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

1.4 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 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 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.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period 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.

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 the 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 not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is 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.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

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.

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.

Governance costs

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

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. Where there are specific conditions attached to the funding that require 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 freehold land, at rates calculated to write off the cost of each asset on a straight-line balance basis over its expected useful life, as follows:

Leasehold land and buildings	2%
Computer equipment	20%
Fixtures, fittings & equipment	10%

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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 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 or services it must provide.

1.8 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.9 Financial instruments

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

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. 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. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 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.

1.11 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.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.12 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.

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 quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are 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 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 in other recognised gains and losses.

1.13 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 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 and Skills Funding Agency/Department for Education.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.14 Critical accounting estimates and areas of judgement

Accounting 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The academy trust included properties transferred on conversion at fair value, being recognised in the statement of financial activities in the year of conversion. The Trust engages independent valuation specialists to determine fair value. The valuer used a valuation technique based on a discounted cash flow model as there is a lack of comparable market data because of the nature of the properties.

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	520,829	520,829	30,227
Other donations	56	-	56	-
	<u>56</u>	<u>520,829</u>	<u>520,885</u>	<u>30,227</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	4,927,895	4,927,895	4,920,812
Other DfE / ESFA grants	-	377,564	377,564	355,126
	-	5,305,459	5,305,459	5,275,938
Other government grants				
Local authority grants	-	6,135	6,135	86,302
Special educational projects	-	23,797	23,797	23,803
	-	29,932	29,932	110,105
Other funds				
Other incoming resources	-	6,417	6,417	7,934
Total funding	-	5,341,808	5,341,808	5,393,977

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	103,508	-	103,508	102,727
Exam fees	74	-	74	560
Other income	167,749	50,904	218,653	261,109
	271,331	50,904	322,235	364,396

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	373	-	373	765

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Expenditure on raising funds	64,852	35,992	14,045	114,889	355,880
Academy's educational operations					
- Direct costs	3,854,153	-	315,359	4,169,512	4,199,019
- Allocated support costs	993,816	530,528	459,410	1,983,754	1,824,937
	<u>4,912,821</u>	<u>566,520</u>	<u>788,814</u>	<u>6,268,155</u>	<u>6,379,836</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	3,700	4,200
- Other services	4,560	4,300
Operating lease rentals	9,736	6,002
Depreciation of tangible fixed assets	313,568	346,938
Net interest on defined benefit pension liability	72,000	77,000
	<u></u>	<u></u>

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	55,599	4,113,913	4,169,512	4,199,019
Support costs - educational operations	36,359	1,947,395	1,983,754	1,824,937
	<u>91,958</u>	<u>6,061,308</u>	<u>6,153,266</u>	<u>6,023,956</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities

(Continued)

	2017 £	2016 £
Analysis of support costs		
Support staff costs	993,816	696,087
Depreciation and amortisation	313,568	346,938
Technology costs	133,991	175,187
Premises costs	185,238	268,665
Other support costs	351,149	328,367
Governance costs	5,992	9,693
	<u>1,983,754</u>	<u>1,824,937</u>

8 Governance costs

All from restricted funds:

Amounts included in support costs

	Total 2017 £	Total 2016 £
Legal and professional fees	115	4,820
Auditor's remuneration		
- Audit of financial statements	3,700	4,200
Other governance costs	2,177	673
	<u>5,992</u>	<u>9,693</u>

9 Staff costs

	2017 £	2016 £
Wages and salaries	3,652,452	3,739,179
Social security costs	350,580	310,198
Operating costs of defined benefit pension schemes	733,625	624,524
Staff costs	<u>4,736,657</u>	<u>4,673,901</u>
Supply staff costs	73,662	113,299
Staff restructuring costs	78,014	19,220
Staff development and other staff costs	24,488	24,918
Total staff expenditure	<u>4,912,821</u>	<u>4,831,338</u>

Staff restructuring costs are made up of redundancy payments of £43,166 (2016: £nil) and severance payments of £34,848 (2016: £19,220).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

(Continued)

Staff numbers

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

	2017 Number	2016 Number
Teachers	70	64
Administration and support	69	68
Management	7	9
	<u>146</u>	<u>141</u>

Higher paid staff

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

	2017 Number	2016 Number
£60,000 - £70,000	1	-
£90,000 - £100,000	-	1
£110,000 - £120,000	1	-
	<u>1</u>	<u>1</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £34,848 (2016: £19,220). Individually, the payments were:

Pay in lieu of notice: £8,122, £2,371 and £11,355

Compromise agreements: £9,000 and £4,000

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £500,670 (2016: £568,182).

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

One or more of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their services as trustees.

The value of trustees' remuneration and other benefits was as follows:

A Quaile (headteacher)

Remuneration £115,000-£120,000 (2016: £95,000 - £100,000)

Employers' pension contribution £15,000 - £20,000 (2016: £15,000 - £20,000)

E Wydenbach (trainer)

Remuneration £5,000-£10,000 (2016: £nil)

Employers' pension contribution £nil (2016: £nil)

During the year travel and subsistence payments totalling £168 were reimbursed to 1 trustee (2016: none).

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

11 Trustees and officers insurance

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

12 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2016	10,058,000	418,074	338,595	10,814,669
Additions	-	26,353	20,102	46,455
At 31 August 2017	10,058,000	444,427	358,697	10,861,124
Depreciation				
At 1 September 2016	370,568	209,982	70,303	650,853
Charge for the year	193,340	86,250	33,978	313,568
At 31 August 2017	563,908	296,232	104,281	964,421
Net book value				
At 31 August 2017	9,494,092	148,195	254,416	9,896,703
At 31 August 2016	9,687,432	208,092	268,292	10,163,816

Included within land and buildings is an amount of £391,000 (2016: £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, is appropriate for inclusion in the accounts.

13 Stocks	2017 £	2016 £
Stationery for resale	97	264
	<u>97</u>	<u>264</u>
14 Debtors	2017 £	2016 £
Trade debtors	13,376	17,309
VAT recoverable	33,777	44,102
Other debtors	-	6,014
Prepayments and accrued income	217,605	81,530
	<u>264,758</u>	<u>148,955</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

15 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	132,395	136,097
Other taxation and social security	82,592	89,439
Other creditors	73,724	75,067
Accruals and deferred income	86,983	59,050
	<u>375,694</u>	<u>359,653</u>
16 Deferred income	2017	2016
	£	£
Deferred income is included within:		
Creditors due within one year	<u>28,863</u>	<u>13,170</u>
Deferred income at 1 September 2016	13,170	13,883
Released from previous years	(13,170)	(13,883)
Amounts deferred in the year	<u>28,863</u>	<u>13,170</u>
Deferred income at 31 August 2017	<u><u>28,863</u></u>	<u><u>13,170</u></u>

At the balance sheet date the academy trust was holding funds received in advance for rates relief for the 2017/18 academic year of £14,980 and for the funding of the school games organiser for the 2017/18 academic year of £13,883.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	28,945	4,927,895	(5,135,986)	(20,101)	(199,247)
Pupil premium	-	377,564	(377,564)	-	-
Other government grants	-	29,932	(29,932)	-	-
Other restricted funds	-	57,321	(57,321)	-	-
	<u>28,945</u>	<u>5,392,712</u>	<u>(5,600,803)</u>	<u>(20,101)</u>	<u>(199,247)</u>
Funds excluding pensions	28,945	5,392,712	(5,600,803)	(20,101)	(199,247)
Pension reserve	(3,251,000)	-	(147,000)	540,000	(2,858,000)
	<u>(3,222,055)</u>	<u>5,392,712</u>	<u>(5,747,803)</u>	<u>519,899</u>	<u>(3,057,247)</u>
Restricted fixed asset funds					
Transferred on conversion	10,127,111	-	(305,057)	-	9,822,054
DfE / ESFA capital grants	2,640	520,829	(2,034)	-	521,435
Capital expenditure from GAG	41,182	-	(6,477)	20,101	54,806
	<u>10,170,933</u>	<u>520,829</u>	<u>(313,568)</u>	<u>20,101</u>	<u>10,398,295</u>
Total restricted funds	<u>6,948,878</u>	<u>5,913,541</u>	<u>(6,061,371)</u>	<u>540,000</u>	<u>7,341,048</u>
Unrestricted funds					
General funds	<u>123,580</u>	<u>271,760</u>	<u>(206,784)</u>	<u>-</u>	<u>188,556</u>
Total funds	<u>7,072,458</u>	<u>6,185,301</u>	<u>(6,268,155)</u>	<u>540,000</u>	<u>7,529,604</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17 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 2017.

Restricted fixed asset funds are used solely for capital purposes in line with the strategic objectives of the trust.

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.

The school is currently subsidising its GAG income from its trading activities and other income. The school closely monitors this income and is working to ensure that funds from the General Annual Grant cover the costs of its educational provision.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	96,819	4,920,812	(5,135,246)	146,560	28,945
Other DfE / ESFA grants	-	355,126	(355,126)	-	-
Other government grants	-	110,105	(110,105)	-	-
Other restricted funds	-	28,622	(28,622)	-	-
	<u>96,819</u>	<u>5,414,665</u>	<u>(5,629,099)</u>	<u>146,560</u>	<u>28,945</u>
Funds excluding pensions	96,819	5,414,665	(5,629,099)	146,560	28,945
Pension reserve	(1,969,000)	-	(46,000)	(1,236,000)	(3,251,000)
	<u>(1,872,181)</u>	<u>5,414,665</u>	<u>(5,675,099)</u>	<u>(1,089,440)</u>	<u>(3,222,055)</u>
Restricted fixed asset funds					
Transferred on conversion	10,481,879	-	(342,168)	(12,600)	10,127,111
DfE / ESFA capital grants	1,806	30,227	(269)	(29,124)	2,640
Capital expenditure from GAG	25,519	-	(4,501)	20,164	41,182
	<u>10,509,204</u>	<u>30,227</u>	<u>(346,938)</u>	<u>(21,560)</u>	<u>10,170,933</u>
Total restricted funds	<u>8,637,023</u>	<u>5,444,892</u>	<u>(6,022,037)</u>	<u>(1,111,000)</u>	<u>6,948,878</u>
Unrestricted funds					
General funds	<u>261,906</u>	<u>344,473</u>	<u>(357,799)</u>	<u>(125,000)</u>	<u>123,580</u>
Total funds	<u>8,898,929</u>	<u>5,789,365</u>	<u>(6,379,836)</u>	<u>(1,236,000)</u>	<u>7,072,458</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	9,896,703	9,896,703
Current assets	188,556	176,447	501,592	866,595
Creditors falling due within one year	-	(375,694)	-	(375,694)
Defined benefit pension liability	-	(2,858,000)	-	(2,858,000)
	<u>188,556</u>	<u>(3,057,247)</u>	<u>10,398,295</u>	<u>7,529,604</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	10,163,816	10,163,816
Current assets	123,580	388,598	7,117	519,295
Creditors falling due within one year	-	(359,653)	-	(359,653)
Defined benefit pension liability	-	(3,251,000)	-	(3,251,000)
	<u>123,580</u>	<u>(3,222,055)</u>	<u>10,170,933</u>	<u>7,072,458</u>

19 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 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 that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £72,594 were payable to the schemes at 31 August 2017 (2016: £71,987) and are included within creditors.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 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 in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (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 previous year the employer contribution rate was 14.1%. 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 employer's pension costs paid to the TPS in the period amounted to £414,122 (2016: £411,895).

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

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

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 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 13.4% for employers and 5.5 to 12.5% for employees.

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

The academy trust has agreed to make additional deficit payments into the pension fund. The payments in the year ended 31 August 2017 were £115,503 (2016: £98,350).

Total contributions made	2017 £	2016 £
Employer's contributions	238,000	229,000
Employees' contributions	56,000	55,000
Total contributions	<u>294,000</u>	<u>284,000</u>

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.45	3.65
Rate of increase for pensions in payment	2.20	2.00
Discount rate	2.50	2.20
Inflation assumption (CPI)	<u>2.20</u>	<u>1.90</u>

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

	2017 Years	2016 Years
Retiring today		
- Males	22.90	23.00
- Females	25.70	25.70
Retiring in 20 years		
- Males	25.10	25.40
- Females	<u>28.00</u>	<u>28.50</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Scheme liabilities would have been affected by changes in assumptions as follows:

	2017	2016
Discount rate + 0.1%	(107,000)	(114,000)
Mortality assumption + 1 year	82,000	81,000
CPI rate + 0.1%	110,000	116,000
Pay rate + 0.1%	36,000	48,000

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	1,091,000	830,000
Government bonds	248,000	213,000
Other bonds	122,000	88,000
Cash/liquidity	36,000	24,000
Property	163,000	156,000
Other assets	135,000	109,000
Total market value of assets	1,795,000	1,420,000
Actual return on scheme assets - gain/(loss)	196,000	213,000

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	308,000	198,000
Interest income	(31,000)	(39,000)
Interest cost	103,000	116,000
Benefit changes, curtailments and settlements gains or losses	5,000	-
Total operating charge	385,000	275,000

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	4,671,000	2,912,000
Current service cost	308,000	198,000
Interest cost	103,000	116,000
Employee contributions	56,000	55,000
Actuarial (gain)/loss	(509,000)	1,406,000
Transfers in/(benefits paid)	19,000	(16,000)
Losses on curtailment	5,000	-
At 31 August 2017	<u>4,653,000</u>	<u>4,671,000</u>

Changes in the fair value of the academy trust's share of scheme assets

	2017 £	2016 £
Assets at 1 September 2016	1,420,000	943,000
Interest income	31,000	39,000
Actuarial gain	31,000	170,000
Employer contributions	238,000	229,000
Employee contributions	56,000	55,000
Transfers in/(benefits paid)	19,000	(16,000)
At 31 August 2017	<u>1,795,000</u>	<u>1,420,000</u>

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(82,854)	(590,471)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(520,829)	(30,227)
Investment income receivable	(373)	(765)
Defined benefit pension costs less contributions payable	75,000	(31,000)
Defined benefit pension net finance cost	72,000	77,000
Depreciation of tangible fixed assets	313,568	346,938
Decrease in stocks	167	110
(Increase)/decrease in debtors	(115,803)	105,839
Increase in creditors	16,041	13,723
Net cash used in operating activities	<u>(243,083)</u>	<u>(108,853)</u>

21 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	8,547	9,736
Amounts due in two and five years	-	8,547
	<u>8,547</u>	<u>18,283</u>

22 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed in note 10.

MINERVA LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

23 Post balance sheet events

After the year end, the following schools converted to academy trust status and joined Minerva Learning Trust.

Academy	Location	Date of conversion
Stocksbridge High School	Sheffield	1 December 2017
Ecclesfield School	Sheffield	1 December 2017

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 for the debts and liabilities contracted before he or she ceases to be a member.